



Dave Yost • Auditor of State



**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>FEDERAL GRANTOR</b>		Federal		Non-Cash	
<i>Pass Through Grantor</i>		CFDA		Receipts	
Program Title	Grant Year	Number	Receipts	Receipts	Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
<i>Passed Through Ohio Department of Education</i>					
Nutrition Cluster:					
School Breakfast Program	2011	10.553	\$151,767	\$0	\$151,767
National School Lunch Program	2011	10.555	957,217	103,100	957,217
Total Non-Cash Assistance			<u>1,108,984</u>	<u>103,100</u>	<u>1,108,984</u>
<b>Total U.S. Department of Agriculture - Nutrition Cluster</b>			<u>1,108,984</u>	<u>103,100</u>	<u>1,108,984</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>					
<i>Passed Through Columbia Local School District</i>					
Title I	2011	84.010	1,650	0	1,650
Subtotal Title I			<u>1,650</u>	<u>0</u>	<u>1,650</u>
<i>Passed Through Ohio Department of Education</i>					
Title I	2010	84.010	395,091	0	431,933
Title I	2011	84.010	948,497	0	905,552
School Improvement Sub A, Title I	2010	84.010	3,580	0	9,580
School Improvement Sub G, Title I	2010	84.377	17,725	0	13,169
ARRA -Title I Part A Stimulus	2010	84.389	73,748	0	103,839
ARRA -Title I Part A Stimulus	2011	84.389	388,283	0	375,095
Total Title I			<u>1,826,924</u>	<u>0</u>	<u>1,839,168</u>
Special Education Cluster					
IDEA Part B	2010	84.027	0	0	68,844
IDEA Part B	2011	84.027	1,489,703	0	1,396,290
ARRA - IDEA, Part B	2010	84.391	0	0	43,663
ARRA - IDEA, Part B	2011	84.391	958,334	0	890,866
Subtotal IDEA Part B			<u>2,448,037</u>	<u>0</u>	<u>2,399,663</u>
Preschool Disability Grant	2010	84.173	4,798	0	5,472
Preschool Disability Grant	2011	84.173	34,443	0	32,549
ARRA - IDEA Part B Preschool	2010	84.392	18,145	0	14,147
ARRA - IDEA Part B Preschool	2011	84.392	2,900	0	750
Subtotal Preschool Disability Grant			<u>60,286</u>	<u>0</u>	<u>52,918</u>
<b>Total Special Education Cluster</b>			<u>2,508,323</u>	<u>0</u>	<u>2,452,581</u>
Drug Free School Grant	2010	84.186	7,696	0	8,044
Drug Free School Grant	2011	84.186	6,000	0	5,466
Total Drug Free School Grant			<u>13,696</u>	<u>0</u>	<u>13,510</u>
Title II, Part D - Education Technology	2010	84.318	6,186	0	6,186
Title II, Part D - Education Technology	2011	84.318	2,673	0	2,244
Total Title II, Part D - Education Technology			<u>8,859</u>	<u>0</u>	<u>8,430</u>
Title III LEP	2010	84.365	0	0	576
Title III LEP	2011	84.365	24,646	0	23,125
Subtotal Title III			<u>24,646</u>	<u>0</u>	<u>23,701</u>
Improving Teacher Quality, Title II-A	2010	84.367	37,376	0	52,278
Improving Teacher Quality, Title II-A	2011	84.367	220,030	0	231,074
Total Improving Teacher Quality, Title II-A			<u>257,406</u>	<u>0</u>	<u>283,352</u>
ARRA - State Fiscal Stabilization Fund, Education State Grants	2010	84.394	0	0	194,303
ARRA - State Fiscal Stabilization Fund, Education State Grants	2011	84.394	595,983	0	410,843
Total ARRA - State Fiscal Stabilization Fund, Education State Grants			<u>595,983</u>	<u>0</u>	<u>605,146</u>
<b>Total U.S. Department of Education</b>			<u>5,237,487</u>	<u>0</u>	<u>5,227,538</u>
<b>Total Federal Financial Assistance</b>			<u>\$6,346,471</u>	<u>\$103,100</u>	<u>\$6,336,522</u>

The accompanying notes are an integral part of this schedule.

**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the District's federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE C – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

**NOTE D - TRANSFERS BETWEEN PROGRAM YEARS**

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. These transfers resulted in the Schedule reporting negative receipts. The District transferred the following amounts from 2010 to 2011 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred from 2010 to 2011</u>
LEP Title III	84.365	\$ 424
Special Education, Part B-IDEA	84.027	2,727



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Berea City School District  
Cuyahoga County  
390 Fair Street  
Berea, Ohio 44017

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 25, 2012, wherein we noted the District implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and restated the June 30, 2010 fund balances of the Governmental Funds due to a change in fund structure. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Government's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Government's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Government's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2011-01.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated April 25, 2012.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, Board of Education, and federal awarding agencies and pass-through entities and others within the District. We intend it for no one other than these specified parties.



**Dave Yost**  
Auditor of State

April 25, 2012



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

Berea City School District  
Cuyahoga County  
390 Fair Street  
Berea, Ohio 44017

To the Board of Education:

### Compliance

We have audited the compliance of the Berea City School District, Cuyahoga County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Berea City School District's major federal programs for the year ended June 30, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

As described in finding 2011-02 in the accompanying schedule of findings, the District did not comply with requirements regarding cash management applicable to its State Fiscal Stabilization Fund major federal program. Compliance with this requirement is necessary, in our opinion, for the District to comply with requirements applicable to this program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Berea City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

### **Internal Control Over Compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2011-02 to be a material weakness.

The District's response to the finding we identified is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

### **Federal Awards Receipts and Expenditures Schedule**

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Berea City School District (the District) as of and for the year ended June 30, 2011, and have issued our report thereon dated April 25, 2012. Our opinion also explained that the Government adopted *Governmental Accounting Standard No. 54* during the year. Our audit was performed to form opinions on the financial statements that collectively comprise the Government's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Berea City School District  
Cuyahoga County  
Independent Accountants' Report on Compliance with Requirements  
Applicable to Each Major Federal Program and on Internal Control Over  
Compliance Required by OMB Circular A-133 and  
Schedule of Federal Awards Receipts and Expenditures  
Page 2

We intend this report solely for the information and use of the audit committee, management, Board of Education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

April 25, 2012

**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2011**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	<b>Unqualified</b>
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	<b>No</b>
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	<b>Yes</b>
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	<b>Yes</b>
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	<b>No</b>
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	<b>Qualified – State Fiscal Stabilization Fund, Unqualified – Special Education Cluster and Title I</b>
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	<b>Yes</b>
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Education Cluster – CFDA # 84.027, 84.173, 84.391 & 84.392 Title I – CFDA # 84.010, 84.377 & 84.389 State Fiscal Stabilization Fund – CFDA # 84.394
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	<b>Yes</b>

**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2011  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2011-01**

**Finding for Recovery – Material Noncompliance – Medical Expense Reimbursement Plan**

The District offers a Medical Expense Reimbursement Plan (MERP) to all employees who elect not to participate in the insurance plan offered by the District, but who have coverage available through retirement benefits, coverage carried by a spouse, or individual coverage offered by another employer. The Berea Board of Education Health Plan provides that when the employee participates in MERP, they are reimbursed for two categories of expenses, (1) the premium paid by the employee or spouse for alternative coverage, and (2) the cost of deductibles and co-pays under the alternative coverage.

Any employee that participates in the MERP must remit proof of their out of pocket expenses to J&K Consultants (J&K), who in turn, reimburses the employee based on the guidelines of the District's Plan.

The District identified and our testing supported reimbursements to District employee Christine Pappas for COBRA premiums for coverage during the time period February 2011 through October 2011 at \$1,200 per month. However, the records from the COBRA insurance provider showed a payment of \$889 per month (out of pocket expense) during the time period February 2011 through July 2011. This resulted in an overpayment of \$5,466. Of this amount, \$250 was withheld via a payroll deduction, \$951 was a money order from Mrs. Pappas, and \$777 was withheld via her last payroll check from the District. The remaining outstanding amount is \$3,488.

District employee Randal Scherf was reimbursed by the District for Medical Mutual of Ohio premiums for coverage during the time period October 2009 through December 2011 at \$1,189 per month. However, the records from Medical Mutual of Ohio showed a payment of \$686 per month (out of pocket expense) from October 2009 to October 2010 and \$298 per month (out of pocket expense) from November 2010 to February 2012. This resulted in an overpayment of \$20,795. In addition, a separation agreement between Mr. Scherf's spouse and her former employer provided that the former employer would pay the cost of premiums for COBRA coverage for the period April 2009 through September 2009. Mr. Scherf was reimbursed \$7,104 during this time period based on submission of COBRA premium coupons, but did not provide any support for out of pocket expenses.

In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28 a finding for recovery for public money illegally expended is hereby issued against Christine Pappas in the amount of \$3,488 and Randal Scherf and the Travelers Casualty and Surety Company of America, his bonding company, jointly and severally, in the amount of \$27,899 and in favor of the District's General Fund.

**Official's Response**

Upon determining that Ms. Pappas received an overpayment, the administration began to recoup the money. Beginning in October 1, 2011 and ending November 16, 2011 the Board recouped \$1,978.30.

The administration of the Medical Expense Reimbursement Plan was the responsibility of the Treasurer's office in conjunction with Third Party Administrator, J & K Consultants. When possible overpayments to the treasurer were identified, an investigation was conducted, and based on the results of that investigation; reimbursements were stopped on February 29, 2012. The Board is instituting an updated verification and monitoring procedure for the determination of entitlement of employees to reimbursement.

**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2011  
(Continued)**

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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**FINDING NUMBER 2011-02**

**Material Noncompliance and Material Weakness – Cash Management of State Fiscal Stabilization Funds**

34 CRF 80.21 (b) states in part, “Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CRF part 205.” According to Cash Management rules established by the Ohio Department of Education (ODE), schools must spend advances within 30 days or by the end of the month, whichever occurs first. The District receives the State Fiscal Stabilization Fund (SFSF) grant which is passed through ODE. These SFSF funds were advanced to the District through the State Foundation automatically on a bi-monthly basis. SFSF funds must be deposited in USAS Fund 532 and the District must adopt an internal control system to ensure SFSF payments are spent timely.

In addition, procedures for minimizing the time elapsing between the transfer of funds from the US Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. 34 CFR 80.20 (b)(7) states in part: “When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements.” Interest should not be earned on these funds. If interest is earned on the funds, the interest earned must be remitted to the US Department of Education via a check sent to ODE. ODE will review the calculation and determine if the amount remitted is correct. An amount of \$100 per entity per year may be retained under 34 CFR 80.21 for administrative expenses.

During our testing of the State Fiscal Stabilization Fund grant, we noted eight months in the grant period in which the receipts were not spent within 30 days or by the end of the month, whichever occurred first. Failure to not spend money timely results in noncompliance of the Ohio Department of Education's requirements. In addition, based on the United States Treasury's Cash Management Improvement Act interest rate for State fiscal year 2011, the accumulated receipts not spent led to an estimated imputed interest of \$278 on the unspent fund balances.

District should review its internal control system to ensure that SFSF funds are spent within 30 days or by the end of the month, whichever occurs first, to ensure compliance with 34 CFR 80.21 (b) and the Cash Management rules established by the Ohio Department of Education. In addition, the District should ensure any interest over \$100 earned on unspent fund balances is remitted to the US Department of Education via a check sent to ODE.

**Official's Response**

The Board is reviewing its internal controls to ensure compliance with federal and state requirements for the disbursement of federal grant funds.



# Dave Yost • Auditor of State

## Independent Accountants' Report on Applying Agreed-Upon Procedure

Berea City School District  
Cuyahoga County  
390 Fair Street  
Berea, Ohio 44017

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether the Berea City School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We noted the Board amended its anti-harassment policy at its meeting on December 14, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

April 25, 2012

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# Berea City School District

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011



*Dylon M.*

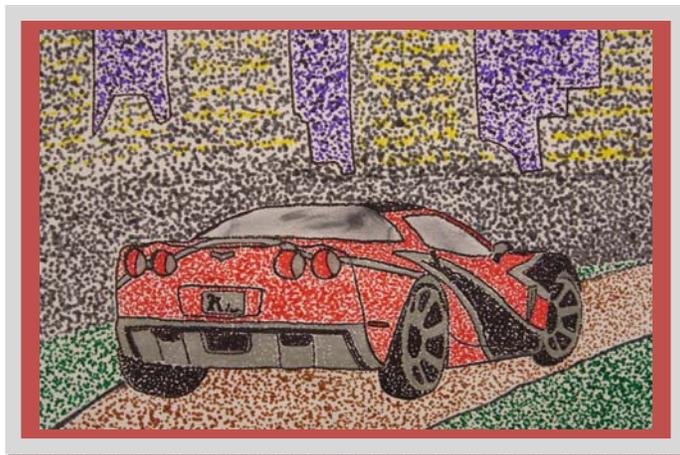
3<sup>rd</sup> Grade

Big Creek Elementary School

Art Instructor: Kathy Jadud

**BEREA, OHIO**

# INTRODUCTORY SECTION



*Adam T.*

8<sup>th</sup> Grade

Ford Middle School

Art Instructor: Anne Cole

**Berea City School District**  
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**Berea City School District**  
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*Michelle G.*

7<sup>th</sup> Grade

Roehm Middle School

Art Instructor: Heather Courtwright

OPINION DATE, 2011

Board of Education Members and  
Residents of Berea City School District;

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Berea City School District for the fiscal year ended June 30, 2011. This CAFR conforms to generally accepted accounting principles as applicable to governmental entities, and enables the School District to comply with the legal requirement to file an annual report with the Auditor of State within 150 days of the fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

State statutes require the School District to be subjected to an annual examination by an independent auditor or the State Auditor's Office. For the fiscal year 2011, the School District was audited by the Auditor of State's Office. Their unqualified opinion is included in the financial section of this CAFR.

Management's discussion and analysis (MD&A) immediately follows the independent accountant's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **School District Organization**

Berea City School District is one of the 616 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is an independent school district that provides education to 7,018 students in grades kindergarten through twelfth. The projected enrollment for fiscal year 2012 is 7,005. Additionally, the School District provides preschool, after school, adult, and community education services to a large number of students and community members. The School District has 9 school buildings, ranging from 42 to 80 years of age. Berea City School District is located in northeastern Ohio, approximately twelve miles southwest of downtown Cleveland. Berea City School District includes the cities of Brook Park, Middleburg Heights, most of the City of Berea, and small portions of the cities of Olmsted Falls and Cleveland.

When first settled, Middleburg Township was one community. The first school in Middleburg Township was in Ephriam Vaughan's log house in the year 1822. In the 1830's, Middleburg Township dissolved into three distinct political entities; Berea, Brook Park and Middleburg Heights.

In 1853, a law was enacted which created a local township board of education comprised of three directors. The responsibility of these directors was to hire teachers and to maintain school property. This system was followed until 1904, when rural schools were placed under a five-member township board of education who could hire a superintendent to oversee all of the sub-districts in the township.

The School District used the name “Berea” because of the size of the city in earlier days when Brook Park and Middleburg Heights were too small to support a complete school system. Today, the Berea Public School System stands unique as the common bond between Berea, Brook Park, and Middleburg Heights.

Statutorily, the School District operates under the standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services prescribed by State and Federal agencies.

### **Reporting Entity**

The School District has reviewed its operating entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, “The Financial Reporting Entity.” In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the Berea City School District (the primary government) and its potential component units.

The City of Berea, City of Brook Park, City of Middleburg Heights, Cuyahoga County Public Library, and the Parent Teacher Organization have not been included in the accompanying financial statements. The boards are not appointed by the School District, nor are they fiscally dependent on the School District. Polaris Career Center, the Educational Community Foundation and the Ohio Schools’ Council Association are reported as jointly governed organizations. The School District participates in the Ohio School Boards Association Workers’ Compensation Group Rating Program, an insurance purchasing pool.

### **Economic Condition and Outlook**

The portion of the School District containing all of Brook Park and a small portion of the City of Cleveland is a commercial and industrial center, as well as being a residential community. It contains Ford Motor Company’s casting plant and two engine plants. Also located in this section of the School District is Cleveland Hopkins International Airport, which provides international air transportation and delivery services for the County and surrounding areas.

The portion of the School District containing all of Berea and a small portion of the City of Olmsted Falls is a commercial center and residential community. This area was a commercial center before many of the present-day Cleveland suburbs came into being and is the home of Baldwin-Wallace College.

The portion of the School District containing all of Middleburg Heights is primarily a suburban residential community that is younger than and not as developed as the other portions of the School District. In recent years this area has experienced increases in commercial development, primarily hotels and restaurants serving visitors to the area. The growth is due to its close proximity to Cleveland Hopkins International Airport and to Interstates I-71, I-80 and I-480.

## **Major Initiatives**

The Berea City School District has three main goals: accelerate student achievement, fund the future, and promote excellence with one voice. Through the use of benchmarking and data analysis, this School District will work to achieve these goals.

A new elementary school is currently under construction and will be available for use by the start of the 2011-2012 school year.

State funding, specifically funding for general operations, remains unclear for future years. In March 1997, the Ohio Supreme Court ruled the present system of funding Ohio schools to be unconstitutional. The State legislature was directed to adequately fund schools without reducing funds to tax dependent schools such as Berea City Schools. In May 2000 the Ohio Supreme Court reviewed the State's efforts since 1997 and indicated the State had not met the constitutional requirements. However, the most recent effort by the Ohio Legislature and Governor during 2003 has been considered constitutional by the Ohio Supreme Court if certain additional funding requirements are met. The Supreme Court has since declared the DeRolph case closed. Beginning in fiscal year 2012, the administration of Governor John Kasich has proposed a move away from the Ohio Evidence Based Model to a new funding method. However, since a new funding mechanism is not formulated as of yet, the administration has decided to fund school districts in fiscal year 2012 based on the Bridge formula, a transitional approach until a new formula is devised.

### ***Primary accomplishments for 2011 were as follows:***

#### ***Financial***

Successfully balanced budget for fiscal year 2011.

Received the Certificate of Excellence in Financial Reporting for the CAFR from the Government Finance Officer's Association (GFOA), for the nineteenth consecutive year.

Construction of Grindstone Elementary continues on original timeline.

#### ***Instruction***

Continue training of School District teachers on the appropriate integration of classroom assessment practices into the instructional process in order to promote student achievement and confidence. Provide teachers with student achievement data in real time through computerized assessments and internet-based reporting systems.

Provide building-level training in differentiated instructional practices to implement at the classroom level among building principals and instructional staff focused on student learning in the areas of literacy, content area reading and mathematics.

Year three implementation of the School District's Response to Intervention (RTI) model. This framework integrates assessment and intervention within a multi-level prevention system to maximize student academic achievement and to reduce behavior problems. With RTI, Berea Schools identify students at risk for poor learning outcomes, monitors student progress, provides evidence-based interventions, and adjusts the intensity and nature of those interventions depending on a student's responsiveness in order to support learning for all students.

Continued implementation of the School District Technology Implementation Plan for Berea City School District Teacher 21st Century Teaching and Powerful Learning Practices - Promoting our Students to become: Critical thinkers, Problem solvers, Communicators, Collaborators, Information and technology literate, Flexible and adaptable, Innovative and creative, Globally competent and Financially literate. Phase 1 and Phase 2 dedicate a teacher presentation at the middle school and high school levels. The teacher presentation station included a 1-to-1 teacher laptop, data projector, document camera on a mobile platform. Professional development promoted the integration of technology into daily instruction to enhance the teaching and learning process through a comprehensive technology plan that incorporates an instructional coaching model focusing on using technology to enhance instruction and improve student learning.

Provide intervention for identified students to increase learning in content areas through the use of instructional strategies and assessment practices.

Through Professional Development and Collaborative Learning Cultures in the schools and other measures, these plans will be implemented to improve student performance. The District School Leadership Team is dedicated to serving the needs of Building Teams and all teachers as they plan instruction, teach assess and work to improve the achievement level of all students.

Curriculum and Instruction Improvement GOALS included and resulted in current School District's State of Ohio Report Card Status of Excellent and SI (delayed).

Year three implementation of Project Lead the Way Programs to including expanding Pre-Engineering Pathways and Biomedical Science programs at both high schools through a partnership with Polaris Career Center.

### ***For the Future***

Our primary focus continues to be on the educational program and the improvement of student achievement. This program serves our students, parents, and community in an effort to continuously improve. This process involves assessing current programs, identifying areas to improve, developing options, selecting the best option, and assessing the results.

### ***Specific goals for 2012 are:***

#### ***Financial***

Continue multi-year planning for capital projects, technology, and maintenance to assure limited funds are used for the best instructional use through the Permanent Improvement Coordinating Committee.

Receive the Certificate of Excellence in Financial Reporting for the School District's 2011 fiscal year for the Comprehensive Annual Financial Report on the reporting model for the tenth year.

Complete plan of finance and transition for reconfiguration of school buildings.

#### ***Instruction***

To Inspire Excellence and to help students achieve dreams they never imagined possible by accelerating student achievement, funding the future and promoting excellence with one voice is the vision we are committed to in Berea City School District.

The pillars of our professional learning community will assist us in transforming our schools throughout the 21st century. Our communities of practice embrace a culture that includes valuing others, innovation, collaboration, excellence and service.

The avenues of rethinking the practices of Berea City School District and transforming our School District are Science, Math, Technology and the Arts, communication, leadership, valuing diversity, global perspective as well as personal and civic responsibility.

Our goals were developed by the Berea's District Leadership Team through the Ohio Improvement Process and are aligned to the School District's Race to the Top plan as well as our Comprehensive Continuous Improvement Plan. These plans will require us to reflect on our current practices and to answer the questions: How do we clarify and communicate the vision, mission, and values of our organization? How do we develop a shared understanding of our vision, mission, and goals? How do we provide opportunities for leadership that empower staff to lead and to learn? How do we provide opportunities for leadership that empower students to lead and to learn? How do we develop a framework for a sustained professional learning community that creates a collaborative process that results in both individual and organizational learning that focuses on student learning?

Essentially, rethinking our schools will require this organization to commit to improving the process of how we share, collaborate and communicate across buildings, across grade levels, and across content areas to build great teachers and leaders. This commitment must be present within our School District and in the global society to share best practices in order to increase staff and student learning. The School District will transform our community of practices through a dynamic framework to support a professional learning community that cultivates, supports, and sustains a culture of collaboration, communication, leadership and shared learning for all staff and students.

Berea City School District recognizes that “there is a profound gap between the knowledge and skills most students learn in school and the knowledge and skills they need in typical 21<sup>st</sup> century communities and workplaces,” as stated by the Partnership for 21<sup>st</sup> Century Skills. Berea is committed to fusing the three R’s with the four C’s: “Creativity and Innovation, Critical Thinking and Problem Solving, Communication and Collaboration,” through the infusion of 21<sup>st</sup> century skills.

The School District goals and strategies are designed to create a path to realize our vision, and in doing so create a community of learners for Berea City School District; a professional learning community in action.

Our goals include, working to narrow the achievement gap for all students to assure annual growth in a pre-K to 12 model, catch-up growth for those students who are behind, increase high school graduation rates, and increase college enrollment.

Specifically, School District goals include:

- Commit that all students will increase their performance in subject area by at least 5 percent each year, and reduce the achievement gap in each subgroup by at least 10 percent each year over the next four years
- Increase high school graduation rates by 5 percent per year over the next four years
- Reduce graduation rate gaps by 50 percent
- Reduce performance gaps by 50 percent
- Reduce the gap between the District and the highest performing districts in the State
- Increase in college and career readiness by 50 percent
- Increase in college enrollment for 18 and 19 year-old students by 50 percent

The School District solution is to cultivate communities of professional learning and practice as educators develop his or her own personal learning network.

Our comprehensive goals within the professional learning community are to develop teacher and principal leaders within our district to initiate, network and build capacity for 21st century skills and new literacies; to provide multiple paths for professional networking and staff development beyond the traditional school structure locally, regionally, nationally and internationally that is sustainable; to develop curriculum projects that incorporate 21st century skills and instruction.

Our vision for widespread impact that helps our students achieve dreams they never imagined possible is a driving force behind our goals, strategies and actions. Implementing the School District strategies will propel our School District into a dynamic framework that cultivates, supports, and sustains a culture of collaboration, communication, leadership and learning for staff and students within our School District and beyond.

### ***Service to the Community***

For the 17<sup>th</sup> consecutive year, the School District has published its Community Resource Directory, a project which began as part of a “needs assessment” by the District’s Volunteer Council, to determine what volunteer resources were available in our communities and what areas were still needed. This year’s Directory features nearly 150 school and community organizations that share contact information, services provided, meeting information, facilities that may be available for public use, volunteer needs, and scholarships that may be offered. In cooperation with the Cuyahoga County Library System, the Directories also include important phone numbers (“Action by Phone”), both regionally and within the three communities served, including governmental entities. Each year the District publishes approximately 1,500 Directories at no charge to the contributing organization or the users.

Through the School District’s cable television channel, BCS-TV, the community is also provided with the opportunity to place free notices on the “Community Bulletin Board.” The School District also features a community-based weekly talk show, “A Community of Learning,” which provides the opportunity for community partners, in addition to community groups and school staff and parents, to provide guests whose goal is to expand knowledge and provide needed information within the School District.

The School District has a well-established and extremely active Business Advisory Council with approximately fifty members. The overall mission of the Council is to involve members of the business community in the education of our students in a variety of ways. Some of the current areas of involvement are in teaching Junior Achievement business and economics classes to more than 2,000 School District students; providing field trips for high school teachers and guidance counselors to gain a better understanding of the business world through the GOAL program, promoting student internships, and providing mock interviews to high school students, to improve their interview skills and better equip them for the business world.

In 1996, the Educational Community Foundation was established to support and enhance educational opportunities for the youth of the communities served by the Berea City School District. To achieve this purpose, the Foundation accepts, manages, and in accordance with the donor’s intent, distributes donations for scholarships, educational programs, facilities, and instructional development to benefit students. The Foundation also awards a yearly endowment grant.

The School District also has an ongoing partnership with Southwest General Health Center, located in Middleburg Heights, providing full-time health professionals in every school, every day, as well as providing athletic training and mental health services. The Health Center's Physician's Council has provided significant medical assistance to students unable to afford such services, as well as classroom guidance on health-related issues.

## Awards

***GFOA Certificate of Achievement*** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Berea City School District for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2010.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose content conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for review.

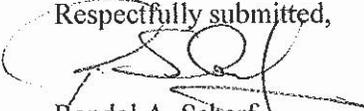
***Outstanding Achievements*** Twenty One of our teachers have completed the rigorous requirements set by the National Board for Professional Teaching Standards and achieved National Board Certification.

## Acknowledgments

Each year we take time to recognize an individual who has contributed much to the well being of the School District. This year we would like to single out Dale Cummins, the School District's Assistant Treasurer. She has continued the tradition of quality instilled in the Berea City School District.

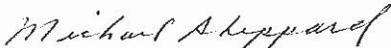
Finally, our thanks are extended to the Board of Education where the commitment to excellence begins.

Respectfully submitted,



Randal A. Scherf

Treasurer/CFO



Michael Sheppard  
Superintendent

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Berea City School District  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danison*

President

*Jeffrey R. Enos*

Executive Director

**Berea City School District  
Principal Officials**

**Board of Education**

Mr. David Thurau ..... President  
Mr. David Pusti ..... Vice President  
Mrs. Gale Patten ..... Member  
Mr. Fred Szabo ..... Member  
Mr. David Tressel ..... Member

**Treasurer/CFO**

Mr. Randal A. Scherf

**Assistant Treasurer**

Mrs. Dale A. Cummins

**Administration**

Mr Michael Sheppard ..... Superintendent  
Mr. Jeffrey Grosse ..... Assistant Superintendent  
Mrs. Lisa Bruening ..... Director, Pupil Personnel  
Mrs. Nancy Braford ..... Director, School/Community Relations  
Mrs. Karen Frimel ..... Director, Curriculum & Instruction  
Mr. Kevin Jaynes ..... Director, Information Technology  
Mr. Michael Slivochka ..... Director, Personnel and Employee Relations

# RESIDENTS OF THE DISTRICT

## BOARD OF EDUCATION

**Treasurer**

Financial Department

**Superintendent**

City/County Personnel assigned to BCSD

**Assistant Superintendent**

High School Principals & Assistant Principals/Interns

Athletic Directors

Middle School Principals & Assistant Principals/Interns

Elementary Principals & Interns

**Director Business Services**

Supervisor/Assistant Supervisor Buildings & Grounds

Supervisor/Assistant Supervisor Transportation

Supervisor Nutrition Services

Coordinator Purchasing

**Director Community Relations**

Community & Adult Education Coordinator

**Director Curriculum**

Curriculum Coordinators

**Director Information Technology**

Network Manager

Supervisor Data Processing

Data Processing Analyst

**Director Personnel & Employee Relations**

**Director Pupil Services**

Principal Snow School

Psychologists

Coordinators Preschool Program Extended Care Program

**ORGANIZATIONAL CHART  
BEREA CITY SCHOOLS**

# FINANCIAL SECTION



*Danielle W.*

7<sup>th</sup> Grade

Roehm Middle School

Art Instructor: Heather Courtwright



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Berea City School District  
Cuyahoga County  
390 Fair Street  
Berea, Ohio 44017

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, Ohio, as of June 30, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the District implemented Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and restated the June 30, 2010 fund balances of the Governmental Funds due to a change in fund structure.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and is not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

April 25, 2012

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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The discussion and analysis of Berea City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Key financial highlights for 2011 are as follows:

- Net assets decreased \$10.8 million and revenues decreased \$5.6 million from fiscal year 2010 levels.
- Total program expenses were \$97.1 million, a \$.2 million increase from fiscal year 2010 expenses of \$96.9 million.
- Outstanding debt decreased from \$41.8 million in 2010 to \$40.1 million in 2011. No new debt was issued during fiscal year 2011.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Berea City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of Berea City School District, the general fund is by far the most significant fund.

***Reporting the School District as a Whole***

*Statement of Net Assets and the Statement of Activities*

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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These two statements report the School District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the *financial position* of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

The Statement of Net Assets and the Statement of Activities are represented in one type of activity; Governmental Activities. Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities, as well as food service operations.

***Reporting the School District's Most Significant Funds***

***Fund Financial Statements***

The analysis of the School District's major funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, debt service fund and the building capital projects fund.

***Governmental Funds*** Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2011 compared to the two prior fiscal years:

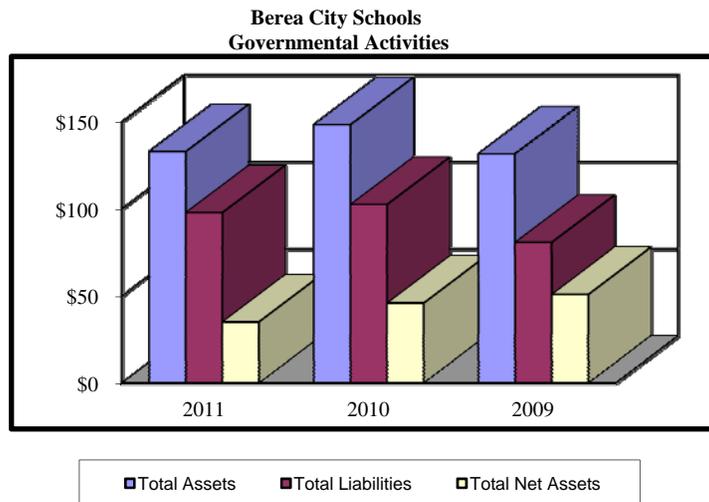
**Table 1**  
 Net Assets  
 Governmental Activities  
 (In Millions)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Assets</b>			
Current and Other Assets	\$83.7	\$115.5	\$104.0
Capital Assets, Net	<u>49.4</u>	<u>33.0</u>	<u>27.7</u>
<i>Total Assets</i>	<u>133.1</u>	<u>148.5</u>	<u>131.7</u>
<b>Liabilities</b>			
Current and Other Liabilities	(56.2)	(60.0)	(62.7)
Long-Term Liabilities	<u>(41.8)</u>	<u>(42.6)</u>	<u>(18.1)</u>
<i>Total Liabilities</i>	<u>(98.0)</u>	<u>(102.6)</u>	<u>(80.8)</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Debt	14.3	17.6	10.8
Restricted	7.6	5.1	8.4
Unrestricted	<u>13.2</u>	<u>23.2</u>	<u>31.7</u>
<i>Total Net Assets</i>	<u>\$35.1</u>	<u>\$45.9</u>	<u>\$50.9</u>

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

Graph 1  
 Net Assets of Governmental Activities  
 (In Millions)

	2011	2010	2009
Total Assets	\$133.1	\$148.5	\$131.7
Total Liabilities	98.0	102.6	80.8
Total Net Assets	\$35.1	\$45.9	\$50.9

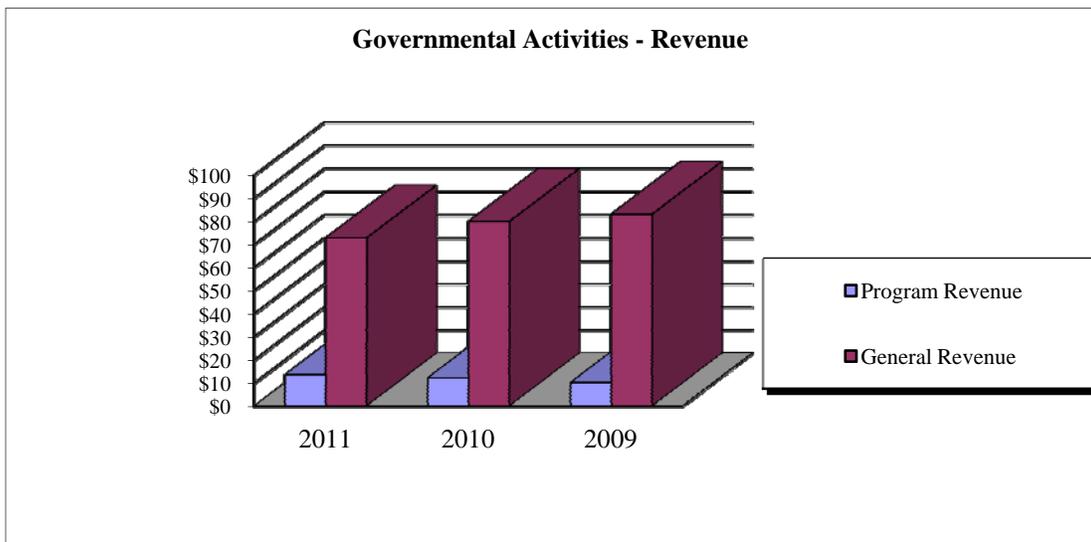


Total net assets decreased by \$10.8 million. Total liabilities were \$98 million, a \$4.6 million decrease from fiscal year 2010. The School District received less tax revenue due to a phase out of personal tangible property.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

Graph 2  
 Revenue for Governmental Activities  
 (In Millions)

	2011	2010	2009
Program Revenue	\$13.6	\$12.1	\$10.1
General Revenue	72.7	79.8	82.9



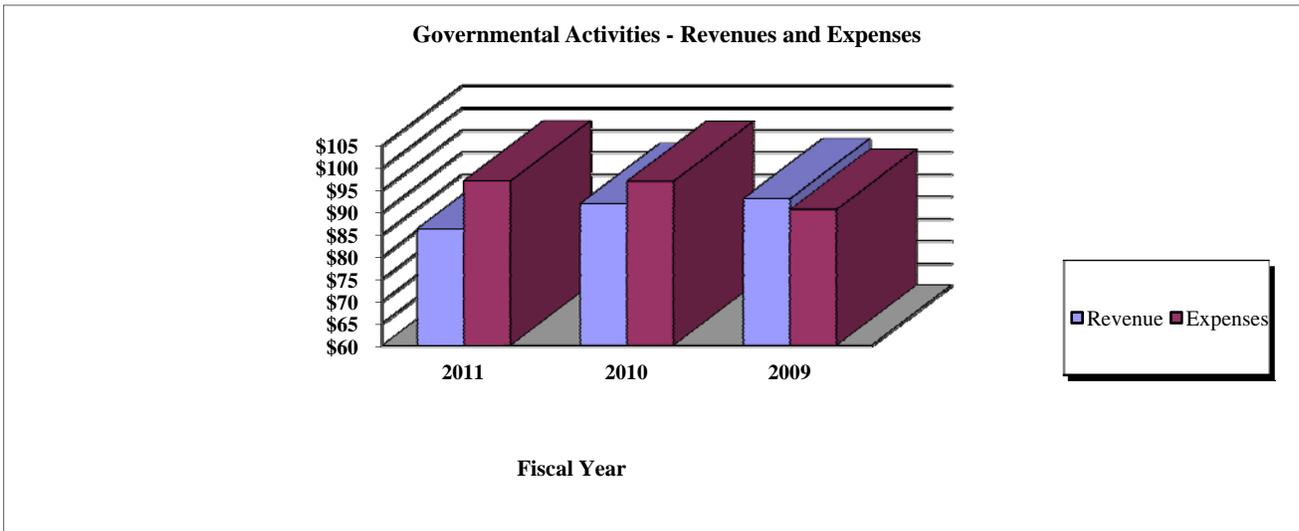
Program revenue increased \$1.5 million to \$13.6 million, due primarily to an increase in operating grants. The vast majority of revenue supporting Governmental Activities is general revenue. General revenue decreased in fiscal year 2011 to \$72.7 million from \$79.8 million in 2010. General revenue comprised 84.2 percent of total revenues. Taxes comprised \$51.5 million of general revenue in 2011, compared to \$52.3 million in 2010 and \$56.4 million in 2009.

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Expenses increased from \$96.9 million in 2010 to \$97.1 million in 2011. The majority of the increase in 2011 was in regular instruction.

Graph 3  
 Revenue and Expenses for Governmental Activities  
 (In Millions)

	2011	2010	2009
Revenues	\$86.2	\$91.9	\$93.0
Expenses	97.1	96.9	90.6



The decrease in revenue between 2010 and 2011 is due to the decrease in general revenues in the form of property taxes.

**Berea City School District**  
*Management's Discussion and Analysis*  
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*Unaudited*

Table 2 shows the changes in net assets for fiscal year 2011 for Governmental Activities compared to the two prior fiscal years.

Table 2  
Change in Net Assets  
(In Millions)

	2011	2010	2009
<b>Revenues</b>			
<b><i>Program Revenues</i></b>			
Charges for Services	\$6.0	\$5.8	\$5.0
Operating Grants and Contributions	7.2	6.2	5.0
Capital Grants and Contributions	0.4	0.1	0.1
<b><i>Total Program Revenues</i></b>	<b>13.6</b>	<b>12.1</b>	<b>10.1</b>
<b><i>General Revenues</i></b>			
Property Taxes	51.5	52.3	56.4
Grants and Entitlements	20.9	26.0	25.4
Other	0.3	1.5	1.1
<b><i>Total General Revenues</i></b>	<b>72.7</b>	<b>79.8</b>	<b>82.9</b>
<b><i>Total Revenues</i></b>	<b>86.3</b>	<b>91.9</b>	<b>93.0</b>
<b>Expenses</b>			
Instruction	58.4	56.1	49.0
Support Services:			
Pupil and Instructional Staff	11.1	12.8	12.2
Board of Education, Administration, Fiscal and Business	7.1	7.3	7.6
Operation and Maintenance of Plant	7.7	7.6	8.9
Pupil Transportation	3.6	4.0	4.1
Central	2.7	2.2	2.4
Operation of Non-Instructional Services	2.6	3.4	3.9
Extracurricular Activities	1.7	1.8	1.7
Interest and Fiscal Charges	2.2	1.7	0.8
<b><i>Total Expenses</i></b>	<b>97.1</b>	<b>96.9</b>	<b>90.6</b>
<b><i>Change in Net Assets</i></b>	<b>(10.8)</b>	<b>(5.0)</b>	<b>2.4</b>
Net Assets Beginning of Year	45.9	50.9	48.5
Net Assets End of Year	<b>\$35.1</b>	<b>\$45.9</b>	<b>\$50.9</b>

**Berea City School District**  
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The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become 0.5 mills and the owner would still pay \$35.00.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 70.8 percent of general revenues for governmental activities for Berea City School District in fiscal year 2011.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3  
 Total and Cost of Program Services  
 Governmental Activities  
 (In Millions)

	2011		2010		2009	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$58.4	\$52.5	\$56.1	\$50.9	\$49.0	\$45.1
Support Services:						
Pupil and Instructional Staff	11.1	8.8	12.8	10.7	12.2	10.8
Board of Education, Administration, Fiscal and Business	7.1	6.8	7.3	7.0	7.6	7.4
Operation and Maintenance of Plant	7.7	7.7	7.6	7.5	8.9	8.8
Pupil Transportation	3.6	3.4	4.0	3.8	4.1	4.0
Central	2.7	2.7	2.2	2.2	2.4	2.3
Operation of Non-Instructional Services	2.6	(1.4)	3.4	(0.4)	3.9	(0.1)
Extracurricular Activities	1.7	1.1	1.8	1.4	1.7	1.4
Interest and Fiscal Charges	2.2	1.9	1.7	1.7	0.8	0.8
<b>Total</b>	<b>\$97.1</b>	<b>\$83.5</b>	<b>\$96.9</b>	<b>\$84.8</b>	<b>\$90.6</b>	<b>\$80.5</b>

The dependence upon general tax revenues for governmental activities is apparent. Over 90.0 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 86 percent as shown in Table 3. The community, as a whole, is by far the primary support for Berea City School District students.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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***The School District's Funds***

Information about the School District's governmental funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. Governmental funds have total revenues of \$85.5 million and expenditures of \$112.9 million. The net change in the governmental funds fund balance for the year was most significant in the building fund, where the fund balance decreased from a fund balance of \$17.8 million to a fund balance of \$3.2 million. This change is due to the building of the new elementary building. The net change in the Debt Service Fund is an increase of \$109,008 due to transfers in received from the General Fund. The net change in the General fund is a decrease of \$13.9 million due mainly to a decrease in the reimbursement for tangible personal property tax losses received.

***General Fund Budgeting Highlights***

The School District's budget is prepared according to Ohio law as disclosed in Note 2 and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal 2011 the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budget basis revenue was \$78.1 million, which was below original budget estimates of \$125.0 million.

Total final estimated expenditures on the budget basis (cash outlays plus encumbrances) were \$90.0 million, \$11.7 million above revenues.

**Berea City School District**  
*Management's Discussion and Analysis*  
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*Unaudited*

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***Capital Assets and Debt Administration***

**Capital Assets**

Table 4 shows fiscal 2011 balances compared to the prior two fiscal years:

Table 4  
 Capital Assets at June 30  
 (Net of Depreciation - In Millions)

	2011	2010	2009
Land and Improvements	\$2.5	\$2.6	\$2.7
Buildings and Improvements	21.0	21.4	22.5
Furniture and Equipment	1.0	1.0	1.1
Vehicles	1.7	1.6	1.4
Construction in Progress	23.3	6.4	0.0
Total	\$49.5	\$33.0	\$27.7

The increase of \$16.5 million in capital assets in 2011 is due to bringing on construction in progress from the building of a new elementary school. The School District continued its ongoing commitment to maintaining and improving its capital assets. For more information refer to Note 9 to the basic financial statements.

Senate Bill No. 345 made certain amendments to the textbook and capital reserve set-aside requirements, effective July 1, 2001. The reserves are calculated by multiplying a percentage of the preceding years' formula amount by the School District's preceding years' student population. For fiscal year 2011, the set-aside requirements amounted to \$1 million for each set aside. For fiscal year 2010 the School District had deferred a portion, \$229,621 for capital improvements. Thus the required amount increased for 2011 by the deferred amount plus the \$1 million requirement. For 2011, \$193,440 for capital improvements have not yet been met and appear as restricted fund balance.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

**Debt**

At June 30, 2011 the School District had \$12.1 million in bonds, \$1.4 million due within one year.

Table 5 summarizes bonds, certificate of participation, and notes outstanding for the past three years:

Table 5  
 Outstanding Debt at June 30  
 Governmental Activities  
 (In Millions)

	2011	2010	2009
2003 School Improvement Refunding Bonds	\$5.9	\$6.6	\$7.4
2005 Bus Acquisition/Energy Bonds	0.4	0.5	0.6
2006 Bus/Motor Vehicle Acquisition Bonds	0.3	0.4	0.5
2007 Energy Conservation Bonds	5.4	5.8	6.1
2007 Various Purpose Bonds	0.1	0.1	0.2
<b>Total General Obligation Bonds</b>	<b>12.1</b>	<b>13.4</b>	<b>14.8</b>
2009 Certificates of Participation	26.0	26.0	0.0
2008 Tax Anticipation Notes	2.0	2.4	2.6
<b>Total Bonds, Certificate of Participation and Notes</b>	<b>\$40.1</b>	<b>\$41.8</b>	<b>\$17.4</b>

In 1993 the School District passed a 1.0 mill bond issue, providing \$14.6 million for facility improvements including community facilities for each high school, library expansions and improvements in most buildings and other improvements. On March 1, 2003 the School District issued \$9.2 million in general obligation bonds to refund \$9,205,000 of the 1993 School Improvement Bonds. On July 1, 2004 the School District issued \$.7 million in bus acquisition and \$.3 million in energy conservation bonds. On August 30, 2005 the School District issued \$.7 million in bus acquisition and motor vehicle acquisition bonds. On December 6, 2006 the School District issued \$.3 million in maintenance vehicle acquisition bonds. On June 7, 2007 the School District issued \$6.4 million in energy conservation improvement bonds. On August 29, 2007 the School District issued \$2.9 million in tax anticipation notes for capital improvements. On November 4, 2009 the School District issued Certificates of Participation in the amount of \$26 million at a net interest rate of 4.7 percent for the purpose of building a new elementary building. This lease purchase agreement will mature in October of 2039.

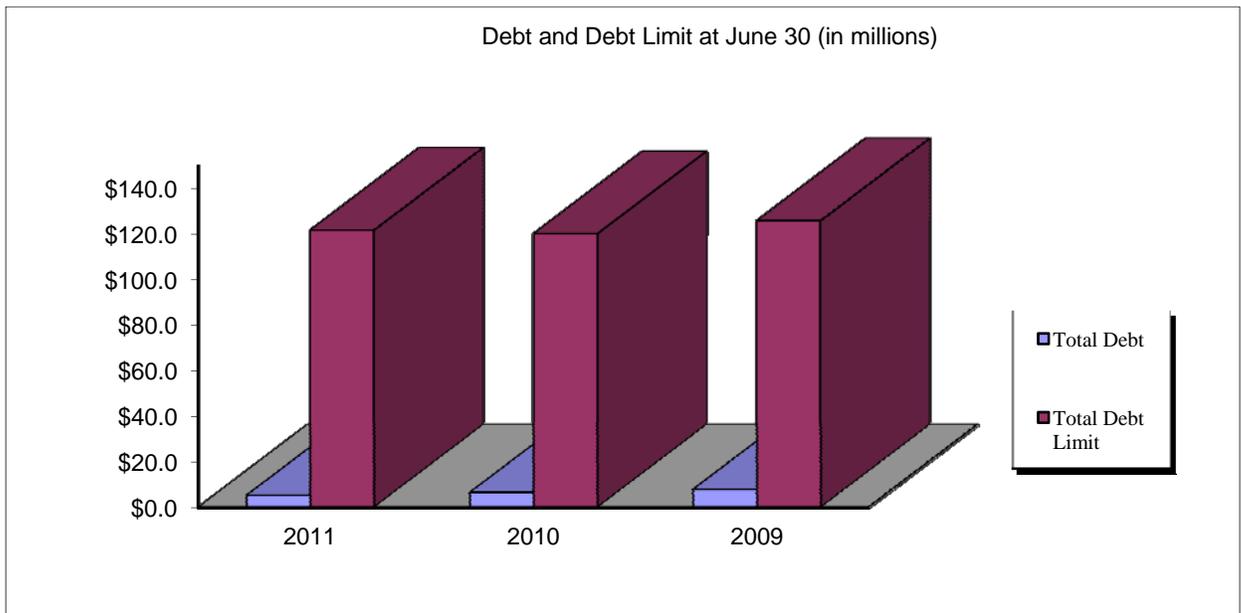
At June 30, 2011, the School District's overall legal debt margin was \$121.5 million with an unvoted debt margin of \$1.4 million. The debt is well within permissible limits. The School District maintains an A-1 bond rating. For more information refer to Notes 18 and 19 to the basic financial statements.

**Berea City School District**  
*Management's Discussion and Analysis*  
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*Unaudited*

Graph 4  
 Debt and Debt Limit at June 30  
 (In Millions)

	2011	2010	2009
Total Debt Applicable to Limit	\$5.0	\$6.3	\$7.7
Total Debt Limit (1)	121.5	119.9	125.6

(1) Debt limit is 9% of assessed value for debt and 0.1% of unvoted debt. The School District has no unvoted debt.



**Current Financial Related Activities**

Berea City School District shares the same issues each school district in Ohio faces. As the preceding information shows, the School District heavily depends on its property taxpayers.

Declining tax collections further challenges this plan. HB66 has put a short stay on the personal property tax base. This decline due to decreasing personal property business taxes mean reduced tax revenues in future years. With its largest source of revenues decreasing, the School District must seek additional tax revenues to continue current operations. However, the School District cannot look to the State of Ohio for increased revenue.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2011*  
*Unaudited*

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Berea City School District has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1991. In addition, the School District's system of budgeting and internal controls is well regarded.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Randy Scherf, Treasurer/CFO at Berea City School District, 390 Fair Street, Berea, Ohio 44017. Or e-mail at [rscherf@berea.k12.oh.us](mailto:rscherf@berea.k12.oh.us).

**Berea City School District***Statement of Net Assets**June 30, 2011*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$30,119,678
Cash and Cash Equivalents	
With Escrow Agents	660,028
Accounts Receivable	47,081
Intergovernmental Receivable	2,298,712
Prepaid Items	2,592
Inventory Held for Resale	19,706
Materials and Supplies	
Inventory	179,997
Taxes Receivable	49,590,078
Deferred Charges	692,531
Nondepreciable Capital Assets	24,208,069
Depreciable Capital Assets, Net	<u>25,253,337</u>
<i>Total Assets</i>	<u>133,071,809</u>
<b>Liabilities</b>	
Accounts Payable	529,563
Contracts Payable	1,681,315
Accrued Wages	5,755,982
Matured Compensated Absences Payable	836,671
Retainage Payable	669,083
Intergovernmental Payable	2,912,368
Deferred Revenue	40,033,792
Accrued Interest Payable	426,155
Notes Payable	2,109,616
Claims Payable	1,191,920
Long-Term Liabilities:	
Due Within One Year	1,996,412
Due Within More Than One Year	<u>39,870,823</u>
<i>Total Liabilities</i>	<u>98,013,700</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	14,326,886
Restricted for:	
Capital Projects	1,467,073
Debt Service	2,994,724
Set Asides	193,440
District Managed Student Activity	132,707
Locally Funded Programs	1,534,928
State Funded Programs	148,621
Federal Funded Programs	1,104,780
Unclaimed Monies	13,142
Unrestricted	<u>13,141,808</u>
<i>Total Net Assets</i>	<u><u>\$35,058,109</u></u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instruction:					
Regular	\$48,818,126	\$1,359,352	\$766,495	\$0	(\$46,692,279)
Special	8,879,849	1,736,219	2,064,492	0	(5,079,138)
Vocational	747,511	0	0	0	(747,511)
Adult/Continuing	167	170	0	0	3
Support Services:					
Pupil	5,233,024	2,207	1,087,625	0	(4,143,192)
Instructional Staff	5,898,656	0	1,157,931	0	(4,740,725)
Board of Education	40,279	0	0	0	(40,279)
Administration	4,481,530	0	179,389	0	(4,302,141)
Fiscal	1,713,498	0	0	0	(1,713,498)
Business	836,727	101,338	0	0	(735,389)
Operation and Maintenance of Plant	7,697,334	33,459	478	0	(7,663,397)
Pupil Transportation	3,577,492	95,206	40,381	0	(3,441,905)
Central	2,750,598	0	5,000	25,025	(2,720,573)
Operation of Non-Instructional					
Services	2,561,931	2,157,619	1,838,840	0	1,434,528
Extracurricular Activities	1,711,255	524,532	46,262	0	(1,140,461)
Interest and Fiscal Charges	2,190,396	0	0	326,576	(1,863,820)
<i>Total Governmental Activities</i>	<u>\$97,138,373</u>	<u>\$6,010,102</u>	<u>\$7,186,893</u>	<u>\$351,601</u>	<u>(83,589,777)</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
					49,482,680
					1,030,334
					934,134
					20,908,683
					66,896
					88,002
					226,471
					<u>72,737,200</u>
					(10,852,577)
					<u>45,910,686</u>
					<u>\$35,058,109</u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2011*

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$17,085,625	\$3,420,227	\$4,675,883	\$4,721,639	\$29,903,374
Cash and Cash Equivalents					
With Escrow Agents	0	0	660,028	0	660,028
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	193,440	0	0	0	193,440
Receivables:					
Accounts Receivable	47,081	0	0	0	47,081
Intergovernmental Receivable	1,191,329	0	0	1,107,383	2,298,712
Prepaid Items	2,592	0	0	0	2,592
Interfund Receivable	97,427	0	0	0	97,427
Inventory Held for Resale	1,101	0	0	18,605	19,706
Materials and Supplies Inventory	168,925	0	0	11,072	179,997
Taxes Receivable	47,320,608	1,065,606	0	1,203,864	49,590,078
<i>Total Assets</i>	<u>\$66,108,128</u>	<u>\$4,485,833</u>	<u>\$5,335,911</u>	<u>\$7,062,563</u>	<u>\$82,992,435</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$368,754	\$0	\$12,690	\$122,379	\$503,823
Contracts Payable	0	0	1,442,178	239,137	1,681,315
Accrued Wages	5,389,089	0	0	366,893	5,755,982
Matured Compensated Absences Payable	836,436	0	0	235	836,671
Retainage Payable	0	0	660,028	9,055	669,083
Interfund Payable	0	0	0	97,427	97,427
Intergovernmental Payable	2,639,723	0	0	272,645	2,912,368
Deferred Revenue	41,399,062	890,754	0	1,869,428	44,159,244
Accrued Interest Payable	0	0	0	7,271	7,271
Notes Payable	0	0	0	2,109,616	2,109,616
<i>Total Liabilities</i>	<u>50,633,064</u>	<u>890,754</u>	<u>2,114,896</u>	<u>5,094,086</u>	<u>58,732,800</u>
<b>Fund Balances</b>					
Nonspendable	171,517	0	0	11,072	182,589
Restricted	206,582	3,595,079	3,221,015	2,192,170	9,214,846
Assigned	196,107	0	0	0	196,107
Unassigned (Deficit)	14,900,858	0	0	(234,765)	14,666,093
<i>Total Fund Balances</i>	<u>15,475,064</u>	<u>3,595,079</u>	<u>3,221,015</u>	<u>1,968,477</u>	<u>24,259,635</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$66,108,128</u>	<u>\$4,485,833</u>	<u>\$5,335,911</u>	<u>\$7,062,563</u>	<u>\$82,992,435</u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2011*

<b>Total Governmental Fund Balances</b>		\$24,259,635
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		49,461,406
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	2,046,473	
Intergovernmental	847,087	
Tuition and Fees	1,230,589	
Rental	1,303	
Total		4,125,452
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		(1,194,796)
Bond issuance costs will be amortized over the life of the bonds on the statement on net assets.		692,531
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(418,884)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Certificates of Participation	(26,000,000)	
Discount on Certificates of Participation	374,321	
Premium on Certificates of Participation	(117,160)	
General Obligation Bonds	(11,960,000)	
Premium on Bonds	(111,971)	
Gain on Refunding	(59,062)	
Compensated Absences	(3,993,363)	
Total		(41,867,235)
<i>Net Assets of Governmental Activities</i>		\$35,058,109

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2011*

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$49,086,597	\$1,018,908	\$0	\$923,723	\$51,029,228
Intergovernmental	19,998,835	129,529	326,576	7,964,863	28,419,803
Interest	61,737	0	24,690	1,575	88,002
Tuition and Fees	2,792,870	0	0	918,416	3,711,286
Extracurricular Activities	258,536	0	0	321,786	580,322
Rentals	31,032	0	0	0	31,032
Charges for Services	15,851	0	0	1,239,373	1,255,224
Contributions and Donations	66,896	0	0	86,821	153,717
Miscellaneous	207,362	0	0	19,109	226,471
<i>Total Revenues</i>	<u>72,519,716</u>	<u>1,148,437</u>	<u>351,266</u>	<u>11,475,666</u>	<u>85,495,085</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	38,274,358	0	0	803,529	39,077,887
Special	8,849,031	0	0	1,885,755	10,734,786
Vocational	910,458	0	0	0	910,458
Adult/Continuing	0	0	0	167	167
Support Services:					
Pupil	4,797,161	0	0	946,762	5,743,923
Instructional Staff	7,086,120	0	0	1,167,745	8,253,865
Board of Education	40,279	0	0	0	40,279
Administration	4,952,803	0	0	167,911	5,120,714
Fiscal	1,808,492	0	0	0	1,808,492
Business	888,137	0	0	0	888,137
Operation and Maintenance of Plant	8,580,352	0	0	3,142	8,583,494
Pupil Transportation	4,682,829	0	0	89,066	4,771,895
Central	3,057,495	0	0	1,766	3,059,261
Operation of Non-Instructional Services	29,832	0	0	3,640,995	3,670,827
Extracurricular Activities	1,458,041	0	0	303,941	1,761,982
Capital Outlay	0	0	13,494,923	1,475,499	14,970,422
Debt Service:					
Principal Retirement	0	1,085,000	0	235,000	1,320,000
Interest and Fiscal Charges	0	523,567	1,494,120	134,344	2,152,031
<i>Total Expenditures</i>	<u>85,415,388</u>	<u>1,608,567</u>	<u>14,989,043</u>	<u>10,855,622</u>	<u>112,868,620</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(12,895,672)</u>	<u>(460,130)</u>	<u>(14,637,777)</u>	<u>620,044</u>	<u>(27,373,535)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	569,138	0	436,596	1,005,734
Transfers Out	(1,005,734)	0	0	0	(1,005,734)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,005,734)</u>	<u>569,138</u>	<u>0</u>	<u>436,596</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(13,901,406)</u>	<u>109,008</u>	<u>(14,637,777)</u>	<u>1,056,640</u>	<u>(27,373,535)</u>
<i>Fund Balances Beginning of Year</i>					
- Restated (See Note 3)	<u>29,376,470</u>	<u>3,486,071</u>	<u>17,858,792</u>	<u>911,837</u>	<u>51,633,170</u>
<i>Fund Balances End of Year</i>	<u>\$15,475,064</u>	<u>\$3,595,079</u>	<u>\$3,221,015</u>	<u>\$1,968,477</u>	<u>\$24,259,635</u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended June 30, 2011*

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**Net Change in Fund Balances - Total Governmental Funds** (\$27,373,535)

*Amounts reported for governmental activities in the  
statement of activities are different because*

Governmental funds report capital outlays as expenditures. However, in the statement of net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Asset Additions	17,871,311	
Current Year Depreciation	(1,412,243)	
Total		16,459,068

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Taxes	417,920	
Charges for Services	432,238	
Intergovernmental	(59,447)	
Total		790,711

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,320,000

In the statement of activities, interest is accrued on outstanding bonds, and bond issuance costs, bond premium, and gain on refunding are amortized over the life of the bonds. In governmental funds an interest expenditure is reported when due.

Accrued Interest	4,758	
Amortization of Bond Premium	19,421	
Amortization of Bond Issuance Costs	(51,936)	
Amortization on Discount	(19,356)	
Amortization of Gain on Refunding	8,748	
Total		(38,365)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (619,535)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (1,390,921)

*Change in Net Assets of Governmental Activities* (\$10,852,577)

See accompanying notes to the basic financial statements

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Taxes	\$78,837,040	\$49,393,252	\$49,190,533	(\$202,719)
Intergovernmental	40,333,480	25,269,870	25,166,158	(103,712)
Interest	98,945	61,991	61,737	(254)
Tuition and Fees	4,862,405	2,813,938	2,797,086	(16,852)
Extracurricular Activities	352,223	259,226	258,536	(690)
Rentals	47,886	30,002	29,879	(123)
Charges for Services	25,404	15,916	15,851	(65)
Contributions and Donations	94,693	67,139	66,896	(243)
Miscellaneous	328,475	208,299	207,362	(937)
<i>Total Revenues</i>	<u>124,980,551</u>	<u>78,119,633</u>	<u>77,794,038</u>	<u>(325,595)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	37,080,293	38,859,529	38,760,238	99,291
Special	8,548,980	9,019,849	9,016,673	3,176
Vocational	922,235	939,724	938,675	1,049
Support Services:				
Pupil	5,288,732	5,347,149	4,922,771	424,378
Instructional Staff	7,696,916	8,225,932	7,122,933	1,102,999
Board of Education	40,124	42,490	40,279	2,211
Administration	4,712,278	4,899,597	4,899,045	552
Fiscal	1,942,429	2,036,648	1,805,994	230,654
Business	1,121,431	1,088,443	1,059,195	29,248
Operation and Maintenance of Plant	10,468,528	9,810,294	9,747,339	62,955
Pupil Transportation	4,514,385	4,767,473	4,759,982	7,491
Central	3,293,651	3,222,249	3,211,216	11,033
Operaton of Non-Instructional Services	40,310	45,298	29,832	15,466
Extracurricular Activities	1,403,084	1,490,993	1,450,082	40,911
<i>Total Expenditures</i>	<u>87,073,376</u>	<u>89,795,668</u>	<u>87,764,254</u>	<u>2,031,414</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>\$37,907,175</u>	<u>(\$11,676,035)</u>	<u>(\$9,970,216)</u>	<u>\$1,705,819</u>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources (Uses)</b>				
Advances In	\$666,457	\$417,551	\$415,837	(\$1,714)
Advances Out	(92,010)	(97,427)	(97,427)	0
Transfers Out	(949,583)	(1,005,734)	(1,005,734)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(375,136)</u>	<u>(685,610)</u>	<u>(687,324)</u>	<u>(1,714)</u>
<i>Net Change in Fund Balance</i>	37,532,039	(12,361,645)	(10,657,540)	1,704,105
<i>Fund Balance Beginning of Year</i>	22,756,560	22,756,560	22,756,560	0
Prior Year Encumbrances Appropriated	<u>2,707,290</u>	<u>2,707,290</u>	<u>2,707,290</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$62,995,889</u>	<u>\$13,102,205</u>	<u>\$14,806,310</u>	<u>\$1,704,105</u>

**Berea City School District**  
*Statement of Fund Net Assets*  
*Internal Service Fund*  
*June 30, 2011*

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	<u>Self Insurance</u>
<b>Assets</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$22,864</u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	25,740
Claims Payable	<u>1,191,920</u>
<i>Total Liabilities</i>	<u>1,217,660</u>
<b>Net Assets</b>	
Unrestricted (Deficit)	<u><u>(\$1,194,796)</u></u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Revenues,  
 Expenses and Changes in Fund Net Assets  
 Internal Service Fund  
 For the Fiscal Year Ended June 30, 2011*

	Self Insurance
<b>Operating Revenues</b>	
Charges for Services	\$13,462,878
<b>Operating Expenses</b>	
Purchased Services	1,126,824
Claims	13,726,975
<i>Total Operating Expenses</i>	14,853,799
<i>Change in Net Assets</i>	(1,390,921)
<i>Net Assets Beginning of Year</i>	196,125
<i>Net Assets (Deficit) End of Year</i>	(\$1,194,796)

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Cash Flows*  
*Internal Service Fund*  
For the Fiscal Year Ended June 30, 2011

	Self Insurance
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services	\$13,462,878
Cash Payments for Goods and Services	(1,374,235)
Cash Payments for Claims	(13,573,639)
<i>Net Decrease in Cash and Cash Equivalents</i>	(1,484,996)
<i>Cash and Cash Equivalents Beginning of Year</i>	1,507,860
<i>Cash and Cash Equivalents End of Year</i>	\$22,864
	(continued)

**Berea City School District**  
*Statement of Cash Flows*  
*Internal Service Fund (continued)*  
*For the Fiscal Year Ended June 30, 2011*

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	<u>Self Insurance</u>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>	
Operating Loss	(\$1,390,921)
Increase (Decrease) in Liabilities:	
Accounts Payable	(247,411)
Claims Payable	<u>153,336</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>(\$1,484,996)</u></u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2011*

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$13,544	\$127,884
<b>Liabilities</b>		
Undistributed Monies	0	\$22,036
Due to Students	0	105,848
<i>Total Liabilities</i>	0	\$127,884
<b>Net Assets</b>		
Held in Trust for Scholarships	13,544	
<i>Total Net Assets</i>	\$13,544	

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Changes in Fiduciary Net Assets*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Scholarship
<b>Additions</b>	
Interest	\$13
<b>Deductions</b>	
Scholarships Awarded	500
<i>Change in Net Assets</i>	(487)
<i>Net Assets Beginning of Year</i>	14,031
<i>Net Assets End of Year</i>	\$13,544

See accompanying notes to the basic financial statements

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**Note 1 - Description of the School District and Reporting Entity**

Berea City School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by the State and federal agencies. This Board of Education controls the School District's eleven instructional/support facilities staffed by 396 classified employees, 528 certificated full-time personnel, and 51 administrators who provide services to 7,018 students and other community members.

***Reporting Entity***

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Berea City School District, this includes general operations, food service, preschool, community services, and student related activities of the School District. The following activity is also included within the reporting entity.

***Nonpublic Schools*** Within the School District boundaries, St. Mary's, St. Bartholomew's and St. Adalbert are operated through the Catholic diocese. Scribes and Scribblers, Lewis Little Folks and Family Life Center are also within School District boundaries. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed by the School District on behalf of the nonpublic schools by the Treasurer of the School District, as directed by the nonpublic schools. These transactions are reported as a special revenue fund and as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt or the levying of their taxes. The School District has no component units.

The following entities which perform activities within the School District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

***Cities of Berea, Middleburg Heights and Brook Park*** The city governments of Berea, Middleburg Heights and Brook Park are separate bodies politic and corporate. An elected mayor and council administer the provision of traditional city services. Council acts as the taxing and budgeting authority.

***Cuyahoga County Public Library*** The library is a distinct political subdivision of the State of Ohio governed by a board of trustees. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies.

***Parent Teacher Organization*** The School District is not involved in budgeting or managing the organization, is not responsible for any debt of the organization and has no influence over the operation of the organization.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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The School District participates in three jointly governed organizations and one public entity risk pool. These organizations are presented in Note 20 to the financial statements. These organizations are:

Jointly Governed Organizations:

Polaris Career Center  
Educational Community Foundation  
Ohio Schools' Council Association

Public Entity Risk Pool:

Ohio School Boards Association Workers' Compensation Group Rating Program

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of Berea City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service fund unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**A. Fund Accounting**

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental, proprietary and fiduciary.

**Governmental Funds** Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

**General Fund** The general fund is used to account and report for all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Debt Service Fund** The debt service fund is used to account and report for the accumulation of resources received from property taxes restricted for the payment of school improvement general obligation bond, principal, interest and related costs.

**Building Fund** The building fund accounts and reports for restricted grant monies to be used for various capital improvements within the School District.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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The other governmental funds of the School District account for grants and other resources whose use is restricted, committed or assigned to a particular purpose.

***Proprietary Fund Type*** Proprietary funds focus on the determination of operating income, changes in net assets, financial position and cash flows and are classified as either enterprise or internal service. The School District only has an internal service fund.

***Internal Service Fund*** This fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The only internal service fund of the School District accounts for a self-insurance program which provides medical, dental and vision benefits to employees.

***Fiduciary Funds*** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is a private purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds are student activities, employee benefits and staff services.

***B. Basis of Presentation***

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-wide Financial Statements*** The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District does not have any business-type activities.

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental activity is self-financing or draws from the general revenues of the School District.

***Fund Financial Statements*** During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary fund is reported by type.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

The private purpose trust fund is reported using the economic resources measurement focus.

**C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences between the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-Exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available as an advance, interest, tuition, grants, fees and rentals.

**Deferred Revenue** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

***D. Cash and Cash Equivalents***

Cash received by the School District is pooled for investment purposes. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements. The School District also utilizes an escrow agent to hold retainage on construction contracts. The balances in these accounts are presented on the financial statements as "cash and cash equivalents with escrow agents" and represents deposits or short-term investments in certificates of deposit.

Berea City School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2011. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2011.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2011 amounted to \$61,737 which includes \$49,184 assigned from other School District funds.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

***E. Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the General Fund include amounts required by State statute to be set aside for capital improvements. See Note 21 for additional information regarding set-asides.

***F. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***G. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expensed/expended when used. Inventories consist of donated food, purchased food and school supplies held for resale and materials and supplies held for consumption.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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***H. Bond Issuance Costs***

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the straight line method. On the governmental financial statements, issuance costs are reported as an expenditure in the fiscal year in which the bonds are issued. Bond issuance costs are generally paid from the bond proceeds.

As permitted by State statute, the School District paid bond issuance costs from the bond proceeds and therefore does not consider that portion of debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

***I. Bond Premiums and Discounts***

On the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are received in the year the bonds are issued. On the government-wide financial statements, bond discounts are presented as a decrease of the face amount of the general obligation bonds payable. On the fund financial statements, bond discounts are expended in the year the bonds are issued.

***J. Gain on Refunding***

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter.

***K. Capital Assets***

All capital assets of the School District are classified as general capital assets. General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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Description	Governmental Activities Estimated Lives
Land Improvements	30 years
Buildings and Improvements	10 - 50 years
Furniture and Equipment	5 - 12 years
Vehicles	10 years

***L. Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the statement of net assets.

***M. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the School District's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund or funds from which the employees who have accumulated the leave are paid.

***N. Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the governmental fund financial statements when due.

***O. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

***P. Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the School is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**Nonspendable** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

**Restricted** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

***Q. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

***R. Internal Activity***

Transfers within governmental activities are eliminated on the Statement of Activities. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund services provided and used are not.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***S. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

***T. Estimates***

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***U. Budgetary Data***

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the object level in the general fund and at the function and object level for all other funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue, are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

**Note 3 – Changes in Accounting Principles and Restatement of Prior Year's Fund Balance**

For fiscal year 2011, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and governmental Fund Type Definitions" and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementations of this statement resulted in the reclassification of certain funds and restatement of the School District's financial statements.

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*Notes to the Basic Financial Statements*  
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GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments by updating and improving existing standards regarding financial reporting of certain financial instruments and external investment pools. The implementation of this statement did not result in any change in the School District's financial statements.

**Restatement of Prior Year's Fund Balance**

The implementation of GASB Statement No. 54 had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

	General	Debt Service	Building	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance at June 30, 2010	\$29,186,263	\$3,486,071	\$17,858,792	\$1,102,044	\$51,633,170
Change in Fund Structure	190,207	0	0	(190,207)	0
Adjusted Fund Balance at June 30, 2010	<u>\$29,376,470</u>	<u>\$3,486,071</u>	<u>\$17,858,792</u>	<u>\$911,837</u>	<u>\$51,633,170</u>

**Note 4 –Accountability and Compliance**

**A. Accountability**

The following funds had deficit fund balances/net assets at June 30, 2011:

<b>Special Revenue Fund</b>	
Preschool at Risk	\$460
<b>Capital Projects Fund</b>	
Permanent Improvement	234,305
<b>Internal Service Fund</b>	
Self Insurance	1,194,796

The deficit in the special revenue fund resulted from adjustments for accrued liabilities. The deficit in the permanent improvement capital projects fund is a result of the issuance of the tax anticipation notes. The deficit will be eliminated once the obligation is paid in full. The general fund is liable for any deficit in these funds and provides transfers when cash is required, rather than when accruals occur. Management is currently analyzing the self insurance internal service fund to determine appropriate steps to alleviate the deficit.

**B. Compliance**

The Education Stabilization special revenue fund had total original appropriations in excess of estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code in the amount of \$400,277. This was corrected by the end of the fiscal year.

**Berea City School District**  
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**Note 5 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Debt Service	Building	Nonmajor Governmental Funds	Total
<b>Nonspendable</b>					
Prepays	\$2,592	\$0	\$0	\$0	\$2,592
Inventory	168,925	0	0	11,072	179,997
<i>Total Nonspendable</i>	<u>171,517</u>	<u>0</u>	<u>0</u>	<u>11,072</u>	<u>182,589</u>
<b>Restricted for</b>					
Unclaimed Monies	13,142	0	0	0	13,142
Special Instruction	0	0	0	259,532	259,532
Non-Public Schools	0	0	0	123,650	123,650
Athletics and Music	0	0	0	132,707	132,707
Preschool Education	0	0	0	2,989	2,989
English Proficiency	0	0	0	1,521	1,521
Professional Development	0	0	0	70,977	70,977
Drug Abuse and Prevention	0	0	0	1,185	1,185
Technology Improvements	0	0	0	79,775	79,775
Food Service Operations	0	0	0	1,116,674	1,116,674
Adult Education	0	0	0	403,160	403,160
Debt Service Payments	0	3,595,079	0	0	3,595,079
Capital Improvements	193,440	0	3,221,015	0	3,414,455
<i>Total Restricted for</i>	<u>206,582</u>	<u>3,595,079</u>	<u>3,221,015</u>	<u>2,192,170</u>	<u>9,214,846</u>
<b>Assigned to</b>					
Instructional Services	196,107	0	0	0	196,107
<b>Unassigned (Deficit)</b>	<u>14,900,858</u>	<u>0</u>	<u>0</u>	<u>(234,765)</u>	<u>14,666,093</u>
<i>Total Fund Balances</i>	<u><u>\$15,475,064</u></u>	<u><u>\$3,595,079</u></u>	<u><u>\$3,221,015</u></u>	<u><u>\$1,968,477</u></u>	<u><u>\$24,259,635</u></u>

**Note 6 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

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2. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
4. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund:

Net Change in Fund Balance	
GAAP Basis	(\$13,901,406)
Net Adjustment for Revenue Accruals	5,288,869
Advances In	415,837
Net Adjustment for Expenditure Accruals	109,342
Advances Out	(97,427)
Adjustment for Encumbrances	<u>(2,472,755)</u>
Budget Basis	<u><u>(\$10,657,540)</u></u>

**Note 7 – Property Taxes**

Property taxes are levied and assessed on a calendar year basis while the School District’s fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in calendar year 2011 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Cuyahoga County. The Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2011 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the late June personal property tax settlement and the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2011 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed personal property tax and the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2011 was \$7,142,868 in the general fund, \$174,639 in the debt service fund and \$181,523 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2010, was \$7,234,372 in the general fund, \$168,762 in the debt service fund and \$181,954 in the permanent improvement capital projects fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2011 taxes were collected are:

	2010 Second- Half Collections		2011 First- Half Collections	
Agricultural/Residential and Other Real Estate	\$1,376,388,910	98.12 %	\$1,377,849,100	98.07 %
Public Utility Personal	26,335,030	1.88	27,082,190	1.93
Total	\$1,402,723,940	100.00 %	\$1,404,931,290	100.00 %
Original Tax Rate per \$1,000 of Assessed Valuation	\$75.00		\$74.90	

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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**Note 8 – Deposits and Investments**

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

**Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$30,400,154 of the School District's bank balance of \$31,450,154 was uninsured and uncollateralized. Although the collateral securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments**

As of June 30, 2011, the School District had \$113,042 invested in STAR Ohio, which had an average maturity of 58.3 days.

**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than two years.

**Credit Risk** STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

**Note 9 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance 6/30/10	Additions	Deductions	Balance 6/30/11
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$918,217	\$0	\$0	\$918,217
Construction in Progress	6,386,121	16,903,731	0	23,289,852
<i>Total Capital Assets, not Being Depreciated</i>	<u>7,304,338</u>	<u>16,903,731</u>	<u>0</u>	<u>24,208,069</u>
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	3,224,193	0	0	3,224,193
Buildings and Improvements	49,108,170	322,956	0	49,431,126
Furniture and Equipment	3,691,618	153,617	(250,242)	3,594,993
Vehicles	4,491,431	491,007	(263,231)	4,719,207
<i>Total Capital Assets, Being Depreciated</i>	<u>60,515,412</u>	<u>967,580</u>	<u>(513,473)</u>	<u>60,969,519</u>
Less Accumulated Depreciation:				
Land Improvements	(1,530,377)	(107,473)	0	(1,637,850)
Buildings and Improvements	(27,679,272)	(797,907)	0	(28,477,179)
Furniture and Equipment	(2,653,580)	(182,012)	250,242	(2,585,350)
Vehicles	(2,954,183)	(324,851)	263,231	(3,015,803)
<i>Total Accumulated Depreciation</i>	<u>(34,817,412)</u>	<u>(1,412,243)</u>	<u>513,473</u>	<u>(35,716,182)</u>
Total Capital Assets, Being Depreciated, Net	<u>25,698,000</u>	<u>(444,663)</u>	<u>0</u>	<u>25,253,337</u>
Governmental Activities Capital Assets, Net	<u>\$33,002,338</u>	<u>\$16,459,068</u>	<u>\$0</u>	<u>\$49,461,406</u>

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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\*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$390,789
Special	113,566
Vocational	10,236
Support Services:	
Pupil	30,613
Instructional Staff	204,780
Administration	55,292
Fiscal	9,869
Business	2,897
Operation of Maintenance and Plant	125,187
Pupil Transportation	363,544
Central	34,069
Operation of Non-Instructional Services	67,077
Extracurricular Activities	4,324
Total Depreciation Expense	\$1,412,243

**Note 10 - Interfund Activity**

**A. Interfund Balances**

Interfund balances at June 30, 2011, consist of the following individual fund receivables and payables:

Interfund Payable	General
<b>Nonmajor Governmental Funds</b>	
Title VI-B	\$65,684
Preschool	5,031
Drug Free Schools	5,842
Parent Mentor Grant	433
Title IIA	20,437
Total	\$97,427

The interfund payables are advances for grant monies that were not received by fiscal year end and were for support to programs and projects in the special revenue funds. Advances will be repaid within one year.

**B. Interfund Transfers**

The general fund transferred \$569,138 to the debt service fund. The transfers were made to pay the principal and interest payments on the 2007 energy conservation general obligation bonds. The general fund also transferred \$11 to local grants and \$436,585 to adult and community education. The transfers were made to cover deficits in the fund.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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**Note 11 – Receivables**

Receivables at June 30, 2011, consisted of taxes, accounts (rent and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the non-payment of taxes, the stable condition of State programs and the current fiscal year guarantee of federal funds. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

<b>Governmental Activities</b>	<b>Amounts</b>
Tuition and Fees	\$1,191,329
Title VIB	658,243
Title I	301,614
Title IIA	90,196
Preschool	35,404
Preschool at Risk	7,933
Drug Free Schools	5,842
Title III	4,975
Parent Mentor Grant	1,656
Technology IID	1,520
<i>Total Governmental Activities</i>	<i>\$2,298,712</i>

**Note 12 - Risk Management**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2011, the School District contracted with Indiana Insurance for Property (Fire and Extended Coverage), and for Boiler and Machinery coverage through Travelers Insurance. Both of these policies are part of the Ohio Schools' Council group purchasing plan.

General liability coverage including sexual misconduct and molestation, and school leaders errors and omissions employment practices are with Indiana Insurance carrying the policy with a \$1,000,000 claims made coverage and a \$10,000,000 umbrella extending also over the School District's fleet insurance.

Vehicles are covered by Indiana Insurance and have a \$250 deductible for comprehensive and \$500 deductible for collision. This insurance includes a bodily injury and property damage combined single limit of \$1,000,000 with a \$10,000,000 umbrella, \$50,000 uninsured/underinsured motorist, and \$5,000 medical payments.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the prior year.

**B. Workers' Compensation**

For fiscal year 2011, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 20). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley provides administrative, cost control, and actuarial services to the GRP.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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**C. Employee Medical Benefits**

The School District operates and manages employee medical, dental and vision benefits on a self-insured basis. The dental and vision program limits total expenditures for any covered individual in a calendar year, therefore there is no individual or aggregate stop-loss maintained. Beginning October 1, 2007 Emerald Health became the provider network, Health Smart Rx provides prescription services and MedCost of North Carolina provides claim review and processing.

The School District maintains stop-loss coverage for its medical insurance program. Specific stop loss is set at \$175,000 with a \$100,000 deductible. For fiscal year 2011 the carrier was Star Net. The specific stop-loss was met in 2011.

The claims liability at June 30, 2011, estimated by the third party administrator to be \$1,191,920, is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount in fiscal years 2010 and 2011 were:

	Beginning of Year	Year Claims	Claim Payments	End of Year
2010	\$1,140,125	\$13,418,887	\$13,520,428	\$1,038,584
2011	1,038,584	13,726,975	13,573,639	1,191,920

Management's expectation is the claims liability will be paid within one year.

**Note 13 - Defined Benefit Pension Plans**

**A. School Employees Retirement System**

Plan Description – The School District participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2011, the allocation to pension and death benefits was 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$1,737,984, \$1,870,231 and \$1,353,496, respectively. For fiscal year 2011, 48.66 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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***B. State Teachers Retirement System***

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that can be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

A DB or Combined Plan member with five or more years of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were \$5,120,193 and \$41,285 for the fiscal year ended June 30, 2011, \$5,195,903 and \$107,131 for the fiscal year ended June 30, 2010, and \$4,996,303 and \$61,628 for the fiscal year ended June 30, 2009. For fiscal year 2011, 77 percent has been contributed for the DB plan and 77 percent has been contributed for the Combined Plan, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Contributions made to STRS Ohio for the DC Plan for fiscal year 2011 were \$103,411 made by the School District and \$73,865 made by the plan members. In addition, member contributions of \$29,489 were made for fiscal year 2011 for the defined contribution portion of the Combined Plan.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**Note 14 – Postemployment Benefits**

***A. School Employee Retirement System***

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2011, this amount was \$35,800. During fiscal year 2011, the School District paid \$220,999 in surcharge.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$431,441, \$280,029, and \$716,718, respectively. For fiscal year 2011, 48.66 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2011, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009, were \$111,843, \$111,219, and \$111,675 respectively. For fiscal year 2011, 48.66 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

***B. State Teachers Retirement System***

Plan Description – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011 STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$393,861 \$399,685, and \$384,331 respectively; 77 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2011.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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**Note 15 – Other Employee Benefits**

***A. Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximum. Upon retirement, payment is made for one fourth of the total sick leave accumulation, up to a maximum accumulation of 95 days. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

***B. Health and Life Insurance***

The School District operates and manages employee medical benefits on a self-insured basis. MedCost of North Carolina provided claim review and processing.

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Medical Life Insurance Company. The amounts provided for certified employees equal the employee's annual salary. The base amount for classified employees is \$30,000.

**Note 16 - Contingencies**

***A. Grants***

The School District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2011.

***B. Litigation***

Berea City School District is a party to legal proceedings. The School Board is of the opinion that the ultimate disposition of the current proceedings will not have a material effect, if any, on the financial condition of the School District.

**Note 17 – Contractual Commitments**

At June 30, 2011 the School District had a total of \$3,712,374 in contractual commitments, which comprised of contracts for the construction of the Grindstone Elementary School of \$3,091,659 and various capital improvements in the School District of \$620,715.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

**Note 18 – Notes Payable**

On August 29, 2007, the School District issued \$2,820,000, 4.0 percent tax anticipation notes. These notes were issued for various capital improvements in the School District. The notes were issued at a premium of \$38,834. The premium is amortized over 10 years using the straight-line method. The School District's note activity, including amounts outstanding and interest rates are as follows:

	Principal Outstanding 6/30/10	Additions	Deductions	Principal Outstanding 6/30/11
Permanent Improvement 2008 Capital Projects 4.0%				
Tax Anticipation Notes	\$2,340,000	\$0	\$255,000	\$2,085,000
Premium on Notes	28,372	0	3,756	24,616
Total Notes	<u>\$2,368,372</u>	<u>\$0</u>	<u>\$258,756</u>	<u>\$2,109,616</u>

The tax anticipation notes were used to pay for capital improvements to the buildings. The tax anticipation notes are paid from the permanent improvement capital projects fund with property tax revenue.

Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2011 are as follows:

Fiscal Year Ending June 30	Tax Anticipation Notes		Total
	Principal	Interest	
2012	\$265,000	\$81,950	\$346,950
2013	275,000	70,978	345,978
2014	285,000	59,428	344,428
2015	295,000	47,281	342,281
2016-2018	<u>965,000</u>	<u>62,581</u>	<u>1,027,581</u>
Total	<u>\$2,085,000</u>	<u>\$322,218</u>	<u>\$2,407,218</u>

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

**Note 19 – Long – Term Liabilities**

The changes in the School District’s long-term obligations during the year consist of the following:

	Principal Outstanding 6/30/10	Additions	Reductions	Principal Outstanding 6/30/11	Amounts Due in One Year
<b>Certificates of Participation:</b>					
Certificates of Participation - 2010	\$26,000,000	\$0	\$0	\$26,000,000	\$0
Discount on Certificates of Participation	(393,677)	0	(19,356)	(374,321)	0
Premium on Certificates of Participation	123,220	0	6,060	117,160	0
Total Certificates of Participation	<u>25,729,543</u>	<u>0</u>	<u>(13,296)</u>	<u>25,742,839</u>	<u>0</u>
<b>General Obligation Bonds:</b>					
2003 School Improvement Refunding	6,580,000	\$0	750,000	5,830,000	780,000
Deferred Amount on Refunding	67,810	0	8,748	59,062	0
2005 Bus Acquisition Bonds	305,000	0	70,000	235,000	75,000
2005 Energy Conservation Bonds	165,000	0	40,000	125,000	40,000
Premium on Bonds	9,645	0	3,216	6,429	0
2006 Bus Acquisition Bonds	410,000	0	50,000	360,000	65,000
2006 Motor Vehicle Acquisition Bonds	10,000	0	10,000	0	0
Premium on Bonds	7,783	0	1,416	6,367	0
2007 Energy Conservation Bonds	5,680,000	0	335,000	5,345,000	350,000
Premium on Bonds	107,803	0	8,628	99,175	0
2007 Various Purpose Bonds	130,000	0	65,000	65,000	65,000
Premium on Bonds	101	0	101	0	0
Total General Obligation Bonds	<u>13,473,142</u>	<u>0</u>	<u>1,342,109</u>	<u>12,131,033</u>	<u>1,375,000</u>
Compensated Absences	<u>3,373,828</u>	<u>990,011</u>	<u>370,476</u>	<u>3,993,363</u>	<u>621,412</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$42,576,513</u>	<u>\$990,011</u>	<u>\$1,699,289</u>	<u>\$41,867,235</u>	<u>\$1,996,412</u>

On April 1, 1993, the School District issued \$14,575,000, 5.0 - 7.5 percent general obligation bonds. These bonds were issued to fund various school improvements and will be paid from property taxes.

On March 1, 2003, the School District issued \$9,205,000 in general obligation bonds with interest rates varying from 2.00 percent to 4.70 percent. Proceeds were used to refund \$9,205,000 of the outstanding 1993 School Improvement Bonds. The 1993 bonds are paid in full.

The bonds were sold at a premium of \$743,790. Proceeds of \$9,817,557 were deposited in an irrevocable trust with an escrow agent to provide for all future debt payment on the refunded portion of the 1993 School Improvement bonds. The outstanding bonds at June 30, 2011 were \$5,830,000.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$131,233. This difference, being reported as a deferral in the accompanying financial statements, is being charged to operations through the maturity of the old debt or the new debt, whichever is shorter using the straight-line method.

On July 1, 2004, the School District issued \$995,000, 2.9 to 5.0 percent general obligation bonds. \$345,000 of these bonds was issued for energy conservation improvements and the remaining \$650,000 of bonds were issued to purchase school buses. The bonds were issued at a premium of \$28,941. This premium is amortized over nine years using the straight-line method.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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On August 30, 2005, the School District issued \$650,000, 4.0 to 5.0 percent general obligation bonds. These bonds were issued for purchasing buses and motor vehicles. These bonds were issued at a premium of \$14,627. This premium is amortized over ten years using the straight-line method.

On June 7, 2007, the School District issued \$6,312,802, 4.0 percent general obligation bonds. These bonds were issued for energy conservation improvements. The bonds were issued at a premium of \$134,406. This premium is amortized over 16 years using the straight-line method.

On June 7, 2007, the School District issued \$305,000, 4.0 percent general obligation bonds. These bonds were issued for purchasing motor vehicles. The bonds were issued at a premium of \$1,133. This premium is amortized over five years using the straight-line method.

On November 4, 2009, the School District issued Certificates of Participation in the amount of \$26,000,000 at a net interest rate of 4.7 percent for the purpose of building a new elementary building. This lease purchase agreement will mature in October of 2039. The Certificates of Participation were issued at a premium of \$127,260. This premium is amortized over 30 years using the straight line method.

Compensated absences will be paid from the general fund, the food service fund and the adult and community education funds.

At June 30, 2011 the School District's overall legal debt margin was \$121,463,895 with an unvoted debt margin of \$1,404,931. Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2011 are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Total
	Principal	Interest	
2012	\$1,375,000	\$511,092	\$1,886,092
2013	1,370,000	448,292	1,818,292
2014	1,330,000	402,667	1,732,667
2015	1,265,000	325,258	1,590,258
2016	1,325,000	267,536	1,592,536
2017-2021	4,205,000	564,307	4,769,307
2022-2023	1,090,000	44,000	1,134,000
Total	<u>\$11,960,000</u>	<u>\$2,563,152</u>	<u>\$14,523,152</u>

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

Fiscal Year Ending June 30	Certificate of Participation		Total
	Principal	Interest	
2012	\$0	\$1,494,995	\$1,494,995
2013	500,000	1,482,495	1,982,495
2014	525,000	1,456,870	1,981,870
2015	555,000	1,432,645	1,987,645
2016	575,000	1,412,920	1,987,920
2017-2021	3,165,000	6,754,465	9,919,465
2022-2026	3,855,000	6,046,343	9,901,343
2027-2031	4,805,000	5,054,850	9,859,850
2032-2036	6,060,000	3,298,750	9,358,750
2037-2040	5,960,000	888,850	6,848,850
Total	<u>\$26,000,000</u>	<u>\$29,323,183</u>	<u>\$55,323,183</u>

**Note 20 - Jointly Governed Organizations and Public Entity Risk Pool**

*A. Jointly Governed Organizations*

Polaris Career Center is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of the students. The board of education is comprised of representatives from the board of each participating school district. The board is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. Berea City School District students may attend the vocational school. Each School District's control is limited to its representation on the board.

The Educational Community Foundation (Foundation) is a jointly governed organization established to support and enhance educational opportunities for the youth of the communities served by the Berea City School District. The trustees of the Foundation consist of the following voting members: one Berea Board of Education representative; an employee of Berea City School District to be selected by the Superintendent; two students, from any of the communities served by the Berea City School District; a representative from the PTA; one representative each from the City of Berea, City of Brook Park, and City of Middleburg Heights; a representative from the business/service communities; an at-large representative to be selected by the President of the Board of Trustees; and a representative of Baldwin-Wallace College. Each Trustee has one vote. The Board of Trustees of the Foundation may select any number of Honorary Trustees. Honorary Trustees are non-voting members. The board is responsible for approving its own budgets, accounting and finance related activities and appointing personnel.

The Ohio Schools' Council Association (Council) is a jointly governed organization among 126 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Associations. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2011 the School District paid \$6,144 to the Council. Financial information can be obtained by contacting David Cottrell, the Executive Director of the Ohio Schools' Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2011*

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The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Energy USA served as the natural gas supplier and program manager from October 1, 2008 to September 30, 2010. Compass Energy has been selected as the new supplier and program manager for the period from October 1, 2010 through March 31, 2013. There are currently 143 participants in the program including the Berea City School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

**B. Public Entity Risk Pool**

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**Note 21 - Set-Aside Calculations**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

	Capital Improvements	Textbooks and Instructional Materials
Set Aside Balance as of June 30, 2010	\$229,621	\$0
Current year set-aside requirement	1,000,052	1,000,052
Current Year Offset	(853,972)	(500,000)
Qualifying Disbursements	(182,261)	(835,491)
Total	\$193,440	(\$335,439)
Set-aside Balance Carried Forward to Future Fiscal Years	\$193,440	\$0

The School District had qualifying disbursements and offsets during the fiscal year that reduced the textbook set-aside amount to below zero. Effective July 1, 2011, the textbooks set-aside is no longer required and has been removed from the existing law. Therefore, this negative balance is not presented as being carried forward to the future fiscal year. The total reserve balance for the two set-asides at the end of the fiscal year was \$193,440.

**Note 22 – Subsequent Event**

On November 8, 2011, the School District placed a 2.9 mill operating issue on the ballot. This issue did not pass. As a result, The Board of Education will be placing a 3.9 mill operating issue on the ballot in March of 2012.



*Lindsay M.*

7<sup>th</sup> Grade

Roehm Middle School

Art Instructor: Heather Courtwright

**Berea City School District**

**Combining Statements and Individual Fund Schedules**

## Berea City School District

### *Fund Descriptions– Nonmajor Governmental Funds*

#### *Nonmajor Special Revenue Funds*

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Following is a description of the School District's nonmajor special revenue funds:

**Title VI-B Fund** This fund accounts for and reports restricted Federal grant monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

**Auxiliary Services Fund** This fund accounts for and reports restricted State grant monies which provide services and materials to pupils attending non-public schools within the School District.

**Title I Fund** This fund accounts for and reports restricted Federal grant monies used to assist the School District in meeting the special needs of educationally deprived children.

**District Managed Student Activities Fund** This fund accounts for and reports restricted gate receipts and revenues from athletic events and costs (except supplemental coaching contracts) of the School District's athletic program.

**Preschool At Risk Fund** This fund accounts for and reports restricted State grant monies used to provide preschool education for students of low income families.

**Local Grants Fund** This fund accounts for and reports various restricted grants received to promote community involvement and to support activities between the school and the community.

**Preschool Fund** This fund accounts for and reports restricted Federal grant revenues used for speech therapy services and instructional supplies used in preschool programs.

(continued)

**Berea City School District**  
*Nonmajor Special Revenue Funds*  
(continued)

**Drug Free Schools Fund** This fund accounts for and reports restricted Federal grant revenues which support the implementation of drug abuse education and prevention programs.

**Food Service Fund** This fund accounts for and reports charges for services and operating grants restricted to the food service operations of the School District.

**Adult and Community Education Fund** This fund accounts for and reports the educational opportunities offered on a tuition basis to preschoolers, and youths within the community.

**Other** This fund accounts for and reports smaller Special Revenue Funds operated by the School District that are in part restricted or committed by local, state and federal grant monies as well as miscellaneous sources. These funds are as follows:

Educational Management Information Systems (EMIS) Fund  
Technology IID Fund  
Parent Mentor Grant Fund  
Title IIA Fund  
Education Stabilization Fund  
Title III Fund

**Berea City School District**  
*Nonmajor Capital Projects Funds*

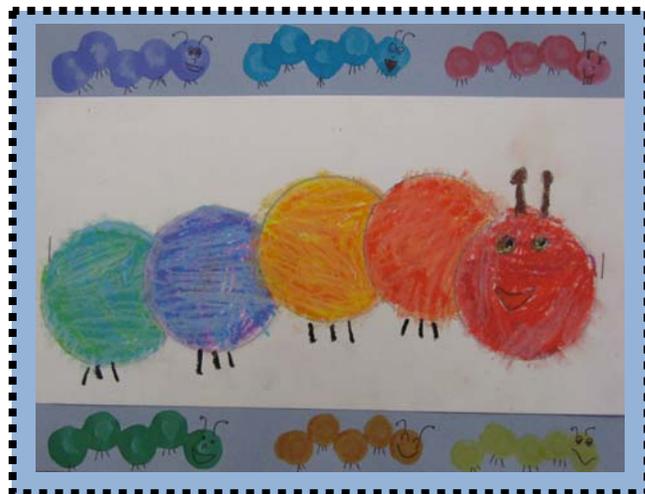
The Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary fund or for assets that will be held in trust. Following is a description of the nonmajor capital projects funds:

**Permanent Improvement Fund** This fund accounts for and reports bond proceeds restricted for the acquisition, construction, or improvement of capital facilities.

**School Net Fund** This fund accounts for and reports restricted State grant monies used to purchase computer hardware and software.

**Network Connectivity Fund** This fund accounts for and reports restricted State grant monies expended to complete and enhance the District's computer network.

**Interactive Video Lab Fund** This fund accounts for and reports restricted State grant funds used for the procurement of videoconferencing technology.



*Emily S.*

1<sup>st</sup> Grade

Big Creek Elementary School

Art Instructor: Kathy Jadud

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2011*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,689,889	\$2,031,750	\$4,721,639
Intergovernmental Receivable	1,107,383	0	1,107,383
Inventory Held for Resale	18,605	0	18,605
Materials and Supplies			
Inventory	11,072	0	11,072
Taxes Receivable	0	1,203,864	1,203,864
<i>Total Assets</i>	<u>\$3,826,949</u>	<u>\$3,235,614</u>	<u>\$7,062,563</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$103,628	\$18,751	\$122,379
Contracts Payable	0	239,137	239,137
Accrued Wages	366,893	0	366,893
Matured Compensated Absences Payable	235	0	235
Retainage Payable	0	9,055	9,055
Interfund Payable	97,427	0	97,427
Intergovernmental Payable	272,645	0	272,645
Deferred Revenue	847,087	1,022,341	1,869,428
Accrued Interest Payable	0	7,271	7,271
Notes Payable	0	2,109,616	2,109,616
<i>Total Liabilities</i>	<u>1,687,915</u>	<u>3,406,171</u>	<u>5,094,086</u>
<b>Fund Balances</b>			
Nonspendable	11,072	0	11,072
Restricted	2,128,422	63,748	2,192,170
Unassigned (Deficit)	(460)	(234,305)	(234,765)
<i>Total Fund Balances</i>	<u>2,139,034</u>	<u>(170,557)</u>	<u>1,968,477</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,826,949</u>	<u>\$3,235,614</u>	<u>\$7,062,563</u>

**Berea City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2011*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes	\$0	\$923,723	\$923,723
Intergovernmental	7,159,519	805,344	7,964,863
Interest	1,575	0	1,575
Tuition and Fees	918,416	0	918,416
Extracurricular Activities	321,786	0	321,786
Charges for Services	1,239,373	0	1,239,373
Contributions and Donations	86,821	0	86,821
Miscellaneous	19,109	0	19,109
<i>Total Revenues</i>	<u>9,746,599</u>	<u>1,729,067</u>	<u>11,475,666</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	803,529	0	803,529
Special	1,885,755	0	1,885,755
Adult/Continuing	167	0	167
Support Services:			
Pupil	946,762	0	946,762
Instructional Staff	1,167,745	0	1,167,745
Administration	167,911	0	167,911
Operation and Maintenance of Plant	3,142	0	3,142
Pupil Transportation	89,066	0	89,066
Central	1,766	0	1,766
Operation of Non-Instructional Services	3,640,995	0	3,640,995
Extracurricular Activities	303,941	0	303,941
Capital Outlay	0	1,475,499	1,475,499
Debt Service:			
Principal Retirement	0	235,000	235,000
Interest and Fiscal Charges	0	134,344	134,344
<i>Total Expenditures</i>	<u>9,010,779</u>	<u>1,844,843</u>	<u>10,855,622</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	735,820	(115,776)	620,044
<b>Other Financing Sources</b>			
Transfers In	436,596	0	436,596
<i>Net Change in Fund Balances</i>	1,172,416	(115,776)	1,056,640
<i>Fund Balances (Deficit) Beginning of Year</i>	966,618	(54,781)	911,837
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,139,034</u>	<u>(\$170,557)</u>	<u>\$1,968,477</u>

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2011*

	<u>Title VI-B</u>	<u>Auxiliary Services</u>	<u>Title I</u>	<u>District Managed Student Activities</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$226,566	\$140,498	\$79,629	\$135,960
Intergovernmental Receivable	658,243	0	301,614	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$884,809</u>	<u>\$140,498</u>	<u>\$381,243</u>	<u>\$135,960</u>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$45,626	\$16,848	\$17,622	\$3,253
Accrued Wages	37,954	0	143,187	0
Matured Compensated Absences Payable	0	0	0	0
Interfund Payable	65,684	0	0	0
Intergovernmental Payable	43,275	0	21,246	0
Deferred Revenue	658,243	0	127,339	0
<i>Total Liabilities</i>	<u>850,782</u>	<u>16,848</u>	<u>309,394</u>	<u>3,253</u>
 <b>Fund Balances</b>				
Nonspendable	0	0	0	0
Restricted	34,027	123,650	71,849	132,707
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>34,027</u>	<u>123,650</u>	<u>71,849</u>	<u>132,707</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$884,809</u>	<u>\$140,498</u>	<u>\$381,243</u>	<u>\$135,960</u>

Preschool At Risk	Local Grants	Preschool	Drug Free Schools
\$4,953	\$69,107	\$10,924	\$6,376
7,933	0	35,404	5,842
0	0	0	0
0	0	0	0
<u>\$12,886</u>	<u>\$69,107</u>	<u>\$46,328</u>	<u>\$12,218</u>

\$0	\$0	\$8,769	\$874
10,420	0	3,712	0
0	0	0	0
0	0	5,031	5,842
1,459	0	520	0
1,467	0	25,307	4,317
<u>13,346</u>	<u>0</u>	<u>43,339</u>	<u>11,033</u>

0	0	0	0
0	69,107	2,989	1,185
(460)	0	0	0
<u>(460)</u>	<u>69,107</u>	<u>2,989</u>	<u>1,185</u>
<u>\$12,886</u>	<u>\$69,107</u>	<u>\$46,328</u>	<u>\$12,218</u>

(continued)

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2011*

	Food Service	Adult and Community Education	EMIS	Technology IID
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,281,761	\$521,065	\$15,598	\$429
Intergovernmental Receivable	0	0	0	1,520
Inventory Held for Resale	18,605	0	0	0
Materials and Supplies Inventory	11,072	0	0	0
<i>Total Assets</i>	<u>\$1,311,438</u>	<u>\$521,065</u>	<u>\$15,598</u>	<u>\$1,949</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$8,477	\$1,379	\$0	\$0
Accrued Wages	57,101	38,853	0	0
Matured Compensated Absences Payable	235	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	117,879	77,673	0	0
Deferred Revenue	0	0	0	1,520
<i>Total Liabilities</i>	<u>183,692</u>	<u>117,905</u>	<u>0</u>	<u>1,520</u>
<b>Fund Balances</b>				
Nonspendable	11,072	0	0	0
Restricted	1,116,674	403,160	15,598	429
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>1,127,746</u>	<u>403,160</u>	<u>15,598</u>	<u>429</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,311,438</u>	<u>\$521,065</u>	<u>\$15,598</u>	<u>\$1,949</u>

Parent Mentor Grant	Title IIA	Education Stabilization	Title III	Total Nonmajor Special Revenue Funds
\$969	\$9,393	\$185,140	\$1,521	\$2,689,889
1,656	90,196	0	4,975	1,107,383
0	0	0	0	18,605
0	0	0	0	11,072
<u>\$2,625</u>	<u>\$99,589</u>	<u>\$185,140</u>	<u>\$6,496</u>	<u>\$3,826,949</u>
\$322	\$458	\$0	\$0	\$103,628
0	19,409	56,257	0	366,893
0	0	0	0	235
433	20,437	0	0	97,427
0	2,717	7,876	0	272,645
0	23,919	0	4,975	847,087
<u>755</u>	<u>66,940</u>	<u>64,133</u>	<u>4,975</u>	<u>1,687,915</u>
0	0	0	0	11,072
1,870	32,649	121,007	1,521	2,128,422
0	0	0	0	(460)
<u>1,870</u>	<u>32,649</u>	<u>121,007</u>	<u>1,521</u>	<u>2,139,034</u>
<u>\$2,625</u>	<u>\$99,589</u>	<u>\$185,140</u>	<u>\$6,496</u>	<u>\$3,826,949</u>

**Berea City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2011*

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities
<b>Revenues</b>				
Intergovernmental	\$2,356,770	\$646,292	\$1,968,816	\$0
Interest	0	216	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	321,786
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	55,965
Miscellaneous	0	0	0	15,140
<i>Total Revenues</i>	<u>2,356,770</u>	<u>646,508</u>	<u>1,968,816</u>	<u>392,891</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	1,043,301	0	821,689	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupil	912,841	0	0	2,522
Instructional Staff	259,016	0	579,144	0
Administration	60,719	0	107,192	0
Operation and Maintenance of Plant	0	0	0	3,142
Pupil Transportation	20,000	0	1,221	58,085
Central	0	0	0	0
Operation of Non-Instructional Services	151,637	581,104	30,643	0
Extracurricular Activities	0	0	0	303,941
<i>Total Expenditures</i>	<u>2,447,514</u>	<u>581,104</u>	<u>1,539,889</u>	<u>367,690</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(90,744)</i>	<i>65,404</i>	<i>428,927</i>	<i>25,201</i>
<b>Other Financing Sources :</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balance</i>	<i>(90,744)</i>	<i>65,404</i>	<i>428,927</i>	<i>25,201</i>
<i>Fund Balance (Deficit ) Beginning of Year</i>	<u>124,771</u>	<u>58,246</u>	<u>(357,078)</u>	<u>107,506</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$34,027</u></u>	<u><u>\$123,650</u></u>	<u><u>\$71,849</u></u>	<u><u>\$132,707</u></u>

Preschool At Risk	Local Grants	Preschool	Drug Free Schools
\$142,532	\$0	\$68,031	\$13,623
0	25	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	29,562	0	0
0	0	0	0
<u>142,532</u>	<u>29,587</u>	<u>68,031</u>	<u>13,623</u>
89,526	35,830	0	7,018
0	114	20,651	0
0	0	0	0
0	0	31,399	0
50,053	338	8,753	4,187
0	0	0	0
0	0	0	0
0	9,760	0	0
0	0	0	0
0	1,007	0	0
0	0	0	0
<u>139,579</u>	<u>47,049</u>	<u>60,803</u>	<u>11,205</u>
2,953	(17,462)	7,228	2,418
0	11	0	0
2,953	(17,451)	7,228	2,418
<u>(3,413)</u>	<u>86,558</u>	<u>(4,239)</u>	<u>(1,233)</u>
<u>(\$460)</u>	<u>\$69,107</u>	<u>\$2,989</u>	<u>\$1,185</u>

(continued)

**Berea City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2011*

	Food Service	Adult and Community Education	EMIS	Technology IID
<b>Revenues</b>				
Intergovernmental	\$986,894	\$0	\$5,000	\$2,673
Interest	1,334	0	0	0
Tuition and Fees	0	918,416	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	1,239,373	0	0	0
Contributions and Donations	250	1,044	0	0
Miscellaneous	3,969	0	0	0
<i>Total Revenues</i>	<u>2,231,820</u>	<u>919,460</u>	<u>5,000</u>	<u>2,673</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Adult/Continuing	0	167	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	2,244
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	1,766	0
Operation of Non-Instructional Services	1,971,253	905,351	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>1,971,253</u>	<u>905,518</u>	<u>1,766</u>	<u>2,244</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	260,567	13,942	3,234	429
<b>Other Financing Sources :</b>				
Transfers In	0	436,585	0	0
<i>Net Change in Fund Balance</i>	260,567	450,527	3,234	429
<i>Fund Balance (Deficit ) Beginning of Year</i>	<u>867,179</u>	<u>(47,367)</u>	<u>12,364</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,127,746</u></u>	<u><u>\$403,160</u></u>	<u><u>\$15,598</u></u>	<u><u>\$429</u></u>

Parent Mentor Grant	Title IIA	Education Stabilization	Title III	Total Nonmajor Special Revenue Funds
\$25,000	\$323,683	\$595,983	\$24,222	\$7,159,519
0	0	0	0	1,575
0	0	0	0	918,416
0	0	0	0	321,786
0	0	0	0	1,239,373
0	0	0	0	86,821
0	0	0	0	19,109
<u>25,000</u>	<u>323,683</u>	<u>595,983</u>	<u>24,222</u>	<u>9,746,599</u>
0	42,674	609,965	18,516	803,529
0	0	0	0	1,885,755
0	0	0	0	167
0	0	0	0	946,762
23,131	240,879	0	0	1,167,745
0	0	0	0	167,911
0	0	0	0	3,142
0	0	0	0	89,066
0	0	0	0	1,766
0	0	0	0	3,640,995
0	0	0	0	303,941
<u>23,131</u>	<u>283,553</u>	<u>609,965</u>	<u>18,516</u>	<u>9,010,779</u>
1,869	40,130	(13,982)	5,706	735,820
0	0	0	0	436,596
1,869	40,130	(13,982)	5,706	1,172,416
1	(7,481)	134,989	(4,185)	966,618
<u>\$1,870</u>	<u>\$32,649</u>	<u>\$121,007</u>	<u>\$1,521</u>	<u>\$2,139,034</u>

**Berea City Schools**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2011*

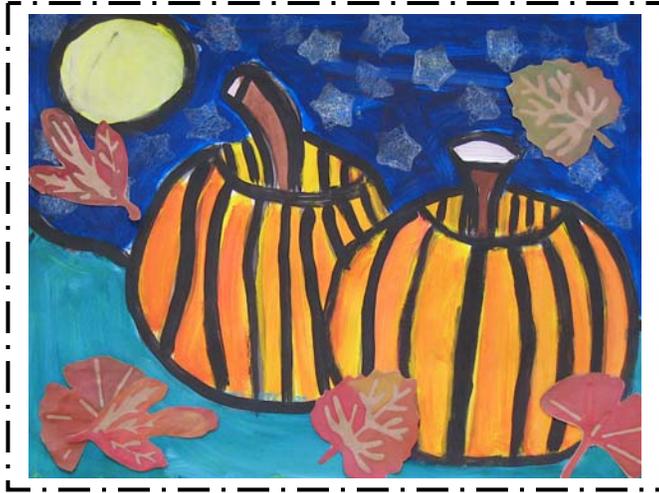
	Permanent Improvement	School Net
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$1,968,002	\$1,724
Taxes Receivable	1,203,864	0
Total Assets	\$3,171,866	\$1,724
<b>Liabilities and Fund Balances</b>		
Accounts Payable	\$18,751	\$0
Contracts Payable	239,137	0
Retainage Payable	9,055	0
Deferred Revenue	1,022,341	0
Accrued Interest Payable	7,271	0
Notes Payable	2,109,616	0
<i>Total Liabilities</i>	3,406,171	0
<b>Fund Balances:</b>		
Restricted	0	1,724
Unassigned (Deficit)	(234,305)	0
<i>Total Fund Balances (Deficit)</i>	(234,305)	1,724
<i>Total Liabilities and Fund Balances</i>	\$3,171,866	\$1,724

Network Connectivity	Interactive Video Lab	Total Nonmajor Capital Projects Funds
\$59,624	\$2,400	\$2,031,750
0	0	1,203,864
<u>\$59,624</u>	<u>\$2,400</u>	<u>\$3,235,614</u>
\$0	\$0	\$18,751
0	0	239,137
0	0	9,055
0	0	1,022,341
0	0	7,271
0	0	2,109,616
<u>0</u>	<u>0</u>	<u>3,406,171</u>
59,624	2,400	63,748
0	0	(234,305)
<u>59,624</u>	<u>2,400</u>	<u>(170,557)</u>
<u>\$59,624</u>	<u>\$2,400</u>	<u>\$3,235,614</u>

**Berea City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2011*

	Permanent Improvement	School Net
<b>Revenues</b>		
Taxes	\$923,723	\$0
Intergovernmental	780,319	0
<i>Total Revenues</i>	<u>1,704,042</u>	<u>0</u>
<b>Expenditures</b>		
Capital Outlay	1,463,387	0
Debt Service:		
Principal Retirement	235,000	0
Interest and Fiscal Charges	134,344	0
<i>Total Expenditures</i>	<u>1,832,731</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(128,689)	0
<i>Fund Balance (Deficit) Beginning of Year</i>	<u>(105,616)</u>	<u>1,724</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$234,305)</u></u>	<u><u>\$1,724</u></u>

Network Connectivity	Interactive Video Lab	Total Nonmajor Capital Projects Funds
\$0	\$0	\$923,723
25,025	0	805,344
25,025	0	1,729,067
12,112	0	1,475,499
0	0	235,000
0	0	134,344
12,112	0	1,844,843
12,913	0	(115,776)
46,711	2,400	(54,781)
\$59,624	\$2,400	(\$170,557)



*Kelly M.*

2<sup>nd</sup> Grade

Big Creek Elementary School

Art Instructor: Kathy Jadud

### *Fiduciary Funds*

Fiduciary fund reporting focuses on net assets and change in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

### *Agency Funds*

**Student Activities Fund** This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

**Employee Benefits Fund** This fund accounts for monies withheld from employees' paychecks for future child care and health care services purchased by the employee.

**Staff Services Fund** This fund accounts for purchases of supplies on behalf of employees of the School District.

**Berea City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2011*

	Balance 6-30-10	Additions	Reductions	Balance 6-30-11
<b><i>Student Activities</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$109,758</u>	<u>\$207,754</u>	<u>\$211,664</u>	<u>\$105,848</u>
<b>Liabilities</b>				
Due to Students	<u>\$109,758</u>	<u>\$207,754</u>	<u>\$211,664</u>	<u>\$105,848</u>
 <b><i>Employee Benefits</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$3,448</u>	<u>\$141,293</u>	<u>\$144,741</u>	<u>\$0</u>
<b>Liabilities</b>				
Undistributed Monies	<u>\$3,448</u>	<u>\$141,293</u>	<u>\$144,741</u>	<u>\$0</u>
 <b><i>Staff Services</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$22,244</u>	<u>\$28,733</u>	<u>\$28,941</u>	<u>\$22,036</u>
<b>Liabilities</b>				
Undistributed Monies	<u>\$22,244</u>	<u>\$28,733</u>	<u>\$28,941</u>	<u>\$22,036</u>

(continued)

**Berea City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds (continued)*  
*For the Fiscal Year Ended June 30, 2011*

	Balance 6-30-10	Additions	Reductions	Balance 6-30-11
<b>All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$135,450</u>	<u>\$377,780</u>	<u>\$385,346</u>	<u>\$127,884</u>
<b>Liabilities</b>				
Undistributed Monies	\$25,692	\$170,026	\$173,682	\$22,036
Due to Students	<u>109,758</u>	<u>207,754</u>	<u>211,664</u>	<u>105,848</u>
<i>Total Liabilities</i>	<u>\$135,450</u>	<u>\$377,780</u>	<u>\$385,346</u>	<u>\$127,884</u>



*Jacob C.*

3<sup>rd</sup> Grade

Big Creek Elementary School

Art Instructor: Kathy Jadud

**Berea City School District**

**Individual Fund Schedules of Revenues, Expenditures/Expenses  
and Changes in Fund Balance/Equity - Budget (Non-GAAP) and Actual**

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes	\$78,837,040	\$49,393,252	\$49,190,533	(\$202,719)
Intergovernmental	40,333,480	25,269,870	25,166,158	(103,712)
Interest	98,945	61,991	61,737	(254)
Tuition and Fees	4,862,405	2,813,938	2,797,086	(16,852)
Extracurricular Activities	352,223	259,226	258,536	(690)
Rentals	47,886	30,002	29,879	(123)
Charges for Services	25,404	15,916	15,851	(65)
Contributions and Donations	94,693	67,139	66,896	(243)
Miscellaneous	328,475	208,299	207,362	(937)
<i>Total Revenues</i>	<u>124,980,551</u>	<u>78,119,633</u>	<u>77,794,038</u>	<u>(325,595)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	22,780,296	22,533,415	22,533,415	0
Fringe Benefits	10,398,970	12,448,977	12,448,700	277
Purchased Services	2,883,141	2,601,237	2,589,591	11,646
Materials and Supplies	848,157	1,125,551	1,053,598	71,953
Capital Outlay - New	152,945	131,125	118,419	12,706
Other	16,784	19,224	16,515	2,709
Total Regular	<u>37,080,293</u>	<u>38,859,529</u>	<u>38,760,238</u>	<u>99,291</u>
Special:				
Salaries and Wages	5,774,222	6,052,219	6,052,219	0
Fringe Benefits	2,555,235	2,773,179	2,773,179	0
Purchased Services	170,012	149,457	149,457	0
Materials and Supplies	43,307	39,655	37,202	2,453
Capital Outlay - New	6,204	5,339	4,616	723
Total Special	<u>\$8,548,980</u>	<u>\$9,019,849</u>	<u>\$9,016,673</u>	<u>\$3,176</u>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Vocational:				
Salaries and Wages	\$586,776	\$584,874	\$584,874	\$0
Fringe Benefits	232,089	285,461	285,461	0
Purchased Services	8,983	3,420	3,140	280
Materials and Supplies	6,267	5,220	4,451	769
Capital Outlay - New	88,120	60,749	60,749	0
<b>Total Vocational</b>	<b>922,235</b>	<b>939,724</b>	<b>938,675</b>	<b>1,049</b>
<b>Total Instruction</b>	<b>46,551,508</b>	<b>48,819,102</b>	<b>48,715,586</b>	<b>103,516</b>
Support Services:				
Pupil:				
Salaries and Wages	2,426,386	2,569,248	2,298,698	270,550
Fringe Benefits	1,147,904	1,232,173	1,232,173	0
Purchased Services	1,671,098	1,476,839	1,351,463	125,376
Materials and Supplies	33,658	58,612	32,536	26,076
Capital Outlay - New	9,621	10,187	7,901	2,286
Other	65	90	0	90
<b>Total Pupil</b>	<b>5,288,732</b>	<b>5,347,149</b>	<b>4,922,771</b>	<b>424,378</b>
Instructional Staff:				
Salaries and Wages	4,360,500	4,617,240	4,177,825	439,415
Fringe Benefits	2,538,346	2,678,842	2,209,748	469,094
Purchased Services	338,735	366,756	315,627	51,129
Materials and Supplies	270,854	353,490	263,220	90,270
Capital Outlay - New	103,259	104,970	71,248	33,722
Capital Outlay - Replacement	0	0	0	0
Other	85,222	104,634	85,265	19,369
<b>Total Instructional Staff</b>	<b>7,696,916</b>	<b>8,225,932</b>	<b>7,122,933</b>	<b>1,102,999</b>
Board of Education:				
Salaries and Wages	7,083	7,500	7,500	0
Fringe Benefits	1,350	1,430	1,051	379
Purchased Services	16,434	17,405	15,785	1,620
Other	15,257	16,155	15,943	212
<b>Total Board of Education</b>	<b>\$40,124</b>	<b>\$42,490</b>	<b>\$40,279</b>	<b>\$2,211</b>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration:				
Salaries and Wages	\$2,938,416	\$3,128,757	\$3,128,757	\$0
Fringe Benefits	1,292,161	1,487,232	1,487,232	0
Purchased Services	447,269	265,090	265,090	0
Materials and Supplies	25,079	13,284	13,284	0
Capital Outlay - New	38	40	40	0
Other	9,315	5,194	4,642	552
<b>Total Administration</b>	<b>4,712,278</b>	<b>4,899,597</b>	<b>4,899,045</b>	<b>552</b>
Fiscal:				
Salaries and Wages	443,363	501,071	501,071	0
Fringe Benefits	288,245	323,247	323,247	0
Purchased Services	77,839	76,693	65,247	11,446
Materials and Supplies	12,693	12,015	9,272	2,743
Capital Outlay - New	1,889	2,000	0	2,000
Other	1,118,400	1,121,622	907,157	214,465
<b>Total Fiscal</b>	<b>1,942,429</b>	<b>2,036,648</b>	<b>1,805,994</b>	<b>230,654</b>
Business:				
Salaries and Wages	155,578	206,447	206,447	0
Fringe Benefits	95,044	124,225	124,220	5
Purchased Services	533,262	357,725	357,725	0
Materials and Supplies	25,181	197,769	169,836	27,933
Capital Outlay - New	255,866	142,450	142,450	0
Other	56,500	59,827	58,517	1,310
<b>Total Business</b>	<b>1,121,431</b>	<b>1,088,443</b>	<b>1,059,195</b>	<b>29,248</b>
Operation and Maintenance of Plant:				
Salaries and Wages	3,636,392	3,850,498	3,850,498	0
Fringe Benefits	2,089,542	2,212,571	2,199,888	12,683
Purchased Services	4,209,928	3,226,467	3,183,333	43,134
Materials and Supplies	409,905	405,752	401,991	3,761
Capital Outlay - New	108,595	100,006	97,159	2,847
Other	14,166	15,000	14,470	530
<b>Total Operation and Maintenance of Plant</b>	<b>\$10,468,528</b>	<b>\$9,810,294</b>	<b>\$9,747,339</b>	<b>\$62,955</b>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Pupil Transportation:				
Salaries and Wages	\$2,339,296	\$2,477,030	\$2,476,637	\$393
Fringe Benefits	1,137,657	1,204,641	1,204,641	0
Purchased Services	133,598	143,017	141,173	1,844
Materials and Supplies	570,866	590,212	587,810	2,402
Capital Outlay - New	332,756	352,348	349,496	2,852
Other	212	225	225	0
<b>Total Pupil Transportation</b>	<b>4,514,385</b>	<b>4,767,473</b>	<b>4,759,982</b>	<b>7,491</b>
Central:				
Salaries and Wages	1,297,387	1,338,652	1,338,652	0
Fringe Benefits	728,613	822,273	822,273	0
Purchased Services	1,037,275	866,153	860,416	5,737
Materials and Supplies	94,672	75,467	72,396	3,071
Capital Outlay - New	134,939	118,894	116,683	2,211
Other	765	810	796	14
<b>Total Central</b>	<b>3,293,651</b>	<b>3,222,249</b>	<b>3,211,216</b>	<b>11,033</b>
<b>Total Support Services</b>	<b>39,078,474</b>	<b>39,440,275</b>	<b>37,568,754</b>	<b>1,871,521</b>
Operation of Non-Instructional Services				
Food Service Operations:				
Materials and Supplies	4,957	6,844	640	6,204
Community Services:				
Salaries and Wages	22,866	24,212	18,390	5,822
Fringe Benefits	12,372	13,100	9,660	3,440
Other	115	1,142	1,142	0
<b>Total Community Service</b>	<b>35,353</b>	<b>38,454</b>	<b>29,192</b>	<b>9,262</b>
<b>Total Operation of Non-Instructional Services</b>	<b>40,310</b>	<b>45,298</b>	<b>29,832</b>	<b>15,466</b>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	167,493	177,355	164,063	13,292
Fringe Benefits	79,368	84,041	84,041	0
Purchased Services	4,887	6,747	3,307	3,440
Materials and Supplies	91	126	0	126
Capital Outlay - New	4,443	4,537	4,537	0
Other	1,774	2,449	2,449	0
<b>Total Academic and Subject Oriented Activities</b>	<b>258,056</b>	<b>275,255</b>	<b>258,397</b>	<b>16,858</b>
Occupational Oriented Activities:				
Purchased Service	1,547	2,136	0	2,136
Materials and Supplies	11,737	15,224	9,308	5,916
<b>Total Occupational Oriented Activities</b>	<b>\$13,284</b>	<b>\$17,360</b>	<b>\$9,308</b>	<b>\$8,052</b>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (Continued)*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Sports Oriented Activities:				
Salaries and Wages	\$677,308	\$717,185	\$706,268	\$10,917
Fringe Benefits	368,017	389,685	389,685	0
Purchased Services	20,777	22,000	17,615	4,385
Materials and Supplies	472	500	0	500
<b>Total Sports Oriented Activities</b>	<b>1,066,574</b>	<b>1,129,370</b>	<b>1,113,568</b>	<b>15,802</b>
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	59,148	62,631	62,631	0
Fringe Benefits	6,022	6,377	6,178	199
<b>Total School and Public Service</b>				
Co-Curricular Activities	65,170	69,008	68,809	199
<b>Total Extracurricular Activities</b>	<b>1,403,084</b>	<b>1,490,993</b>	<b>1,450,082</b>	<b>40,911</b>
<b>Total Expenditures</b>	<b>87,073,376</b>	<b>89,795,668</b>	<b>87,764,254</b>	<b>2,031,414</b>
<b>Excess of Revenues Under Expenditures</b>	<b>37,907,175</b>	<b>(11,676,035)</b>	<b>(9,970,216)</b>	<b>1,705,819</b>
<b>Other Financing Sources (Uses)</b>				
Advances In	666,457	417,551	415,837	(1,714)
Advances Out	(92,010)	(97,427)	(97,427)	0
Transfers Out	(949,583)	(1,005,734)	(1,005,734)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(375,136)</b>	<b>(685,610)</b>	<b>(687,324)</b>	<b>(1,714)</b>
<b>Net Change in Fund Balance</b>	<b>37,532,039</b>	<b>(12,361,645)</b>	<b>(10,657,540)</b>	<b>1,704,105</b>
<b>Fund Balance Beginning of Year</b>	<b>22,756,560</b>	<b>22,756,560</b>	<b>22,756,560</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>2,707,290</b>	<b>2,707,290</b>	<b>2,707,290</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$62,995,889</b>	<b>\$13,102,205</b>	<b>\$14,806,310</b>	<b>\$1,704,105</b>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Debt Service Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Taxes	\$753,661	\$1,398,254	\$1,364,211	(\$34,043)
Intergovernmental	71,558	132,761	129,529	(3,232)
<i>Total Revenues</i>	<u>825,219</u>	<u>1,531,015</u>	<u>1,493,740</u>	<u>(37,275)</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	1,340,000	1,340,000	1,340,000	0
Interest and Fiscal Charges	619,672	619,673	619,673	0
<i>Total Expenditures</i>	<u>1,959,672</u>	<u>1,959,673</u>	<u>1,959,673</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(1,134,453)	(428,658)	(465,933)	(37,275)
<b>Other Financing Sources</b>				
Transfers In	314,421	583,340	569,138	(14,202)
<i>Net Change in Fund Balance</i>	(820,032)	154,682	103,205	(51,477)
<i>Fund Balance Beginning of Year</i>	<u>3,317,022</u>	<u>3,317,022</u>	<u>3,317,022</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,496,990</u>	<u>\$3,471,704</u>	<u>\$3,420,227</u>	<u>(\$51,477)</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Building Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$326,576	\$326,576	\$326,576	\$0
Interest	23,424	23,424	24,690	1,266
<i>Total Revenues</i>	<u>350,000</u>	<u>350,000</u>	<u>351,266</u>	<u>1,266</u>
<b>Expenditures</b>				
Capital Outlay:				
Building Acquisition and Construction Services:				
Capital Outlay - New	18,698,664	18,245,995	17,030,946	1,215,049
Debt Service:				
Interest and Fiscal Charges	1,042,326	1,497,495	1,494,120	3,375
<i>Total Expenditures</i>	<u>19,740,990</u>	<u>19,743,490</u>	<u>18,525,066</u>	<u>1,218,424</u>
<i>Net Change in Fund Balance</i>	(19,390,990)	(19,393,490)	(18,173,800)	1,219,690
<i>Fund Balance Beginning of Year</i>	14,419,449	14,419,449	14,419,449	0
Prior Year Encumbrances Appropriated	5,998,603	5,998,603	5,998,603	0
<i>Fund Balance End of Year</i>	<u>\$1,027,062</u>	<u>\$1,024,562</u>	<u>\$2,244,252</u>	<u>\$1,219,690</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$4,128,902	\$2,383,048	\$2,356,770	(\$26,278)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	8,720	7,550	7,550	0
Fringe Benefits	2,534	2,194	2,194	0
Purchased Services	771,609	699,984	699,984	0
Materials and Supplies	232,597	212,507	212,244	263
Capital Outlay - New	260,463	236,180	235,232	948
<b>Total Instruction</b>	<b>1,275,923</b>	<b>1,158,415</b>	<b>1,157,204</b>	<b>1,211</b>
Support Services:				
Pupil:				
Salaries and Wages	350,672	303,614	303,614	0
Fringe Benefits	90,913	78,713	78,713	0
Purchased Services	693,078	579,990	577,308	2,682
<b>Total Pupil</b>	<b>1,134,663</b>	<b>962,317</b>	<b>959,635</b>	<b>2,682</b>
Instructional Staff:				
Salaries and Wages	282,972	244,999	244,999	0
Fringe Benefits	14,437	12,500	12,500	0
Purchased Services	11,634	4,036	3,251	785
<b>Total Instructional Staff</b>	<b>309,043</b>	<b>261,535</b>	<b>260,750</b>	<b>785</b>
Administration:				
Salaries and Wages	61,359	53,125	53,125	0
Fringe Benefits	8,771	7,594	7,594	0
<b>Total Administration</b>	<b>70,130</b>	<b>60,719</b>	<b>60,719</b>	<b>0</b>
Pupil Transportation:				
Purchased Services	23,225	20,000	20,000	0
<b>Total Support Services</b>	<b>\$1,537,061</b>	<b>\$1,304,571</b>	<b>\$1,301,104</b>	<b>\$3,467</b>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title VI-B Fund (continued)*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	\$173,867	\$151,638	\$151,637	\$1
<i>Total Expenditures</i>	<u>2,986,851</u>	<u>2,614,624</u>	<u>2,609,945</u>	<u>1</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,142,051</u>	<u>(231,576)</u>	<u>(253,175)</u>	<u>(21,599)</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	65,684	65,684	65,684	0
Advances Out	(60,939)	(52,762)	(52,762)	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,745</u>	<u>12,922</u>	<u>12,922</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,146,796	(218,654)	(240,253)	(21,599)
<i>Fund Balance Beginning of Year</i>	41,281	41,281	41,281	0
Prior Year Encumbrances Appropriated	<u>215,256</u>	<u>215,256</u>	<u>215,256</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,403,333</u></u>	<u><u>\$37,883</u></u>	<u><u>\$16,284</u></u>	<u><u>(\$21,599)</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Auxiliary Services Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$692,399	\$667,208	\$646,292	(\$20,916)
Interest	222	222	216	(6)
<i>Total Revenues</i>	<u>692,621</u>	<u>667,430</u>	<u>646,508</u>	<u>(20,922)</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	24,132	34,726	34,726	0
Fringe Benefits	15,315	22,038	22,038	0
Purchased Services	274,322	294,995	294,935	60
Materials and Supplies	203,748	260,021	259,884	137
Capital Outlay - New	105,021	149,663	149,663	0
<i>Total Expenditures</i>	<u>622,538</u>	<u>761,443</u>	<u>761,246</u>	<u>197</u>
<i>Net Change in Fund Balance</i>	70,083	(94,013)	(114,738)	(20,725)
<i>Fund Balance Beginning of Year</i>	21,534	21,534	21,534	0
Prior Year Encumbrances Appropriated	93,400	93,400	93,400	0
<i>Fund Balance End of Year</i>	<u>\$185,017</u>	<u>\$20,921</u>	<u>\$196</u>	<u>(\$20,725)</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$1,696,204	\$1,909,287	\$1,830,223	(\$79,064)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	450,609	625,794	625,794	0
Fringe Benefits	104,320	144,877	144,877	0
Purchased Services	50,562	53,634	53,633	1
Materials and Supplies	21,654	20,896	20,896	0
Capital Outlay - New	28,196	19,265	19,265	0
Total Instruction	655,341	864,466	864,465	1
Support Services:				
Instructional Staff:				
Salaries and Wages	214,161	297,421	297,421	0
Fringe Benefits	55,070	76,480	76,480	0
Purchased Services	236,706	220,063	218,464	1,599
Materials and Supplies	26,677	25,151	25,148	3
Capital Outlay - New	456,823	275,788	275,788	0
Other	5,957	6,793	6,793	0
Total Instructional Staff	995,394	901,696	900,094	1,602
Administration:				
Salaries and Wages	59,155	82,153	82,153	0
Fringe Benefits	13,315	18,491	18,491	0
Total Administration	72,470	100,644	100,644	0
Pupil Transportation:				
Purchased Services	3,079	3,221	3,221	0
Total Support Services	1,070,943	1,005,561	1,003,959	1,602
Operation of Non-Instructional Services				
Community Services:				
Salaries and Wages	5,912	8,211	8,211	0
Fringe Benefits	1,363	1,893	1,893	0
Purchased Services	14,030	19,484	19,484	0
Materials and Supplies	989	3,009	3,008	1
Total Operation of Non-Instructional Services	22,294	32,597	32,596	1
<b>Total Expenditures</b>	1,748,578	1,902,624	1,901,020	1,604
<b>Excess of Revenues Over (Under) Expenditures</b>	(\$52,374)	\$6,663	(\$70,797)	(\$77,460)

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title I Fund (continued)*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Uses</b>				
Advances Out	(\$239,678)	(\$332,858)	(\$332,858)	\$0
<i>Net Change in Fund Balance</i>	(292,052)	(326,195)	(403,655)	(77,460)
<i>Fund Balance Beginning of Year</i>	1	1	1	0
Prior Year Encumbrances Appropriated	423,080	423,080	423,080	0
<i>Fund Balance End of Year</i>	<u>\$131,029</u>	<u>\$96,886</u>	<u>\$19,426</u>	<u>(\$77,460)</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*District Managed Student Activities Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Extracurricular Activities	\$450,462	\$327,608	\$321,786	(\$5,822)
Contributions and Donations	78,344	56,978	55,965	(1,013)
Miscellaneous	21,194	15,414	15,140	(274)
<i>Total Revenues</i>	<u>550,000</u>	<u>400,000</u>	<u>392,891</u>	<u>(7,109)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Materials and Supplies	2,978	2,522	2,522	0
Operation and Maintenance of Plant:				
Purchased Services	4,133	3,500	3,142	358
Pupil Transportation:				
Purchased Services	77,943	66,000	65,172	828
Total Support Services	<u>85,054</u>	<u>72,022</u>	<u>70,836</u>	<u>1,186</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	49,802	42,171	31,445	10,726
Materials and Supplies	117,773	99,054	49,661	49,393
Capital Outlay - New	1,966	1,665	457	1,208
Other	12,427	10,523	3,668	6,855
Total Academic and Subject Oriented Activities	<u>181,968</u>	<u>153,413</u>	<u>85,231</u>	<u>68,182</u>
Sports Oriented Activities:				
Salaries and Wages	17,982	15,227	14,392	835
Purchased Services	117,069	99,130	88,139	10,991
Materials and Supplies	146,787	118,244	107,917	10,327
Capital Outlay - New	4,726	4,000	3,847	153
Other	29,804	24,856	16,949	7,907
Total Sports Oriented Activities	<u>316,368</u>	<u>261,457</u>	<u>231,244</u>	<u>30,213</u>
Total Extracurricular Activities	<u>498,336</u>	<u>414,870</u>	<u>316,475</u>	<u>98,395</u>
<i>Total Expenditures</i>	<u>\$583,390</u>	<u>\$486,892</u>	<u>\$387,311</u>	<u>\$99,581</u>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 District Managed Student Activities Fund (continued)  
 For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Net Change in Fund Balance</i>	(\$33,390)	(\$86,892)	\$5,580	\$92,472
<i>Fund Balance Beginning of Year</i>	102,360	102,360	102,360	0
<i>Prior Year Encumbrances Appropriated</i>	8,390	8,390	8,390	0
<i>Fund Balance End of Year</i>	<u>\$77,360</u>	<u>\$23,858</u>	<u>\$116,330</u>	<u>\$92,472</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Preschool at Risk Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$235,000	\$140,000	\$136,066	(\$3,934)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	62,735	60,995	60,995	0
Fringe Benefits	29,785	31,369	28,959	2,410
Total Instruction	92,520	92,364	89,954	2,410
Support Services:				
Instructional Staff:				
Salaries and Wages	45,158	43,906	43,906	0
Fringe Benefits	6,322	6,147	6,147	0
Total Instructional Staff	51,480	50,053	50,053	0
<i>Total Expenditures</i>	144,000	142,417	140,007	2,410
<i>Net Change in Fund Balance</i>	91,000	(2,417)	(3,941)	(1,524)
<i>Fund Balance Beginning of Year</i>	8,894	8,894	8,894	0
<i>Fund Balance End of Year</i>	\$99,894	\$6,477	\$4,953	(\$1,524)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Local Grants Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$283	\$27	\$25	(\$2)
Contributions and Donations	328,412	31,362	29,562	(1,800)
<i>Total Revenues</i>	<u>328,695</u>	<u>31,389</u>	<u>29,587</u>	<u>(1,802)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	4,631	12,626	12,146	480
Materials and Supplies	26,033	70,639	24,524	46,115
Capital Outlay - New	3,737	10,187	1,000	9,187
Total Regular	34,401	93,452	37,670	55,782
Special:				
Materials and Supplies	47	128	114	14
Total Instruction	<u>34,448</u>	<u>93,580</u>	<u>37,784</u>	<u>55,796</u>
Support Services:				
Pupil:				
Capital Outlay - New	\$10	\$28	\$0	\$28

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Local Grants Fund (continued)*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Instructional Staff:				
Purchased Services	\$4	\$10	\$0	\$10
Materials and Supplies	290	790	338	452
<b>Total Instructional Staff</b>	<b>294</b>	<b>800</b>	<b>338</b>	<b>462</b>
Pupil Transportation:				
Purchased Services	4,210	10,114	9,760	354
<b>Total Support Services</b>	<b>4,514</b>	<b>10,942</b>	<b>10,098</b>	<b>844</b>
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	1,597	4,355	1,635	2,720
Capital Outlay - New	63	172	0	172
<b>Total Community Services</b>	<b>1,660</b>	<b>4,527</b>	<b>1,635</b>	<b>2,892</b>
<b>Total Expenditures</b>	<b>40,622</b>	<b>109,049</b>	<b>49,517</b>	<b>59,532</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	288,073	(77,660)	(19,930)	57,730
<b>Other Financing Sources</b>				
Transfers In	115	11	11	0
<i>Net Change in Fund Balance</i>	288,188	(77,649)	(19,919)	57,730
<i>Fund Balance Beginning of Year</i>	85,939	85,939	85,939	0
Prior Year Encumbrances Appropriated	622	622	622	0
<b>Fund Balance End of Year</b>	<b>\$374,749</b>	<b>\$8,912</b>	<b>\$66,642</b>	<b>\$57,730</b>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Preschool Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$130,918	\$64,969	\$60,286	(\$4,683)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Purchased Services	444	3,800	148	3,652
Materials and Supplies	12,591	10,061	10,061	0
Capital Outlay - New	13,561	10,359	10,359	0
Total Instruction	26,596	24,220	20,568	3,652
Support Services:				
Pupil:				
Salaries and Wages	28,175	22,676	22,676	0
Fringe Benefits	7,013	5,644	5,644	0
Purchased Services	4,174	3,359	3,358	1
Total Pupil	39,362	31,679	31,678	1
Instructional Staff:				
Salaries and Wages	5,005	4,028	4,028	0
Fringe Benefits	700	563	563	0
Purchased Services	1,436	1,900	1,064	836
Materials and Supplies	6,251	4,238	4,238	0
Total Instructional Staff	13,392	10,729	9,893	836
Total Support Services	52,754	42,408	41,571	837
<i>Total Expenditures</i>	79,350	66,628	62,139	4,489
<i>Excess of Revenues Over (Under) Expenditures</i>	51,568	(1,659)	(1,853)	(194)
<b>Other Financing Sources (Uses)</b>				
Advances In	4,082	5,031	5,031	0
Advances Out	(4,488)	(3,614)	(3,614)	0
<i>Total Other Financing Sources (Uses)</i>	(406)	1,417	1,417	0
<i>Net Change in Fund Balance</i>	51,162	(242)	(436)	(194)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	2,139	2,139	2,139	0
<i>Fund Balance End of Year</i>	\$53,301	\$1,897	\$1,703	(\$194)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Drug Free Schools Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$20,158	\$20,158	\$13,696	(\$6,462)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,072	3,020	3,020	0
Fringe Benefits	526	767	767	0
Purchased Services	3,671	3,957	3,957	0
Capital Outlay - New	900	0	0	0
Total Instruction	8,533	9,733	9,733	0
Support Services:				
Instructional Staff:				
Purchased Services	7,068	4,606	4,606	0
Materials and Supplies	5,360	3,179	3,179	0
Capital Outlay - New	1,624	2,368	2,368	0
Total Support Services	14,052	10,153	10,153	0
<i>Total Expenditures</i>	22,585	19,886	19,886	0
<i>Excess of Revenues Over (Under)Expenditures</i>	(2,427)	272	(6,190)	0
<b>Other Financing Sources (Uses)</b>				
Advances In	5,842	5,842	5,842	0
Advances Out	(5,897)	(8,596)	(8,596)	0
<i>Total Other Financing Sources (Uses)</i>	(55)	(2,754)	(2,754)	0
<i>Net Change in Fund Balance</i>	(2,482)	(2,482)	(8,944)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	8,944	8,944	8,944	0
<i>Fund Balance End of Year</i>	\$6,462	\$0	\$0	\$0

**Berea City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$1,143,095	\$1,143,095	\$1,132,200	(\$10,895)
Interest	1,347	1,347	1,334	(13)
Charges for Services	1,251,299	1,251,299	1,239,373	(11,926)
Contributions and Donations	252	252	250	(2)
Miscellaneous	4,007	4,007	3,969	(38)
<i>Total Revenues</i>	2,400,000	2,400,000	2,377,126	(22,874)
<b>Expenditures</b>				
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	1,081,229	905,826	804,703	101,123
Fringe Benefits	470,822	376,855	368,081	8,774
Purchased Services	118,475	211,282	64,167	147,115
Materials and Supplies	1,250,062	1,250,366	894,101	356,265
Capital Outlay - New	3,241	179,500	2,412	177,088
<i>Total Expenditures</i>	2,923,829	2,923,829	2,133,464	790,365
<i>Net Change in Fund Balance</i>	(523,829)	(523,829)	243,662	767,491
<i>Fund Balance Beginning of Year</i>	705,767	705,767	705,767	0
Prior Year Encumbrances Appropriated	214,948	214,948	214,948	0
<i>Fund Balance End of Year</i>	\$396,886	\$396,886	\$1,164,377	\$767,491

**Berea City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Adult and Community Education Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Tuition and Fees	\$880,333	\$920,643	\$918,416	(\$2,227)
Contributions and Donations	1,001	1,047	1,044	(3)
<i>Total Revenues</i>	<u>881,334</u>	<u>921,690</u>	<u>919,460</u>	<u>(2,230)</u>
Expenditures:				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	9,608	8,469	8,469	0
Purchased Services	4,918	2,606	2,038	568
Total Instruction	<u>14,526</u>	<u>11,075</u>	<u>10,507</u>	<u>568</u>
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	708,871	689,157	624,840	64,317
Fringe Benefits	291,728	286,304	257,146	29,158
Purchased Services	21,458	46,787	24,712	22,075
Materials and Supplies	25,961	28,620	20,825	7,795
Capital Outlay - New	948	4,400	836	3,564
Other	8,048	8,200	7,094	1,106
Total Operation of Non-Instructional Services:	<u>1,057,014</u>	<u>1,063,468</u>	<u>935,453</u>	<u>128,015</u>
<i>Total Expenditures</i>	<u>1,071,540</u>	<u>1,074,543</u>	<u>945,960</u>	<u>128,583</u>
<i>Excess of Revenues Under Expenditures</i>	(190,206)	(152,853)	(26,500)	(126,353)
<b>Other Financing Sources</b>				
Transfers In	418,495	437,810	436,585	(1,225)
<i>Net Change in Fund Balance</i>	228,289	284,957	410,085	125,128
<i>Fund Balance Beginning of Year</i>	90,088	90,088	90,088	0
Prior Year Encumbrances Appropriated	<u>10,338</u>	<u>10,338</u>	<u>10,338</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$328,715</u>	<u>\$385,383</u>	<u>\$510,511</u>	<u>\$125,128</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Educational Management Information Systems Fund  
 For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$80,000	\$5,000	\$5,000	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	<u>17,364</u>	<u>17,364</u>	<u>1,766</u>	<u>15,598</u>
<i>Net Change in Fund Balance</i>	62,636	(12,364)	3,234	15,598
<i>Fund Balance Beginning of Year</i>	12,278	12,278	12,278	0
Prior Year Encumbrances Appropriated	<u>86</u>	<u>86</u>	<u>86</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$75,000</u></u>	<u><u>\$0</u></u>	<u><u>\$15,598</u></u>	<u><u>\$15,598</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Technology IID Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$15,000	\$20,000	\$8,859	(\$11,141)
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>8,146</u>	<u>8,786</u>	<u>8,786</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	6,854	11,214	73	(11,141)
<b>Other Financing Uses</b>				
Advances Out	<u>(1,439)</u>	<u>(6,186)</u>	<u>(6,186)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	5,415	5,028	(6,113)	(11,141)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>6,186</u>	<u>6,186</u>	<u>6,186</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,601</u></u>	<u><u>\$11,214</u></u>	<u><u>\$73</u></u>	<u><u>(\$11,141)</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Parent Mentor Grant Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$24,912	\$27,031	\$24,740	(\$2,291)
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	17,665	17,858	17,858	0
Fringe Benefits	2,598	2,626	2,626	0
Purchased Services	1,712	1,672	1,672	0
Materials and Supplies	2,514	2,489	2,488	1
<i>Total Expenditures</i>	24,489	24,645	24,644	1
<i>Excess of Revenues Over Expenditures</i>	423	2,386	96	(2,290)
<b>Other Financing Sources (Uses)</b>				
Advances In	433	433	433	0
Advances Out	(1,580)	(1,598)	(1,598)	0
<i>Total Other Financing Sources (Uses)</i>	(1,147)	(1,165)	(1,165)	0
<i>Net Change in Fund Balance</i>	(724)	1,221	(1,069)	(2,290)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	1,069	1,069	1,069	0
<i>Fund Balance End of Year</i>	\$345	\$2,290	\$0	(\$2,290)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title IIA Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$569,563	\$259,563	\$257,406	(\$2,157)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	18,167	26,584	26,584	0
Fringe Benefits	9,228	13,504	13,504	0
Total Instruction	27,395	40,088	40,088	0
Support Services:				
Instructional Staff:				
Salaries and Wages	105,715	154,692	154,692	0
Fringe Benefits	26,851	39,291	39,291	0
Purchased Services	65,222	58,674	58,674	0
Total Support Services	197,788	252,657	252,657	0
<i>Total Expenditures</i>	225,183	292,745	292,745	0
<i>Excess of Revenues Over (Under) Expenditures</i>	344,380	(33,182)	(35,339)	(2,157)
<b>Other Financing Sources (Uses)</b>				
Advances In	20,437	20,437	20,437	0
Advances Out	(6,987)	(10,223)	(10,223)	0
<i>Total Other Financing Sources (Uses)</i>	13,450	10,214	10,214	0
<i>Net Change in Fund Balance</i>	357,830	(22,968)	(25,125)	(2,157)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	25,125	25,125	25,125	0
<i>Fund Balance End of Year</i>	\$382,955	\$2,157	\$0	(\$2,157)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Education Stabilization Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	<u>\$34,538</u>	<u>\$600,000</u>	<u>\$595,983</u>	<u>(\$4,017)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	552,030	552,030	528,058	0
Fringe Benefits	<u>77,089</u>	<u>77,089</u>	<u>77,089</u>	<u>0</u>
<i>Total Expenditures</i>	<u>629,119</u>	<u>629,119</u>	<u>605,147</u>	<u>23,972</u>
<i>Net Change in Fund Balance</i>	(594,581)	(29,119)	(9,164)	19,955
<i>Fund Balance Beginning of Year</i>	<u>194,304</u>	<u>194,304</u>	<u>194,304</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$400,277)</u></u>	<u><u>\$165,185</u></u>	<u><u>\$185,140</u></u>	<u><u>\$19,955</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title III Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$24,762	\$28,927	\$24,222	(\$4,705)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	10,658	18,314	18,314	0
Fringe Benefits	3,040	6,243	5,223	1,020
Materials and Supplies	95	500	164	336
<i>Total Expenditures</i>	<u>13,793</u>	<u>25,057</u>	<u>23,701</u>	<u>1,356</u>
<i>Net Change in Fund Balance</i>	10,969	3,870	521	(3,349)
<i>Fund Balance Beginning of Year</i>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,969</u></u>	<u><u>\$4,870</u></u>	<u><u>\$1,521</u></u>	<u><u>(\$3,349)</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2011*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$934,773	\$904,209	\$924,759	\$20,550
Intergovernmental	433,861	419,675	429,213	9,538
<i>Total Revenues</i>	<u>1,368,634</u>	<u>1,323,884</u>	<u>1,353,972</u>	<u>30,088</u>
<b>Expenditures</b>				
Support Services:				
Instructional Staff:				
Materials and Supplies	10,488	13,944	13,944	0
Capital Outlay - New	470,136	751,101	718,414	32,687
Total Instructional Staff	480,624	765,045	732,358	32,687
Fiscal:				
Purchased Services	11,075	6,950	0	6,950
Total Support Services	<u>491,699</u>	<u>771,995</u>	<u>732,358</u>	<u>39,637</u>
Capital Outlay:				
Building Improvement Services:				
Purchased Services	4,782	8,056	8,056	0
Capital Outlay - New	904,940	1,246,938	1,178,065	68,873
Total Capital Outlay	<u>909,722</u>	<u>1,254,994</u>	<u>1,186,121</u>	<u>68,873</u>
Debt Service:				
Principal Retirement	139,481	235,000	235,000	0
Interest and Fiscal Charges	25,429	42,844	42,844	0
Total Debt Service	<u>164,910</u>	<u>277,844</u>	<u>277,844</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,566,331</u>	<u>2,304,833</u>	<u>2,196,323</u>	<u>108,510</u>
<i>Net Change in Fund Balance</i>	(197,697)	(980,949)	(842,351)	138,598
<i>Fund Balance Beginning of Year</i>	1,973,015	1,973,015	1,973,015	0
Prior Year Encumbrances Appropriated	198,331	198,331	198,331	0
<i>Fund Balance End of Year</i>	<u>\$1,973,649</u>	<u>\$1,190,397</u>	<u>\$1,328,995</u>	<u>\$138,598</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*School Net Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay	<u>0</u>	<u>63</u>	<u>0</u>	<u>63</u>
<i>Net Change in Fund Balance</i>	0	(63)	0	63
<i>Fund Balance Beginning of Year</i>	<u>1,724</u>	<u>1,724</u>	<u>1,724</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,724</u></u>	<u><u>\$1,661</u></u>	<u><u>\$1,724</u></u>	<u><u>\$63</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Network Connectivity Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$50,000	\$26,000	\$25,025	(\$975)
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	<u>13,379</u>	<u>46,712</u>	<u>12,112</u>	<u>34,600</u>
<i>Net Change in Fund Balance</i>	36,621	(20,712)	12,913	33,625
<i>Fund Balance Beginning of Year</i>	<u>46,711</u>	<u>46,711</u>	<u>46,711</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$83,332</u></u>	<u><u>\$25,999</u></u>	<u><u>\$59,624</u></u>	<u><u>\$33,625</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Interactive Video Lab Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$2,400	\$2,400	\$0	(\$2,400)
<b>Expenditures</b>				
Capital Outlay	<u>2,400</u>	<u>2,400</u>	<u>0</u>	<u>2,400</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,400</u></u>	<u><u>\$2,400</u></u>	<u><u>\$2,400</u></u>	<u><u>\$0</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Self Insurance Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	<u>\$11,500,000</u>	<u>\$13,483,707</u>	<u>\$13,462,878</u>	<u>(\$20,829)</u>
<b>Expenses</b>				
Purchased Services	1,182,043	1,374,235	1,374,235	0
Claims	<u>11,675,311</u>	<u>13,573,639</u>	<u>13,573,639</u>	<u>0</u>
Total Expenses	<u>12,857,354</u>	<u>14,947,874</u>	<u>14,947,874</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(1,357,354)	(1,464,167)	(1,484,996)	(20,829)
<i>Fund Equity Beginning of Year</i>	1,505,764	1,505,764	1,505,764	0
Prior Year Encumbrances Appropriated	<u>2,096</u>	<u>2,096</u>	<u>2,096</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$150,506</u>	<u>\$43,693</u>	<u>\$22,864</u>	<u>(\$20,829)</u>

**Berea City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Scholarship Trust Fund*  
*For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$675	\$20	\$13	(\$7)
<b>Expenses:</b>				
Scholarships Awarded	<u>500</u>	<u>625</u>	<u>625</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	175	(605)	(612)	(7)
<i>Fund Equity Beginning of Year</i>	<u>14,031</u>	<u>14,031</u>	<u>14,031</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$14,206</u>	<u>\$13,426</u>	<u>\$13,419</u>	<u>(\$7)</u>



*Rebekah S.*

6<sup>th</sup> Grade

Roehm Middle School

Art Instructor: Heather Courtwright

# STATISTICAL SECTION



*Alaiha T.*

8<sup>th</sup> Grade

Roehm Middle School

Art Instructor: Heather Courtwright

## Statistical Section

This part of the Berea City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

### Contents

### Page(s)

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

S2 - S11

#### **Revenue Capacity**

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

S12 - S20

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

S21 - S25

#### **Economic and Demographic Information**

These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.

S26-S28

#### **Operating Information**

These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

S29 - S35

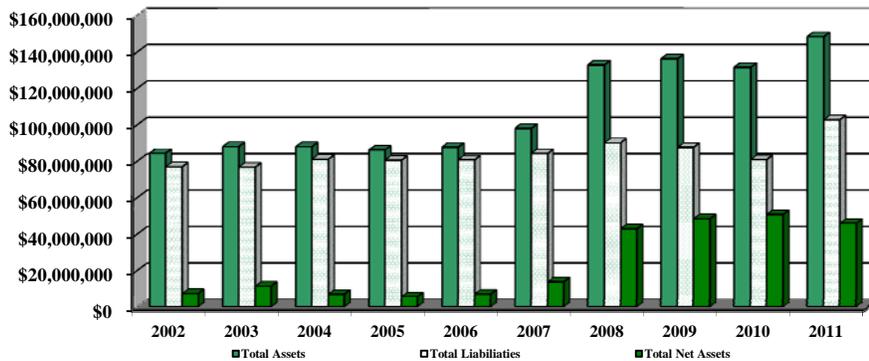
**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Berea City School District**  
*Net Assets by Component*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Governmental Activities:</b>					
Invested in Capital Assets, Net of Related Debt	\$8,589,025	\$7,982,725	\$4,675,106	\$4,195,154	\$3,721,315
Restricted for:					
Capital Projects	2,252,795	1,556,283	1,274,847	1,340,582	1,670,088
Debt Service	1,171,432	1,387,180	1,749,312	2,078,188	2,314,486
Set Asides	795,483	1,456,976	433,879	74,709	182,254
Other Purposes	677,308	691,877	811,572	952,118	1,914,346
Unrestricted (Deficit)	<u>(3,041,822)</u>	<u>(6,635,259)</u>	<u>(4,937,796)</u>	<u>(363,997)</u>	<u>4,346,403</u>
<i>Total Net Assets - Governmental Activities</i>	<u>10,444,221</u>	<u>6,439,782</u>	<u>4,006,920</u>	<u>8,276,754</u>	<u>14,148,892</u>
<b>Business-Type Activities: (1)</b>					
Invested in Capital Assets, Net of Related Debt	324,248	311,501	153,583	37,678	NA
Unrestricted (Deficit)	<u>656,429</u>	<u>450,204</u>	<u>267,704</u>	<u>500,891</u>	NA
<i>Total Net Assets - Business-Type Activities</i>	<u>980,677</u>	<u>761,705</u>	<u>421,287</u>	<u>538,569</u>	
<b>Primary Government</b>					
Invested in Capital Assets, Net of Related Debt	8,913,273	8,294,226	4,828,689	4,232,832	3,721,315
Restricted for:					
Capital Projects	2,252,795	1,556,283	1,274,847	1,340,582	1,670,088
Debt Service	1,171,432	1,387,180	1,749,312	2,078,188	2,314,486
Set Asides	795,483	1,456,976	433,879	74,709	182,254
Other Purposes	677,308	691,877	811,572	952,118	1,914,346
Unrestricted (Deficit)	<u>(2,385,393)</u>	<u>(6,185,055)</u>	<u>(4,670,092)</u>	<u>136,894</u>	<u>4,346,403</u>
<i>Total Net Assets - Primary Government</i>	<u>\$11,424,898</u>	<u>\$7,201,487</u>	<u>\$4,428,207</u>	<u>\$8,815,323</u>	<u>\$14,148,892</u>

(1) In 2006 all Business Type activities were reclassified as Governmental Activities.

**Net Assets**



<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
\$10,618,221	\$10,053,655	\$10,836,395	\$17,647,068	\$14,326,886
2,101,471	0	0	0	1,467,073
2,555,851	5,636,961	5,624,696	2,850,111	2,994,724
431,846	32,292	389,213	229,621	193,440
2,479,929	1,959,363	2,354,730	2,010,455	2,934,178
24,575,315	30,822,355	31,675,782	23,173,431	13,141,808
<u>42,762,633</u>	<u>48,504,626</u>	<u>50,880,816</u>	<u>45,910,686</u>	<u>35,058,109</u>
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
10,618,221	10,053,655	10,836,395	17,647,068	14,326,886
2,101,471	0	0	0	1,467,073
2,555,851	5,636,961	5,624,696	2,850,111	2,994,724
431,846	32,292	389,213	229,621	193,440
2,479,929	1,959,363	2,354,730	2,010,455	2,934,178
24,575,315	30,822,355	31,675,782	23,173,431	13,141,808
<u>\$42,762,633</u>	<u>\$48,504,626</u>	<u>\$50,880,816</u>	<u>\$45,910,686</u>	<u>\$35,058,109</u>

**Berea City School District**  
*Changes in Net Assets*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

	2002	2003	2004	2005	2006
<b>Expenses</b>					
<b>Governmental Activities:</b>					
Regular Instruction	\$33,845,941	\$33,232,246	\$37,751,017	\$33,560,969	\$31,977,716
Special Instruction	6,229,099	6,578,655	6,520,781	7,532,416	7,795,494
Vocational Instruction	610,196	716,389	776,375	886,273	563,609
Adult/Continuing Instruction	1,494	0	2,084	0	1,197,969
Pupil Support	4,159,680	4,476,444	4,688,217	4,511,651	4,547,564
Instructional Staff Support	6,646,034	6,171,146	6,831,035	5,992,101	5,429,933
Board of Education	25,310	16,083	43,963	20,978	22,615
Administration	4,145,642	3,903,379	4,269,239	4,297,125	4,329,086
Fiscal	1,473,408	1,414,721	1,540,926	1,610,656	1,738,649
Business	846,750	932,494	932,516	772,831	839,427
Operation and Maintenance of Plant	8,040,642	7,654,007	8,363,682	7,804,602	8,023,138
Pupil Transportation	3,428,270	3,589,025	3,476,174	3,781,584	3,809,097
Central	1,479,283	1,670,260	2,006,840	2,107,504	2,500,369
Operation of Non-Instructional Services	622,093	826,940	657,734	1,109,590	2,857,250
Extracurricular Activities	1,572,674	1,325,683	1,691,989	1,572,656	1,249,592
Interest and Fiscal Charges	709,324	545,120	534,592	517,681	491,733
<i>Total Governmental Activities Expenses</i>	<u>73,835,840</u>	<u>73,052,592</u>	<u>80,087,164</u>	<u>76,078,617</u>	<u>77,373,241</u>
<b>Business-Type Activities:</b>					
Food Service	2,053,944	2,291,722	2,189,462	1,877,578	NA
Uniform School Supplies	53,810	40,013	36,284	57,461	NA
Adult and Community Services	969,717	1,003,407	1,023,773	936,500	NA
<i>Total Business-Type Activities Expenses</i>	<u>3,077,471</u>	<u>3,335,142</u>	<u>3,249,519</u>	<u>2,871,539</u>	<u>NA</u>
<i>Total Primary Government Expenses</i>	<u>76,913,311</u>	<u>76,387,734</u>	<u>83,336,683</u>	<u>78,950,156</u>	<u>77,373,241</u>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
<b>Charges for Services and Sales:</b>					
Regular Instruction	253,976	350,625	911,564	916,253	1,072,524
Special Instruction	1,024,544	564,515	519,632	1,114,791	981,742
Adult/Continuing					1,143,813
Pupil Support	5,199	4,279	2,548	1,273	3,932
Instructional Staff Support	132,912	92,976	131,794	103,405	99,938
Business	127,399	84,419	137,073	150,328	154,221
Operation and Maintenance of Plant	219,832	158,178	52,581	44,125	33,385
Pupil Transportation	37,418	50,775	36,677	58,174	54,438
Central	0	0	0	0	0
Operation of Non-Instructional Services	2,043	0	0	0	1,469,055
Extracurricular Activities	370,245	289,971	421,237	426,693	435,997
<b>Operating Grants and Contributions</b>					
Regular Instruction	434,525	428,407	587,622	624,338	502,377
Special Instruction	336,570	572,640	710,957	994,755	1,062,813
Vocational Instruction	16,307	28,766	47,438	1,383	256
Adult/Continuing Instruction	280	0	0	0	0
Pupil Support	380,681	444,012	607,097	712,155	811,492
Instructional Staff Support	457,267	569,345	516,951	587,840	557,318
Administration	64,676	83,342	65,743	86,246	64,946
Business	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	1,636
Pupil Transportation	817	218,762	34,664	42,117	8,914
Central	28,348	27,837	28,158	26,493	25,858
Operation of Non-Instructional Services	750,518	793,504	744,937	1,000,307	1,431,996
Extracurricular Activities	57,938	46,293	81,893	49,367	37,542
<b>Capital Grants and Contributions</b>					
Regular Instruction	8,937	0	0	0	0
Instructional Staff Support	0	113,152	0	68,250	0
Operation and Maintenance of Plant	0	45,500	37,888	19,854	0
Pupil Transportation	60,865	0	0	0	0
Central	11,944	0	1,112	16,146	39,000
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$4,783,241</u>	<u>\$4,967,298</u>	<u>\$5,677,566</u>	<u>\$7,044,293</u>	<u>\$9,993,193</u>

2007	2008	2009	2010	2011
\$33,422,192	\$39,358,016	\$36,391,830	\$45,065,039	\$48,818,126
7,217,382	11,074,764	11,547,898	10,038,403	8,879,849
582,310	700,317	809,220	825,472	747,511
179,333	182,990	217,180	227,267	167
4,136,208	4,756,650	5,062,514	5,264,854	5,233,024
4,208,406	5,788,567	7,184,673	7,503,450	5,898,656
32,706	42,261	39,173	40,655	40,279
3,890,384	4,148,412	4,979,545	4,847,968	4,481,530
1,514,355	2,524,738	1,767,988	1,644,105	1,713,498
688,830	743,284	839,474	732,957	836,727
6,648,771	7,790,941	8,874,736	7,582,239	7,697,334
3,309,074	4,128,443	4,092,193	4,039,473	3,577,492
2,284,938	2,380,593	2,415,876	2,203,808	2,750,598
3,664,529	3,908,876	3,876,038	3,409,255	2,561,931
1,632,024	1,679,646	1,707,738	1,793,990	1,711,255
481,379	794,393	772,958	1,721,024	2,190,396
<u>73,892,821</u>	<u>90,002,891</u>	<u>90,579,034</u>	<u>96,939,959</u>	<u>97,138,373</u>
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
<u>73,892,821</u>	<u>90,002,891</u>	<u>90,579,034</u>	<u>96,939,959</u>	<u>97,138,373</u>
1,017,281	3,234,041	1,070,598	1,094,550	1,359,352
830,296	388,876	813,165	1,549,202	1,736,219
194,641	178,586	200,570	232,937	170
4,482	4,256	3,750	2,999	2,207
113,719	152,390	142,636	184,976	0
0	18,574	136,431	107,659	101,338
137,119	156,563	26,854	122,319	33,459
63,490	53,840	65,579	74,205	95,206
148,268	0	0	0	0
2,415,337	2,395,120	2,303,752	2,172,752	2,157,619
435,269	407,496	270,131	270,030	524,532
487,930	345,357	353,705	809,913	766,495
1,146,319	1,333,987	1,499,683	1,537,002	2,064,492
0	0	0	0	0
0	0	0	108	0
790,456	725,207	760,077	968,944	1,087,625
487,755	526,799	557,453	859,369	1,157,931
81,069	81,625	100,509	89,783	179,389
0	0	0	5,803	0
3,762	0	367	4,082	478
36,038	16,473	15,131	189,203	40,381
25,007	26,573	21,474	12,959	5,000
1,670,078	1,539,691	1,643,553	1,626,109	1,838,840
34,024	41,460	83,779	149,800	46,262
0	0	0	0	0
0	1,249	0	0	0
0	0	0	0	0
0	0	0	0	0
39,000	90,477	36,000	25,149	25,025
0	0	0	0	326,576
<u>\$10,161,340</u>	<u>\$11,718,640</u>	<u>\$10,105,197</u>	<u>\$12,089,853</u>	<u>\$13,548,596</u>

(continued)

**Berea City School District**  
*Changes in Net Assets (continued)*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

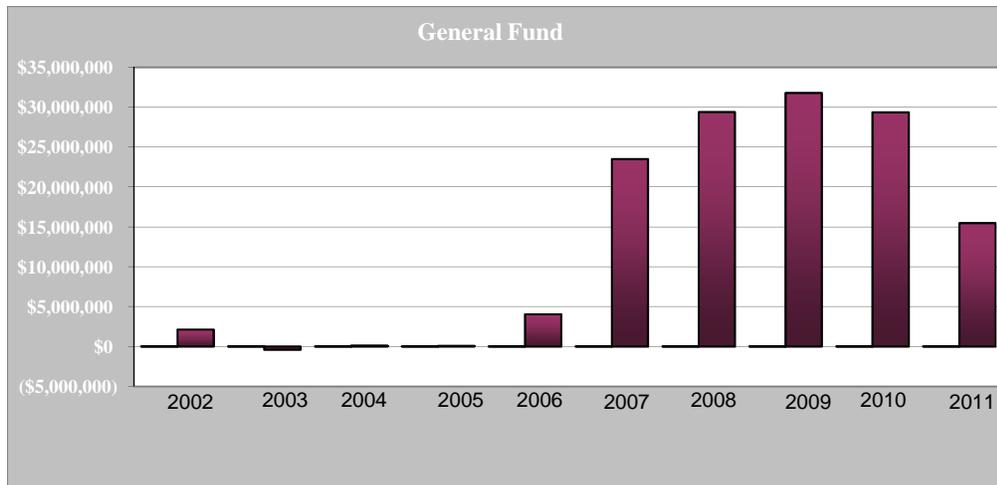
	2002	2003	2004	2005	2006
<b>Business-Type Activities:</b>					
Charges for Services:					
Food Service	\$1,496,808	\$1,474,696	\$1,411,480	\$1,346,640	NA
Uniform School Supplies	41,195	40,958	49,695	52,895	NA
Adult and Community Education	941,905	1,052,129	1,003,513	1,078,185	NA
Operating Grants and Contributions					
Food Service	512,892	541,393	541,589	588,770	NA
<i>Total Business-Type Activities Program Revenues</i>	<u>2,992,800</u>	<u>3,109,176</u>	<u>3,006,277</u>	<u>3,066,490</u>	<u>NA</u>
<i>Total Primary Government Program Revenues</i>	<u>7,776,041</u>	<u>8,076,474</u>	<u>8,683,843</u>	<u>10,110,783</u>	<u>9,993,193</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(69,052,599)	(68,085,294)	(74,409,598)	(69,034,324)	(67,380,048)
Business-Type Activities	(84,671)	(225,966)	(243,242)	194,951	0
<i>Total Primary Government Net Expense</i>	<u>(69,137,270)</u>	<u>(68,311,260)</u>	<u>(74,652,840)</u>	<u>(68,839,373)</u>	<u>(67,380,048)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental Activities:					
Property and Other Local Taxes Levied For:					
General Purposes	54,978,763	47,972,554	56,243,592	55,412,839	53,447,973
Debt Service	1,288,957	1,071,618	1,299,561	1,320,217	1,191,290
Capital Outlay	1,836,753	1,463,284	1,648,807	1,621,200	1,610,840
Grants and Entitlements not Restricted to Specific Programs	13,662,871	13,068,487	14,713,414	14,482,803	15,490,950
Unrestricted Contributions	0	0	0	8,085	0
Gain on Sale of Capital Assets	468,107	0	0	0	0
Investment Earnings	460,298	188,228	136,001	248,725	761,038
Miscellaneous	264,747	316,684	236,263	210,289	191,355
<i>Total Governmental Activities</i>	<u>72,960,496</u>	<u>64,080,855</u>	<u>74,277,638</u>	<u>73,304,158</u>	<u>72,693,446</u>
Business-Type Activities:					
Investment Earnings	13,450	6,994	4,115	5,543	NA
Miscellaneous	3,011	0	0	9,848	NA
<i>Total Business-Type Activities</i>	<u>16,461</u>	<u>6,994</u>	<u>4,115</u>	<u>15,391</u>	<u>NA</u>
<i>Total Primary Government</i>	<u>72,976,957</u>	<u>64,087,849</u>	<u>74,281,753</u>	<u>73,319,549</u>	<u>72,693,446</u>
<i>Restatements</i>	<u>196,896</u>	<u>0</u>	<u>(2,402,193)</u>	<u>(93,060)</u>	<u>0</u>
<b>Change in Net Assets</b>					
Governmental Activities	4,104,793	(4,004,439)	(2,534,153)	4,176,774	5,313,398
Business-Type Activities	(68,210)	(218,972)	(239,127)	210,342	NA
<i>Total Primary Government Change in Net Assets</i>	<u>\$4,036,583</u>	<u>(\$4,223,411)</u>	<u>(\$2,773,280)</u>	<u>\$4,387,116</u>	<u>\$5,313,398</u>

2007	2008	2009	2010	2011
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
10,161,340	11,718,640	10,105,197	12,089,853	13,548,596
(63,731,481)	(78,284,251)	(80,473,837)	(84,850,106)	(83,589,777)
0	0	0	0	0
(63,731,481)	(78,284,251)	(80,473,837)	(84,850,106)	(83,589,777)
68,639,747	55,730,090	53,974,253	49,940,417	49,482,680
1,409,130	1,289,022	1,133,718	1,068,671	1,030,334
2,138,811	1,188,843	1,341,588	1,294,683	934,134
17,729,223	23,174,392	25,357,616	26,020,444	20,908,683
0	0	0	0	66,896
0	0	0	0	0
1,531,056	1,958,941	692,009	307,078	88,002
897,255	684,956	350,843	1,248,683	226,471
92,345,222	84,026,244	82,850,027	79,879,976	72,737,200
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
92,345,222	84,026,244	82,850,027	79,879,976	72,737,200
0	0	0	0	0
28,613,741	5,741,993	2,376,190	(4,970,130)	(10,852,577)
NA	NA	NA	NA	NA
\$28,613,741	\$5,741,993	\$2,376,190	(\$4,970,130)	(\$10,852,577)

**Berea City School District**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>General Fund</b>					
Nonspendable	NA	NA	NA	NA	NA
Restricted	NA	NA	NA	NA	NA
Assigned	NA	NA	NA	NA	NA
Unassigned	NA	NA	NA	NA	NA
Reserved	\$7,568,244	\$5,898,923	\$7,833,194	\$8,016,209	\$6,541,103
Unreserved (Deficit)	(5,422,877)	(6,294,979)	(7,713,499)	(7,931,499)	(2,486,068)
<i>Total General Fund</i>	<u>2,145,367</u>	<u>(396,056)</u>	<u>119,695</u>	<u>84,710</u>	<u>\$4,055,035</u>
<b>All Other Governmental Funds</b>					
Nonspendable	NA	NA	NA	NA	NA
Restricted	NA	NA	NA	NA	NA
Unassigned	NA	NA	NA	NA	NA
Reserved	2,202,995	1,026,334	1,265,407	866,610	274,249
Unreserved, Undesignated, Reported in:					
Special Revenue funds	483,600	391,022	600,851	493,328	1,205,462
Debt Service funds	905,015	1,258,445	1,570,200	1,872,347	2,191,479
Capital Projects funds (Deficit)	238,417	718,335	304,250	751,238	921,786
<i>Total All Other Governmental Funds</i>	<u>3,830,027</u>	<u>3,394,136</u>	<u>3,740,708</u>	<u>3,983,523</u>	<u>4,592,976</u>
<i>Total Governmental Funds</i>	<u><u>\$5,975,394</u></u>	<u><u>\$2,998,080</u></u>	<u><u>\$3,860,403</u></u>	<u><u>\$4,068,233</u></u>	<u><u>\$8,648,011</u></u>

(1) The School District implemented GASB 54 during fiscal year 2010.



<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010 (1)</b>	<b>2011</b>
NA	NA	NA	\$187,165	\$171,517
NA	NA	NA	0	206,582
NA	NA	NA	180,745	196,107
NA	NA	NA	29,008,560	14,900,858
\$7,256,242	\$5,309,185	\$6,053,850	NA	NA
16,245,091	24,094,592	25,745,798	NA	NA
<u>\$23,501,333</u>	<u>\$29,403,777</u>	<u>\$31,799,648</u>	<u>\$29,376,470</u>	<u>\$15,475,064</u>
NA	NA	NA	32,883	11,072
NA	NA	NA	22,754,429	9,008,264
NA	NA	NA	(530,612)	(234,765)
5,034,225	742,625	965,712	NA	NA
811,467	746,651	907,538	NA	NA
2,595,939	2,890,925	3,081,356	NA	NA
1,376,833	(857,848)	(1,448,894)	NA	NA
<u>9,818,464</u>	<u>3,522,353</u>	<u>3,505,712</u>	<u>22,256,700</u>	<u>8,784,571</u>
<u>\$33,319,797</u>	<u>\$32,926,130</u>	<u>\$35,305,360</u>	<u>\$51,633,170</u>	<u>\$24,259,635</u>

**Berea City School District**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	2002	2003	2004	2005	2006
<b>Revenues</b>					
Taxes	\$56,767,993	\$51,135,837	\$58,723,858	\$57,708,112	\$56,381,077
Intergovernmental	16,004,756	16,158,779	18,057,679	18,320,720	19,523,553
Interest	451,323	187,752	136,001	248,725	761,038
Tuition and Fees	1,314,863	1,035,963	1,391,368	2,194,232	2,048,237
Extracurricular Activities	603,557	470,080	584,501	594,333	604,987
Rentals	227,333	161,992	54,938	35,579	39,664
Charges for Services	15,381	24,674	26,110	21,712	2,637,338
Contributions and Donations	205,925	179,586	246,889	187,549	164,393
Miscellaneous	264,747	316,684	236,263	210,289	191,355
<i>Total Revenues</i>	<u>75,855,878</u>	<u>69,671,347</u>	<u>79,457,607</u>	<u>79,521,251</u>	<u>82,351,642</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	31,546,251	29,983,295	34,253,822	32,853,848	31,005,647
Special	6,101,717	6,439,751	6,399,997	7,616,355	7,823,777
Vocational	585,729	698,442	754,696	909,041	580,985
Adult/Continuing	1,494	0	2,084	0	195,319
Support Services:					
Pupil	4,073,761	4,263,285	4,774,750	4,595,370	4,571,827
Instructional Staff	6,681,798	5,987,446	6,462,064	6,336,893	5,516,979
Board of Education	25,310	16,083	43,963	20,978	22,615
Administration	4,032,208	3,823,108	4,146,149	4,499,077	4,282,484
Fiscal	1,457,947	1,430,294	1,502,721	1,649,377	1,741,670
Business	820,447	906,249	919,046	800,182	863,465
Operation and Maintenance of Plant	7,854,732	7,528,099	8,151,745	8,136,284	8,042,523
Pupil Transportation	3,362,769	3,291,006	3,635,534	3,845,712	3,572,464
Central	1,764,230	2,632,115	1,905,138	2,217,764	2,466,243
Operation of Non-Instructional Services	708,704	837,129	695,899	1,127,708	3,779,356
Extracurricular Activities	1,562,329	1,350,789	1,726,155	1,683,927	1,337,094
Capital Outlay	2,446,216	2,483,027	2,758,678	2,212,491	1,947,538
Intergovernmental	0	0	0	0	0
Debt Service:					
Principal Retirement	430,000	450,000	575,000	1,285,000	710,000
Interest and Fiscal Charges	710,516	528,543	537,843	518,414	492,746
Debt Issuance Costs	0	131,233	0	28,941	22,328
<i>Total Expenditures</i>	<u>74,166,158</u>	<u>72,779,894</u>	<u>79,245,284</u>	<u>80,337,362</u>	<u>78,975,060</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,689,720</u>	<u>(3,108,547)</u>	<u>212,323</u>	<u>(816,111)</u>	<u>3,376,582</u>
<b>Other Financing Sources (Uses)</b>					
General Obligation Bonds Issued	0	9,205,000	0	995,000	650,000
Certificates of Participation Issued	0	0	0	0	0
Premium on General Obligation Bonds	0	743,790	0	28,941	14,627
Premium on Certificates of Participation	0	0	0	0	0
Discount on Certificates of Participation	0	0	0	0	0
Notes Issued	0	0	650,000	0	0
Transfers In	3,400	0	3,921	0	0
Transfers Out	(3,400)	0	(3,921)	0	0
Payment to Refunded Bond Escrow Agent	0	(9,817,557)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>131,233</u>	<u>650,000</u>	<u>1,023,941</u>	<u>664,627</u>
<i>Net Change in Fund Balances</i>	<u>\$1,689,720</u>	<u>(\$2,977,314)</u>	<u>\$862,323</u>	<u>\$207,830</u>	<u>\$4,041,209</u>
Debt Service as a Percentage of Noncapital Expenditures	0.6%	0.8%	0.8%	1.7%	1.0%

2007	2008	2009	2010	2011
\$72,670,415	\$58,477,685	\$57,002,404	\$52,524,445	\$51,029,228
21,709,669	28,062,598	30,097,350	32,323,880	28,419,803
1,531,056	1,958,941	692,009	307,078	88,002
3,946,827	4,248,130	4,018,410	4,003,556	3,711,286
623,724	623,628	503,326	526,446	580,322
86,344	126,960	102,356	122,822	31,032
1,413,265	1,449,228	1,395,370	1,317,925	1,255,224
203,876	111,687	192,852	234,725	153,717
897,255	684,956	350,843	1,248,683	226,471
<u>103,082,431</u>	<u>95,743,813</u>	<u>94,354,920</u>	<u>92,609,560</u>	<u>85,495,085</u>
32,771,887	33,916,940	34,960,310	38,432,683	39,077,887
8,483,399	11,576,938	11,594,623	10,312,422	10,734,786
655,665	757,472	809,189	843,469	910,458
204,469	192,654	218,090	235,330	167
4,566,841	4,944,184	5,056,856	5,372,728	5,743,923
5,804,026	6,521,497	7,031,107	8,203,956	8,253,865
32,706	42,261	39,173	40,655	40,279
4,361,340	4,383,314	5,094,343	4,859,059	5,120,714
1,588,976	2,588,737	1,761,506	1,693,464	1,808,492
746,023	751,120	828,027	746,207	888,137
7,927,296	8,192,643	8,762,671	8,090,494	8,583,494
3,913,115	4,287,855	3,930,569	4,112,181	4,771,895
2,539,975	2,932,731	2,715,901	2,751,609	3,059,261
3,925,523	4,182,836	3,840,731	3,741,752	3,670,827
1,729,558	1,751,459	1,729,082	1,832,564	1,761,982
4,437,683	7,312,724	1,587,501	7,643,405	14,970,422
870,000	940,000	1,242,802	1,275,000	1,320,000
459,523	782,942	773,209	1,324,505	2,152,031
145,981	79,173	0	490,946	0
<u>85,163,986</u>	<u>96,137,480</u>	<u>91,975,690</u>	<u>102,002,429</u>	<u>112,868,620</u>
<u>17,918,445</u>	<u>(393,667)</u>	<u>2,379,230</u>	<u>(9,392,869)</u>	<u>(27,373,535)</u>
6,617,802	0	0	0	0
0	0	0	26,000,000	0
135,539	0	0	0	0
0	0	0	127,260	0
0	0	0	(406,581)	0
0	0	0	0	0
108	261,714	605,412	572,338	1,005,734
(108)	(261,714)	(605,412)	(572,338)	(1,005,734)
0	0	0	0	0
<u>6,753,341</u>	<u>0</u>	<u>0</u>	<u>25,720,679</u>	<u>0</u>
<u>\$24,671,786</u>	<u>(\$393,667)</u>	<u>\$2,379,230</u>	<u>\$16,327,810</u>	<u>(\$27,373,535)</u>
1.8%	2.0%	2.2%	2.74%	3.65%

**Berea City School District**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2002	\$759,904,840	\$456,852,990	\$3,476,450,943	\$46,168,740	\$52,464,477
2003	766,800,810	457,745,840	3,498,704,714	38,752,080	44,036,455
2004	836,195,680	471,743,040	3,736,967,771	38,647,280	43,917,364
2005	839,907,310	474,268,410	3,754,787,771	38,663,990	43,936,352
2006	853,930,000	475,539,580	3,798,484,514	34,603,350	39,321,989
2007	938,771,480	493,742,970	4,092,898,429	33,418,780	37,975,886
2008	949,449,840	499,603,420	4,140,152,171	24,572,320	27,923,091
2009	957,151,850	499,507,070	4,161,882,629	25,320,360	27,923,091
2010	887,703,940	488,684,970	3,932,539,743	26,335,030	23,880,323
2011	889,364,590	488,484,510	3,936,711,714	27,082,190	23,832,328

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was being phased out beginning in 2006. The listing percentage was 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Tangible Personal Property				
General Business		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$211,623,911	\$846,495,644	\$1,474,550,481	\$4,375,411,064	38.19%
199,438,922	797,755,688	1,462,737,652	4,340,496,857	43.81
187,459,887	815,042,987	1,534,045,887	4,595,928,122	41.46
192,551,284	837,179,496	1,545,390,994	4,635,903,619	41.22
196,962,702	1,050,467,744	1,561,035,632	4,888,274,247	46.68
138,126,787	1,105,014,296	1,604,060,017	5,235,888,611	43.75
50,767,689	406,141,512	1,524,393,269	4,574,216,774	39.46
25,866,283	406,141,512	1,507,845,563	4,595,947,232	39.46
0	0	1,402,723,940	3,956,420,066	38.64
0	0	1,404,931,290	3,960,544,042	36.78

**Berea City School District**  
*Property Tax Rates*  
(per \$1,000 of assessed value)  
*Last Ten Years (1)*

	2002	2003	2004	2005
<b>Unvoted Millage</b>				
Operating	\$4.05	\$4.05	\$4.05	\$4.05
<b>Voted Millage - by levy</b>				
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	7.59	7.58	6.98	6.97
Commercial/Industrial and Public Utility Real	13.11	13.14	12.64	12.61
General Business and Public Utility Personal	31.40	31.40	31.40	31.40
1985 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	3.39	3.38	3.11	3.11
Commercial/Industrial and Public Utility Real	3.88	3.88	3.74	3.73
General Business and Public Utility Personal	6.90	6.90	6.90	6.90
1991 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	4.07	4.07	3.74	3.74
Commercial/Industrial and Public Utility Real	4.46	4.48	4.31	4.30
General Business and Public Utility Personal	6.90	6.90	6.90	6.90
1994 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	4.18	4.18	3.85	3.84
Commercial/Industrial and Public Utility Real	4.28	4.29	4.13	4.12
General Business and Public Utility Personal	5.90	5.90	5.90	5.90
2000 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	5.31	5.30	4.88	4.87
Commercial/Industrial and Public Utility Real	4.78	4.79	4.61	4.60
General Business and Public Utility Personal	5.90	5.90	5.90	5.90
2002 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	0.00	5.89	5.42	5.42
Commercial/Industrial and Public Utility Real	0.00	5.90	5.68	5.66
General Business and Public Utility Personal	0.00	5.90	5.90	5.90
2006 Operating -continuing				
Effective Millage Rates				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00
1992 Bond Levy (debt service)	0.85	0.95	0.95	0.95
1976 Permanent Improvement Continuing				
Effective Millage Rates				
Residential/Agricultural Real	0.21	0.21	0.19	0.19
Commercial/Industrial and Public Utility Real	0.38	0.38	0.36	0.36
General Business and Public Utility Personal	0.90	0.90	0.90	0.90
1996 Permanent Improvement Continuing				
Effective Millage Rates				
Residential/Agricultural Real	0.82	0.82	0.75	0.75
Commercial/Industrial and Public Utility Real	0.79	0.80	0.77	0.76
General Business and Public Utility Personal	1.00	1.00	1.00	1.00
<b>Total voted millage by type of property</b>				
Residential/Agricultural Real	\$26.42	\$32.38	\$29.87	\$29.84
Commercial/Industrial and Public Utility Real	32.53	38.61	37.19	37.09
General Business and Public Utility Personal	59.75	65.75	65.75	65.75
<b>Total millage by type of property</b>				
Residential/Agricultural Real	\$30.47	\$36.43	\$33.92	\$33.89
Commercial/Industrial and Public Utility Real	36.58	42.66	41.24	41.14
General Business and Public Utility Personal	63.80	69.80	69.80	69.80

2006	2007	2008	2009	2010	2011
\$4.05	\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
6.94	6.36	6.35	6.35	6.87	6.88
12.79	11.88	11.82	11.85	12.26	12.24
31.40	31.40	31.40	31.40	31.40	31.40
3.10	2.84	2.83	2.83	3.07	3.07
3.78	3.51	3.50	3.50	3.63	3.62
6.90	6.90	6.90	6.90	6.90	6.90
3.73	3.41	3.41	3.40	3.69	3.69
4.36	4.04	4.03	4.04	4.17	4.17
6.90	6.90	6.90	6.90	6.90	6.90
3.83	3.51	3.50	3.50	3.79	3.79
4.18	3.88	3.86	3.87	4.00	4.00
5.90	5.90	5.90	5.90	5.90	5.90
4.86	4.45	4.44	4.44	4.80	4.81
4.67	4.33	4.31	4.32	4.47	4.47
5.90	5.90	5.90	5.90	5.90	5.90
5.40	4.95	4.94	4.93	5.34	5.34
5.74	5.33	5.31	5.32	5.50	5.50
5.90	5.90	5.90	5.90	5.90	5.90
5.25	4.81	4.80	4.80	5.19	5.20
5.25	4.87	4.85	4.86	5.03	5.03
5.25	5.25	5.25	5.25	5.25	5.25
0.85	0.80	0.80	0.80	0.90	0.80
0.19	0.18	0.18	0.18	0.19	0.19
0.37	0.34	0.34	0.34	0.35	0.35
0.90	0.90	0.90	0.90	0.90	0.90
0.75	0.69	0.69	0.69	0.74	0.74
0.77	0.72	0.72	0.72	0.74	0.74
1.00	1.00	1.00	1.00	1.00	1.00
\$34.90	\$32.00	\$31.94	\$31.92	\$34.58	\$34.51
42.76	39.70	39.54	39.62	41.05	40.92
70.90	70.85	70.85	70.85	70.95	70.85
\$38.95	\$36.05	\$35.99	\$35.97	\$38.63	\$38.56
46.81	43.75	43.59	43.67	45.10	44.97
74.95	74.90	74.90	74.90	75.00	74.90

(continued)

**Berea City School District**  
*Property Tax Rates (continued)*  
(per \$1,000 of assessed value)  
*Last Ten Years (1)*

	2002	2003	2004	2005
<b>Overlapping Rates by Taxing District</b>				
Berea City				
Effective Millage Rates				
Residential/Agricultural Real	\$13.52	\$13.62	\$13.42	\$13.53
Commercial/Industrial and Public Utility Real	14.23	14.33	14.11	14.21
General Business and Public Utility Personal	17.50	17.60	17.50	17.60
Middleburg Heights City				
Effective Millage Rates				
Residential/Agricultural Real	4.86	4.71	4.69	4.69
Commercial/Industrial and Public Utility Real	5.02	4.87	4.87	4.87
General Business and Public Utility Personal	5.60	5.45	5.45	5.45
Brook Park City				
Effective Millage Rates				
Residential/Agricultural Real	4.74	4.74	4.72	4.72
Commercial/Industrial and Public Utility Real	4.70	4.70	4.69	4.68
General Business and Public Utility Personal	4.80	4.80	4.80	4.80
Cuyahoga County				
Effective Millage Rates				
Residential/Agricultural Real	13.92	15.00	15.67	17.16
Commercial/Industrial and Public Utility Real	14.53	15.43	17.11	18.38
General Business and Public Utility Personal	17.60	17.60	19.27	20.17
Polaris J.V.S.D.				
Effective Millage Rates				
Residential/Agricultural Real	2.00	2.00	2.00	2.00
Commercial/Industrial and Public Utility Real	2.00	2.00	2.00	2.00
General Business and Public Utility Personal	2.40	2.40	2.40	2.40

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes.

Overlapping rates are those of local and county governments that apply to property owners with the School District.

**Source:** Ohio Department of Taxation

Note: Emergency and Debt Serve levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, that fixed amount is generated.

2006	2007	2008	2009	2010	2011
\$13.42	\$13.06	\$13.00	\$13.00	\$13.03	\$13.13
14.10	13.65	13.59	13.60	13.63	13.56
17.50	17.20	17.40	18.60	17.20	17.20
4.69	4.67	4.61	4.61	4.65	4.65
4.89	4.85	4.79	4.80	4.83	4.83
5.45	5.45	5.45	5.45	5.45	5.45
4.72	4.70	4.64	4.64	4.67	4.67
4.68	4.68	4.62	4.63	4.68	4.68
4.80	4.80	4.75	4.75	4.75	4.75
17.90	17.82	17.76	17.76	17.79	18.46
19.02	18.75	18.69	18.70	18.73	18.87
20.17	20.20	18.20	20.60	20.60	19.05
2.00	2.00	1.94	1.94	1.97	2.01
2.01	2.00	1.94	1.94	1.97	2.18
2.40	2.40	2.40	2.40	2.40	2.40

**Berea City School District**  
*Property Tax Levies and Collections (1)*  
*Last Ten Years*

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2001	\$56,241,838	\$55,145,121	98.05%	\$2,793,094	57,938,215	99.86%
2002	54,964,669	53,379,661	97.12	2,691,726	56,071,387	102.01
2003	63,905,367	60,780,220	95.11	1,629,038	62,409,258	97.66
2004	51,390,588	48,296,567	93.98	1,323,385	49,619,952	96.55
2005	69,188,551	61,427,371	88.78	2,369,305	63,796,676	92.21
2006	67,416,680	60,181,730	89.27	4,198,094	64,379,824	95.50
2007	65,526,123	61,910,148	94.48	2,428,526	64,338,674	98.19
2008	65,523,211	58,920,679	89.92	1,700,979	60,621,658	92.52
2009	58,299,388	56,230,956	96.45	2,040,999	58,271,955	99.95
2010	58,469,967	52,974,409	90.60	3,956,993	56,931,402	97.37

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2010 information cannot be presented because all collections have not been made by June 30, 2010.
- (3) The County does not identify delinquent tax collections by tax year.

**Berea City School District**

*Principal Taxpayers*

*Real Estate Tax*

*2011 and 2002(1)*

Name of Taxpayer	2011	
	Assessed Value	Percent of Real Property Assessed Value
City of Cleveland	\$59,619,350	4.33 %
Cleveland Electric Illuminating	21,184,060	1.54
Ford Motor Company	18,999,030	1.38
Centro GA Southland Shopping	12,981,260	0.94
The Islander Company, LLC.	12,712,100	0.92
MWP Company	8,445,420	0.61
Techpark LTD Partnership	7,172,080	0.52
Middleburg -Legacy Place	5,682,400	0.41
Albrecht Inc	5,207,960	0.38
Ozre Lodinging I LLC.	4,733,130	0.35
<b>Totals</b>	<b>\$156,736,790</b>	<b>11.38 %</b>
<b>Total Assessed Valuation</b>	<b>\$1,377,849,100</b>	
Name of Taxpayer	2002	
	Assessed Value	Percent of Real Property Assessed Value
Cleveland Port Authority	\$63,194,480	5.19 %
Ford Motor Company	30,069,700	2.47
Southland Store Company	11,139,940	0.92
The Islander Company, LLC.	10,459,310	0.86
Techpark Ltd. Partnership	7,880,670	0.65
City of Middleburg Heights	6,853,600	0.56
Southwest Medical Center	6,184,510	0.51
MWP Company	5,707,420	0.47
Sears, Roebuck, Inc.	5,189,450	0.43
Tower In The Park Limited	4,014,430	0.32
<b>Totals</b>	<b>\$150,693,510</b>	<b>12.38 %</b>
<b>Total Assessed Valuation</b>	<b>\$1,216,757,830</b>	

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2010 and 2002 collections were based.

**Berea City School District**

*Principal Taxpayers*

*Public Utilities Tax*

*2011 and 2002(1)*

Name of Taxpayer	2011	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$21,318,900	78.72 %
American Transmission System	3,108,350	11.48
Columbia Gas of Ohio	1,457,980	5.38
East Ohio Gas Company	1,059,320	3.91
Totals	<u>\$26,944,550</u>	<u>99.49 %</u>
Total Assessed Valuation	<u>\$27,082,190</u>	

Name of Taxpayer	2002	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$19,058,520	41.28 %
Ameritech	10,260,560	22.22
AT&T Wireless	6,138,810	13.30
American Transmission Systems	3,316,900	7.18
Columbia Gas of Ohio, Inc.	1,891,490	4.10
East Ohio Gas, Inc.	657,450	1.41
Totals	<u>\$41,323,730</u>	<u>89.51 %</u>
Total Assessed Valuation	<u>\$46,168,740</u>	

**Source:** Office of the Fiscal Officer, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2010 and 2002 collections were based.

**Berea City School District**  
*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities*  
June 30, 2011

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Berea City School District			
Certificates of Participation	\$25,742,839	100.00 %	\$25,729,543
General Obligation Bonds	12,131,033	100.00	12,131,033
Notes Payable	<u>2,109,616</u>	100.00	<u>2,109,616</u>
Total Direct	<u>39,983,488</u>		<u>39,970,192</u>
Overlapping:			
Cuyahoga County	351,797,948	4.63	16,288,245
Greater Cleveland Regional Transit	176,089,184	5.04	8,874,895
City of Middleburg Heights	11,163,706	37.09	4,140,619
City of Berea	14,875,000	25.21	3,749,988
City of Brook Park	<u>3,466,051</u>	31.94	<u>1,107,057</u>
Total Overlapping	<u>557,391,889</u>		<u>34,160,803</u>
Total	<u><u>\$597,375,377</u></u>		<u><u>\$74,130,995</u></u>

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The values used were for the 2011 collection year.

**Berea City School District**  
*Ratio of General Bonded Debt to Estimated Actual Value and per Capita,  
Ratio of General Debt to Personal Income and per Capita  
Last Ten Fiscal Years*

General Bonded Debt					
Fiscal Year	General Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value (1)	Bonded Debt per Capita (2)	Resources Available to Pay Debt	Net General Bonded Debt
2002	\$11,715,000	.27%	\$210.21	\$1,093,853	\$10,621,147
2003	11,265,000	0.26	202.14	1,369,601	9,895,399
2004	10,690,000	0.25	190.30	1,732,481	8,957,519
2005	11,050,000	0.24	193.82	2,044,510	9,005,490
2006	11,128,758	0.24	195.20	2,321,386	8,807,372
2007	16,997,832	0.35	298.14	2,731,988	14,265,844
2008	16,035,536	0.31	288.67	2,990,032	13,045,504
2009	14,770,438	0.32	265.89	3,205,289	11,565,149
2010	13,473,142	0.29	242.54	3,486,071	9,987,071
2011	12,131,033	0.31	215.64	3,595,079	8,535,954

**Source:** School District Records

- (1) The estimated actual value can be found on S13.
- (2) The population can be found on S26
- (3) The personal income can be found on S26

Other General Debt			
Certificate of Participation	Total Debt	Ratio of General Debt to Personal Income (3)	General Debt per Capita (2)
\$0	\$11,715,000	1.06%	\$210.21
0	11,265,000	1.02	202.14
0	10,690,000	0.97	190.30
0	11,050,000	1.00	193.82
0	11,128,758	1.01	195.20
0	16,997,832	1.54	298.14
0	16,035,536	1.45	288.67
0	14,770,438	1.33	265.89
26,000,000	39,473,142	3.21	710.59
26,000,000	38,131,033	2.81	677.80

**Berea City School District**  
*Computation of Legal Debt Margin*  
*Last Ten Fiscal Years*

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Assessed Valuation (1)	<u>\$1,474,550,481</u>	<u>\$1,462,737,652</u>	<u>\$1,534,045,887</u>	<u>\$1,545,390,994</u>
Debt Limit - 9% of Assessed Value (1)	<u>\$132,709,543</u>	<u>\$131,646,389</u>	<u>\$138,064,130</u>	<u>\$139,085,189</u>
Amount of Debt Applicable to Debt Limit				
Certificates of Participation	0	0	0	0
General Obligation Bonds	11,715,000	11,265,000	10,690,000	11,050,000
Notes	0	0	650,000	0
Less Amount Available in Debt Service	<u>(1,093,853)</u>	<u>(1,369,601)</u>	<u>(1,732,481)</u>	<u>(2,044,510)</u>
Total	10,621,147	9,895,399	9,607,519	9,005,490
Exemptions:				
Certificates of Participation	0	0	0	0
Energy Conservation Bonds	0	0	0	0
Amount of Debt Subject to Limit	<u>10,621,147</u>	<u>9,895,399</u>	<u>9,607,519</u>	<u>9,005,490</u>
Overall Debt Margin	<u>\$122,088,396</u>	<u>\$121,750,990</u>	<u>\$128,456,611</u>	<u>\$130,079,699</u>
Legal Debt Margin as a Percentage of the Debt Limit	8.28%	8.32%	8.37%	8.42%
Unvoted Debt Limit - 10% of Assessed Value (1)	\$1,474,550	\$1,462,738	\$1,534,046	\$1,545,391
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$1,474,550</u>	<u>\$1,462,738</u>	<u>\$1,534,046</u>	<u>\$1,545,391</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100%	100%	100%	100%

**Source:** Cuyahoga Fiscal Officer and School District Financial Records

- (1) Beginning in fiscal year 2006 HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.
- (2) Ohio Bond Law sets a limit of 9 percent for overall debt and 1/10 of 1 percent for unvoted debt.

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>\$1,561,035,632</u>	<u>\$1,604,060,017</u>	<u>\$1,524,393,269</u>	<u>\$1,507,845,563</u>	<u>\$1,402,723,940</u>	<u>\$1,404,931,290</u>
<u>\$140,493,207</u>	<u>\$144,365,402</u>	<u>\$137,195,394</u>	<u>\$135,706,101</u>	<u>\$126,245,155</u>	<u>\$126,443,816</u>
0	0	0	0	26,000,000	26,000,000
10,990,000	16,737,802	15,797,802	14,555,000	13,280,000	11,960,000
0	-	2,820,000	2,585,000	2,340,000	2,085,000
<u>(2,321,386)</u>	<u>(2,731,988)</u>	<u>(2,990,032)</u>	<u>(3,205,289)</u>	<u>(3,486,071)</u>	<u>(3,595,079)</u>
8,668,614	14,005,814	15,627,770	13,934,711	38,133,929	36,449,921
0	0	0	0	26,000,000	26,000,000
0	6,582,802	6,547,802	6,205,000	5,845,000	5,470,000
<u>8,668,614</u>	<u>7,423,012</u>	<u>9,079,968</u>	<u>7,729,711</u>	<u>6,288,929</u>	<u>4,979,921</u>
<u>\$131,824,593</u>	<u>\$136,942,390</u>	<u>\$128,115,426</u>	<u>\$127,976,390</u>	<u>\$119,956,226</u>	<u>\$121,463,895</u>
8.44%	8.54%	8.40%	8.49%	8.55%	8.65%
\$1,561,036	\$1,604,060	\$1,524,393	\$1,507,846	\$1,402,724	\$1,404,931
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$1,561,036</u>	<u>\$1,604,060</u>	<u>\$1,524,393</u>	<u>\$1,507,846</u>	<u>\$1,402,724</u>	<u>\$1,404,931</u>
100%	100%	100%	100%	100%	100%

**Berea City School District**  
*Demographic and Economic Statistics*  
*Last Ten Years*

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Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income	Median Household Income	Median Age	Unemployment Rate (3)
2002	55,730	\$1,106,748,953	\$19,859	\$46,642	39.8	6.0%
2003	55,730	1,106,748,953	19,859	46,642	39.8	6.0
2004	56,174	1,106,748,953	19,702	46,642	39.8	6.6
2005	57,012	1,106,748,953	19,413	46,642	39.8	6.6
2006	57,012	1,106,748,953	19,413	46,642	39.8	5.6
2007	57,012	1,106,748,953	19,413	50,654	39.8	5.4
2008	55,550	1,106,748,953	19,923	50,654	38.0	5.7
2009	55,550	1,106,748,953	19,923	50,654	38.0	6.6
2010	55,550	1,231,464,090	22,169	50,654	39.8	9.0
2011	56,257	1,358,575,269	24,149	52,800	37.9	8.6

- (1) U.S. Census Bureau
- (2) Cities of Berea, Middleburg Heights and Brook Park
- (3) Represents Cuyahoga County

**Berea City School District**  
*Principal Employers*  
*Current Year and Nine Years Ago*

Employer	Nature of Business	2011	
		Number of Employees	Percentage of Total Employment
Southwest General Hospital	Hospital	2,639	21.69%
United Parcel Service	Delivery	1,862	15.30
Department of Interior	Government	1,730	14.22
Ford Motor Company	Automobile	1,298	10.67
Baldwin Wallace College	Higher Education	1,267	10.41
Berea City School District	Education	1,001	8.23
OHNH EMP LLC	Manufacturing	741	6.09
Marc Glassman, Inc	Warehouse	558	4.59
Amerimark Direct LLC	Manufacturing	555	4.56
Berea Children's home	Treatment Facility	517	4.25
Total		<u>12,168</u>	
Total Employment within the School District		<u>50,489</u>	

Employer	Nature of Business	2002	
		Number of Employees	Percentage of Total Employment
Ford Motor Company	Automobile	3,800	5.04%
NASA	Government	3,600	4.77
Southwest General Hospital	Hospital	2,849	3.78
United Parcel Service	Delivery	2,555	3.39
Sears Roebuck & Company	Retail	1,360	1.80
Baldwin Wallace College	Higher Education	1,260	1.67
Berea City School District	Education	1,100	1.46
Berea Children's Home	Treatment Facility	595	0.79
Marc Glassman	Warehouse	669	0.89
City of Middleburg Heights	Municipal Government	457	0.61
Total		<u>18,245</u>	
Total Employment within the School District		<u>75,430</u>	

Sources: Cities of Brookpark and Middleburg Heights, Ohio; Local businesses

**Berea City School District**  
*Building Statistics by Function/Program*  
*Last Seven Fiscal Years (1)*

	2005	2006	2007	2008	2009	2010	2011
<b>Big Creek Elementary School</b>							
Constructed in 1954							
Total Building Square Footage	116,620	116,620	116,620	116,620	116,620	116,620	116,620
Enrollment Grades K-6	798	814	813	835	876	764	764
Student Capacity	1,010	1,010	1,010	1,010	1,010	1,010	1,010
Regular Instruction Classrooms	49	49	49	49	49	49	49
Regular Instruction Teachers	43	35	38	42	42	45	35
Special Instruction Teachers	7	5	7	7	8	6	6
<b>Brookpark Elementary School</b>							
Constructed in 1956							
Total Building Square Footage	96,900	96,900	96,900	96,900	96,900	96,900	96,900
Enrollment Grades K-6	649	718	587	695	765	673	661
Student Capacity	836	836	836	836	836	836	836
Regular Instruction Classrooms	56	56	56	56	56	56	56
Regular Instruction Teachers	39	30	30	32	30	31	30
Special Instruction Teachers	6	5	14	15	14	10	11
<b>Brookview Elementary School</b>							
Constructed in 1965							
Total Building Square Footage	53,400	53,400	53,400	53,400	53,400	53,400	53,400
Enrollment Grades K-6	492	480	493	485	489	480	494
Student Capacity	437	437	437	437	437	437	437
Regular Instruction Classrooms	31	31	31	31	31	31	31
Regular Instruction Teachers	27	25	22	26	24	24	25
Special Instruction Teachers	4	5	7	7	5	3	3
<b>Fairwood Elementary School (2)</b>							
Constructed in 1948							
Total Building Square Footage	51,876	51,876	51,876	51,876	51,876	0	0
Enrollment Grades 7-12	364	367	366	354	346	0	0
Student Capacity	419	419	419	419	419	0	0
Regular Instruction Classrooms	26	26	26	26	26	0	0
Regular Instruction Teachers	19	18	18	19	18	0	0
Special Instruction Teachers	3	3	6	6	6	0	0
<b>Parknoll Elementary School</b>							
Constructed in 1961							
Total Building Square Footage	41,746	41,746	41,746	41,746	41,746	41,746	41,746
Enrollment Grades K-5	275	257	266	309	383	350	378
Student Capacity	334	334	334	334	334	334	334
Regular Instruction Classrooms	24	24	24	24	24	24	24
Regular Instruction Teachers	15	14	14	16	18	16	20
Special Instruction Teachers	3	3	6	6	4	3	4
<b>Riveredge Elementary School</b>							
Constructed in 1960							
Total Building Square Footage	44,384	44,384	44,384	44,384	44,384	44,384	44,384
Enrollment Grades K-6	263	241	221	204	196	169	158
Student Capacity	355	355	355	355	355	355	355
Regular Instruction Classrooms	25	25	25	25	25	25	25
Regular Instruction Teachers	18	15	15	15	12	11	10
Special Instruction Teachers	4	2	7	9	8	4	5

**Berea City School District**  
*Building Statistics by Function/Program (continued)*  
*Last Seven Fiscal Years (1)*

	2005	2006	2007	2008	2009	2010	2011
<b>Smith Elementary School (2)</b>							
Constructed in 1966							
Total Building Square Footage	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Enrollment Grades K-6	229	220	192	185	180	480	481
Student Capacity	336	336	336	336	336	336	336
Regular Instruction Classrooms	21	21	21	21	21	21	21
Regular Instruction Teachers	13	11	10	10	9	23	24
Special Instruction Teachers	2	2	4	6	7	6	4
<b>Ford Middle School</b>							
Constructed in 1961							
Total Building Square Footage	165,800	165,800	165,800	165,800	165,800	165,800	165,800
Enrollment Grades 6-8	1,091	1,094	1,030	1,001	1,021	1,000	1,003
Student Capacity	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Regular Instruction Classrooms	66	66	66	66	66	66	66
Regular Instruction Teachers	59	54	50	52	49	51	48
Special Instruction Teachers	11	11	13	13	13	13	11
<b>Roehm Middle School</b>							
Constructed in 1956							
Total Building Square Footage	133,804	133,804	133,804	133,804	133,804	133,804	133,804
Enrollment Grades 6-8	749	665	666	639	630	627	631
Student Capacity	1,163	1,163	1,163	1,163	1,163	1,163	1,163
Regular Instruction Classrooms	47	47	47	47	47	47	47
Regular Instruction Teachers	38	33	33	34	36	29	32
Special Instruction Teachers	9	8	8	8	7	8	8
<b>Berea High School</b>							
Constructed in 1928							
Total Building Square Footage	264,266	264,266	264,266	264,266	264,266	264,266	264,266
Enrollment Grades 9-12	1,254	1,261	1,342	1,193	1,100	1,065	1,100
Student Capacity	1,582	1,582	1,582	1,582	1,582	1,582	1,582
Regular Instruction Classrooms	67	67	67	67	67	67	67
Regular Instruction Teachers	54	55	55	55	50	42	45
Special Instruction Teachers	14	12	15	17	18	16	13
<b>Midpark High School</b>							
Constructed in 1962							
Total Building Square Footage	236,563	236,563	236,563	236,563	236,563	236,563	236,563
Enrollment Grades 9-12	1,347	1,409	1,453	1,396	1,377	1,430	1,348
Student Capacity	1,418	1,418	1,418	1,418	1,418	1,418	1,418
Regular Instruction Classrooms	55	55	55	55	55	55	55
Regular Instruction Teachers	61	60	60	63	65	72	65
Special Instruction Teachers	12	11	13	18	15	11	12

(1) Information prior to 2005 is not available

(2) Mobile units were added to Smith Elementary property, during the 2009-2010 and 2010-2011 school year, to compensate for the additional students from Fairwood Elementary. These students will transition into the new Grindstone Elementary in the 2012 school year.

**Source:** School District's Records

**Berea City School District**  
*Per Pupil Cost*  
*Last Ten Fiscal Years*

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Percentage of Students Receiving Free and Reduced Lunch
2002	\$73,835,840	7,714	\$9,572	(2.88) %	612	12.6	15.67
2003	73,052,592	7,597	9,616	(0.46)	538	14.1	17.74
2004	80,087,164	7,630	10,496	(8.39)	538	14.2	21.27
2005	76,078,617	7,511	10,129	3.63	532	14.1	23.8
2006	74,448,420	7,526	9,892	2.39	535	14.1	24.89
2007	80,809,753	7,429	10,878	(9.06)	537	13.8	27.39
2008	90,002,891	7,375	12,204	(10.87)	554	13.3	28.31
2009	90,579,034	7,181	12,614	(3.25)	513	14.0	29.21
2010	96,939,959	7,098	13,657	(7.64)	528	13.4	34.5
2011	97,138,373	7,018	13,841	(1.33)	495	14.2	37.5

**Source:** School District Records  
Ohio Department of Education

**Berea City School District**  
*Attendance and Graduation Rates*  
*Last Ten School Years*

Fiscal Year	Berea Attendance Rate	State Average	Berea Graduation Rate	State Average
2002	95.00%	94.30%	88.90%	82.80%
2003	94.90	94.50	94.20	83.90
2004	95.30	94.50	94.00	84.30
2005	95.20	94.30	94.00	85.90
2006	95.00	94.10	93.00	86.20
2007	95.10	94.10	93.80	86.10
2008	94.90	94.20	92.70	86.90
2009	95.00	94.30	92.60	84.60
2010	94.30	94.30	94.30	84.60
2011	95.30	93.00	91.10	90.00

Source: Ohio Department of Education Local Report Cards

**Berea City School District**  
*Full-Time Equivalent School District Teachers by Education*  
*Last Ten Fiscal Years*

Degree	2002	2003	2004	2005	2006
Bachelor's Degree	96	41	65	82	56
Bachelor + 15	46	53	18	14	19
Bachelor + 30	95	45	38	35	27
Master's Degree	218	292	272	313	254
Master + 15	27	96	93	29	89
Master + 30	4	42	24	22	51
PhD	21	43	28	37	39
Total	507	612	538	532	535

Source: School District Records

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<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
57	66	56	51	42
21	30	16	14	9
28	33	43	40	32
331	296	309	329	322
40	55	35	41	40
24	39	20	16	14
<u>36</u>	<u>35</u>	<u>34</u>	<u>37</u>	<u>36</u>
<u>537</u>	<u>554</u>	<u>513</u>	<u>528</u>	<u>495</u>

**Berea City School District**  
*Average Number of Students per Teacher*  
*Last Ten School Years*

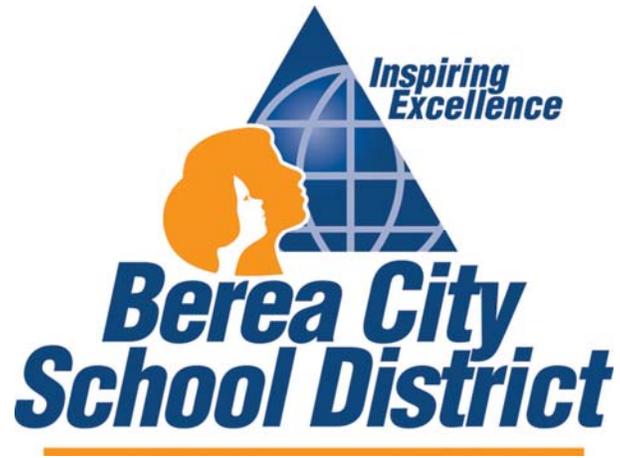
Fiscal Year	Berea Average	State Average
2002	12.6%	16.9%
2003	14.1	16.6
2004	14.2	18.5
2005	14.1	18.5
2006	14.1	18.6
2007	13.8	19.6
2008	13.3	18.6
2009	14.0	18.6
2010	13.4	19.4
2011	14.2	18.47

Source: The Student/Teacher ratio can be found on S31.

**Berea City School District**  
*School District Employees by Function/Program*  
*Last Eight Fiscal Years*

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011
<b>Regular Instruction</b>								
Elementary Classroom Teachers	172.00	189.00	168.00	174.00	174.00	151.00	154.00	137.00
Middle School Classroom Teachers	98.00	105.00	98.00	100.00	100.00	88.00	85.00	82.00
High School Classroom Teachers	117.50	122.00	120.00	121.00	120.50	118.00	114.00	108.00
<b>Special Instruction</b>								
Elementary Classroom Teachers	28.00	24.50	26.50	43.00	45.00	47.00	36.00	69.00
Gifted Education Teachers	5.50	5.50	4.00	4.00	4.00	4.00	5.00	5.00
Middle School Classroom Teachers	31.00	31.00	34.00	30.50	29.00	28.50	29.00	28.00
High School Classroom Teachers	26.00	22.50	22.00	28.00	28.50	33.50	28.00	25.00
<b>Vocational Instruction</b>								
High School Classroom Teachers	8.00	5.50	6.00	4.50	4.50	7.00	7.00	5.00
<b>Pupil Support Services</b>								
Guidance Counselors	18.00	17.00	17.00	16.50	16.50	16.50	17.00	18.00
Librarians	9.00	9.00	8.00	6.00	6.00	6.00	7.00	5.50
Psychologists	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Speech and Language Pathologists	16.00	13.50	12.00	13.00	13.00	12.00	13.00	13.00
Non-Teaching Support Staff Central	9.00	9.00	3.00	4.00	5.00	5.00	5.00	5.00
<b>Instructional Support Service</b>								
Non-Teaching Support Staff Elementary	100.00	86.00	86.00	85.50	86.00	81.50	92.00	75.50
Non-Teaching Support Staff Middle	43.00	39.00	38.00	36.00	35.00	38.00	32.00	33.00
Non-Teaching Support Staff High	40.00	37.00	35.00	30.50	28.00	33.00	33.00	33.00
Non-Teaching Support Staff Central	3.50	2.50	5.50	6.00	6.00	9.00	9.00	
<b>Administration</b>								
Elementary	8.50	7.50	7.00	10.00	10.00	10.00	10.00	8.00
Middle School	6.50	7.00	5.00	6.00	6.00	6.00	6.00	6.00
High School	8.00	8.00	6.00	8.00	8.00	8.00	8.00	8.00
Central	2.00	2.00	1.00	1.00	1.00	2.00	2.00	2.00
Non-Teaching Support Staff	15.00	15.00	22.00	27.00	27.00	18.00	18.00	18.00
<b>Business</b>								
Central	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
<b>Fiscal</b>								
Treasurer Department	7.50	7.50	7.50	7.00	7.00	7.00	7.00	7.00
<b>Operation of Plant</b>								
Custodial Dept.	83.00	75.00	73.00	68.00	68.00	65.00	65.00	61.00
Maintenance Dept.	18.00	18.00	15.00	14.00	17.00	16.00	16.00	16.00
<b>Pupil Transportation</b>								
Bus Drivers	67.00	65.00	61.00	61.00	60.00	46.50	45.00	45.00
Bus Aides	8.00	8.00	9.00	9.00	6.50	7.00	7.00	12.00
Mechanics	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Transportation support staff	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
<b>Central</b>								
Community Relations	2.00	2.00	2.50	2.50	2.50	2.50	2.00	2.00
Technology	20.00	19.00	17.00	17.00	16.00	18.00	18.00	16.00
Personnel	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>Extracurricular</b>								
Athletic Department	5.00	3.00	2.00	2.00	2.00	2.00	2.00	4.00
<b>Food Service Program</b>								
Elementary	26.00	35.00	34.00	34.00	34.00	16.50	16.50	14.00
Middle	17.00	16.00	13.00	14.00	14.00	16.50	16.50	14.00
High School	22.00	18.00	15.00	16.00	16.00	11.00	11.00	11.00
Central	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
<b>Adult Education/Community Service</b>								
Preschool	9.00	9.00	11.50	11.50	11.00	11.00	11.00	12.00
Extended Care	29.00	32.00	34.50	32.00	31.00	24.00	24.00	18.00
Adult Education	2.00	1.00	2.00	2.00	2.00	2.00	2.00	0.00
<b>Totals</b>	<b>1,102.00</b>	<b>1,088.00</b>	<b>1,043.00</b>	<b>1,066.50</b>	<b>1,063.00</b>	<b>989.00</b>	<b>975.00</b>	<b>937.00</b>

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee





# Dave Yost • Auditor of State

**BEREA CITY SCHOOL DISTRICT**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 14, 2012**