



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 EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2016**

<u>FEDERAL GRANTOR</u> <i>Pass Through Grantor</i>		Federal CFDA		Non-Cash
Program Title	Grant Year	Number	Expenditures	Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<b><i>Passed Through Ohio Department of Education</i></b>				
Nutrition Cluster				
School Breakfast Program	2016	10.553	170,985	
National School Lunch Program	2016	10.555	847,002	68,288
Total Nutrition Cluster			<u>1,017,987</u>	<u>68,288</u>
Total U.S. Department of Agriculture			<u>1,017,987</u>	<u>68,288</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
<b><i>Passed Through Ohio Department of Education</i></b>				
Title I	2015	84.010	361,682	
Title I	2016	84.010	933,763	
Total Title I			<u>1,295,445</u>	-
Special Education Cluster				
IDEA Part B	2015	84.027	48,639	
IDEA Part B	2016	84.027	1,447,647	
Subtotal IDEA Part B			<u>1,496,286</u>	-
Preschool Disability Grant	2015	84.173	12,806	
Preschool Disability Grant	2016	84.173	23,797	
Subtotal Preschool Disability Grant			<u>36,603</u>	-
Total Special Education Cluster			1,532,889	-
Title III LEP	2015	84.365	3,551	
Title III LEP	2016	84.365	27,932	
Total Title III			<u>31,483</u>	-
Improving Teacher Quality, Title II-A	2015	84.367	12,585	
Improving Teacher Quality, Title II-A	2016	84.367	130,280	
Total Improving Teacher Quality, Title II-A			<u>142,865</u>	-
Race to the Top	2015	84.395	19,229	
Total Race to the Top			<u>19,229</u>	-
Total U.S. Department of Education			<u>3,021,911</u>	-
<b>Total Federal Financial Assistance</b>			<u><u>4,039,898</u></u>	<u><u>68,288</u></u>

*The accompanying notes are an integral part of this schedule.*

**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal award activity of the Berea City School District (the District's) under programs of the federal government for the year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - 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 D – 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.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2016.

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

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***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, opining 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 22, 2016





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES

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

To the Board of Education:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Berea City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Berea City School District's major federal programs for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Berea City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2016.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

*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's applicable 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Federal Awards Expenditures Required by the Uniform Guidance***

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Berea City School District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 22, 2016. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of federal awards expenditures presents additional analysis required by the Uniform Guidance 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 management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 22, 2016

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**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2016**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster CFDA 10.553 – School Breakfast Program; CFDA 10.555 – School Lunch Program <u>Title I</u> CFDA – 84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

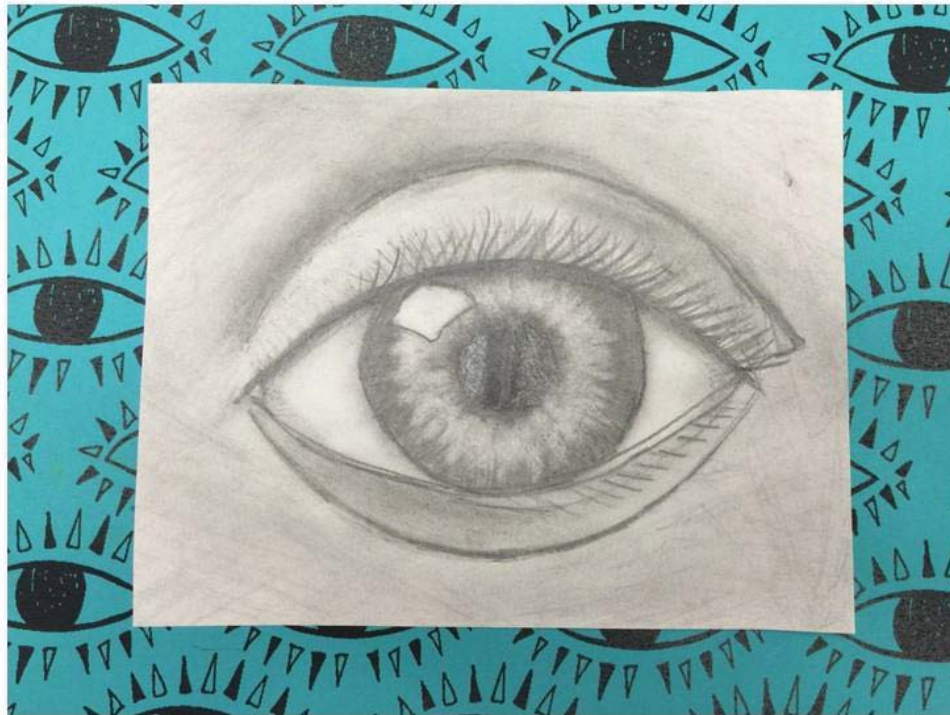
**3. FINDINGS FOR FEDERAL AWARDS**

None

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# Berea City School District

## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2016



**Francisco Linares**  
**Sixth Grade**  
**Ford Intermediate School**

**BEREA, OHIO**

Berea, Ohio

City School District

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016



**Kyann Walters**

**1<sup>st</sup> Grade**

**Grindstone Elementary**

Issued by:

Treasurer's Office

Ryan C. Ghizzoni Treasurer/CFO

Dale A. Cummins Assistant Treasurer



# INTRODUCTORY SECTION



Christian Starks  
4<sup>th</sup>Grade  
Grindstone Elementary

**Berea City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2016*  
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## Administration Building

390 Fair Street | Berea, Ohio 44017-2308  
Phone: 216 898-8300 | Fax: 216 898-8551  
www.berea.k12.oh.us

December 22, 2016

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, 2016. 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 the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. For the fiscal year 2016, the School District was audited by the Auditor of State's Office. Their unmodified opinion is included in the financial section of this CAFR.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor'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 6,549 students in grades kindergarten through twelfth. Additionally, the School District provides preschool, and after school, services to a large number of students and community members. The School District has 7 school buildings, ranging from 5 to 88 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 City School System stands unique as the common bond between Berea, Brook Park, and Middleburg Heights.

The School District has seven school buildings, with construction dates from 1928 to 2011.

### **Reporting Entity**

The School District has reviewed its operating entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14 “The Financial Reporting Entity” and Statement No. 61, “The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34. ” 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. 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. Recently, this area of the School District’s property values have been hit hard with the closure of the United Air Terminal at the Airport and the demolition of the Ford Casting Plant.

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 University.

The portion of the School District containing all of Middleburg Heights is primarily a suburban residential community that is continuing to grow. In recent years this area has experienced increases in commercial development, primarily hotels, restaurants serving visitors to the area and major improvements to the community hospital. The growth is due to its close proximity to Cleveland Hopkins International Airport and to Interstates I-71, I-80 and I-480.

The housing market in Northeast Ohio and specifically within the Berea City School District is beginning to recover from the recent recession. During tax year 2015, the County conducted a triannual update, which resulted in a drop in residential property values of 1.43 percent. Even though values did decrease, the percent decrease was much smaller than the 7.6 percent decrease experienced in 2012 and the 8.3 percent decrease experienced in 2009.

### **Long-Term Financial Planning**

A balanced budget and adequate cash balance are two sound business practices that ensure fiscal stability and a consistent and dependable educational experience for our students. Beginning in fiscal year 2014, the

Board of Education and administration established two goals to ensure the School District has adequate resources to support the operations of the School District. The first is to maintain a balanced budget in the general fund for the current and subsequent fiscal year. The longer the School District is able to maintain this goal; the School District's cash balance will either maintain or increase from the previous year's level. The second is to maintain a minimum cash balance equal to 10 percent of the operating budget on hand at all times. This goal is important because of the School District's heavy reliance on property taxes, which are primarily only received twice during the fiscal year and the volatility of some operating expenditures.

Fiscal year 2014 was the first time in five years that the School District achieved a balanced budget, a trend that is projected to continue through fiscal year 2019. Based on these forecast projections, the School District will also be able to meet its second goal of maintaining a minimum cash balance that is sufficient to fund School District operations for one month of the school year for the entire five years that are projected in the five year forecast (fiscal year 2020).

### **Student Enrollment Trends**

The School District projects future student enrollment by studying several factors:

- 2010 census data for children residing within the boundaries of the School District
- Live birth data
- Historic enrollment to census ratio
- Student retention rates as they move grade level to grade level
- Incoming kindergarten class sizes

In recent years the School District has experienced significant fluctuations in grade level enrollment, with the overall enrollment declining on an annual basis. These fluctuations are due to the opening of a new elementary school, the 2014 District wide school consolidation project and a decline in the number of school aged students living in the School District's boundaries.

Current projections show the School District's enrollment declining from the current level (2016) of 6,549 to 5,750 by 2021, with the 1.42 percent average annual rate of decline.

### **Relevant Financial Policies**

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.

*Internal Accounting and Budgetary Control* The School District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Reports for governmental fund operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the School District's proprietary fund operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the School District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes a fully automated accounting system as well as an automated system of control for payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.



## **Major Initiatives**

The Berea City School District has established the following five main goals during the recent release of the strategic plan:

### **High Quality Teaching and Learning**

Establish a teaching and learning framework to ensure an approach to curriculum, instruction, and assessment that enhances learning for all students.

### **Culture and Safety**

Ensure a safe and supportive learning environment for all of our students, staff, and community.

### **Communications**

Promote an environment of open and transparent communication designed to maintain trust and credibility among District staff members, parents, community partners, residents, and future District residents.

### **Facilities**

Provide up-to-date facilities that are safe, efficient, and comfortable to positively impact student learning.

### **District Finances**

Manage District resources to ensure finances are aligned with District goals and support a sustainable future.

### ***Primary accomplishments for 2016 were as follows:***

#### **Finances:**

1. Complete implementation of e-procurement of new software system to increase the effectiveness and efficiency of both long range and day to day business related tasks.
2. Balanced annual budget for next two fiscal years.
3. Established adequate minimum cash balance metric for the School District to maintain through next two fiscal years.
4. Awarded 2015 – Association of School Business Officials International’s (ASBO) Certificate of Excellence in Financial Reporting, received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officer Association (GFOA), for twenty-two consecutive years for the district’s Comprehensive Annual Financial Report.
5. Awarded 2015 – ASBO Meritorious Budget Award

#### **Technology:**

1. Commenced the replacement of the School District's critical main distribution switches with faster cloud managed units and Power over Ethernet switches to increase intra-building transmission speeds from 1 gigabit per second to 10 gigabytes per second.
2. Started strategy development for the replacement of student and staff computers and began evaluating current devices available to determine best devices to meet the needs of the students.

#### **Academics:**

1. Honored as a National Green Ribbon School District by the U.S. Department of Education.
2. Ranked for the 16<sup>th</sup> consecutive year as one of the top school districts for music education in the nation by the NAMM Foundation.

3. Named to National AP District Honor Roll
4. Continued to offers elementary self-contained gifted classes
5. Continued the offering of rigorous pre-engineering and pre-biomedical programs in the high school;
6. Offered 10 Dual Credit College Courses on our campus where students receive both high school and college credit.

**Student Services:**

1. Continued the Berea P.E.A.K parent support group for parents of children in the special education programs in partnership with Berea City School District.
2. Continued Response to Intervention (RTI) – RTI model for identifying “at-risk” students through the use of universal screeners, and by providing preventative intervention to students by aligning assessment and instruction to inform school stakeholders about how to best meet the needs of students.

**Facilities:**

1. Conducted annual School District-wide paving study to determine sustainable pavement replacement cycle for subsequent fiscal years.
2. Developed a school-wide facility plan based on community feedback, current enrollment needs and potential efficiency savings. A bond issue was place on the November 2016 ballot to fund the facility plan, which includes the construction of a new high school and elementary school, renovation of Junior High and Big Creek Elementary School and demolition/closing of Ford Intermediate School, Brookview Elementary and Brook Park Memorial Elementary.

***Specific goals/action steps for 2017 are:***

For the current fiscal year, the Board of Education has identified the following action steps to address sections or the goals identified above:

- Advance high-quality professional learning practices to support all employees.
- Expand counseling services to support students and help connect families with community resources.
- Cultivate a cohesive, School District-wide community identity, *Titans*, that unites and inspires our students, staff, parents, and school programs,
- Focus communication efforts on engaging stakeholders to take action to support students and the needs of our community.
- Build and renovate School District facilities to support educational programs and to provide community based access and use by our communities and the School District.
- Establish a plan for an efficient use of our current facilities based upon student enrollment and the current Facility Master Plan.
- Expand paperless initiative to encompass all aspects of School District operations.

## *Service to the Community*

For the 19<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 School 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 School 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, 2015.

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

***ASBO Meritorious Budget Award*** The Association of School Business Officials International awarded the Meritorious Budget Award (MBA) to the Berea City School District for the fiscal year 2015 budget. This award recognizes the School District for demonstrating excellence in school budget presentation and setting a high standard for transparent budget development.

***ASBO Certificate of Excellence in Financial Reporting*** The Association of School Business Officials International awarded the Berea City School District with the Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2015.

This award recognizes excellence and transparency in the preparation and issuance of the School District's Comprehensive Annual Financial Report (CAFR).

***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,



Ryan Ghizzoni  
Treasurer/CFO

*Michael Sheppard*

Michael Sheppard  
Superintendent



Government Finance Officers Association

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, 2015**

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award  
is presented to**

**Berea City School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
Executive Director

**Berea City School District**  
*Principal Officials*  
*For the Fiscal Year Ended June 30, 2016*

**Board of Education**

Mrs. Ana Chapman.....President  
Mr. Fred Szabo ..... Vice President  
Mrs. Cori Farris ..... Member  
Dr. Neal Postel..... Member  
Mr. Dave Tressel ..... Member

**Treasurer/CFO**

Mr. Ryan C. Ghizzoni

**Assistant Treasurer**

Mrs. Dale A. Cummins

**Administration**

Mr. Michael Sheppard ..... Superintendent  
Mr. Jeffrey Grosse ..... Assistant Superintendent  
Mrs. Sabrina Scott ..... Director of Pupil Personnel  
Ms. Cristina Carosielli..... Director of Community Relations  
Mrs. Karen Frimel ..... Director of Academic Affairs  
Mr. Kevin Jaynes..... Director of Information Technology  
Mr. Michael Slivochka ..... Director of Personnel and Employee Relations

# RESIDENTS OF THE DISTRICT

## BOARD OF EDUCATION

**Treasurer**

Financial Department

**Superintendent**

City/County Personnel assigned to the Berea City School District

**Assistant Superintendent of District Operations**

High School, Junior High & Intermediate School Principals

Supervisor Buildings & Grounds

Supervisor Transportation

Supervisor Nutrition Services

Purchasing Coordinator

Elementary Principals

**Director Community Relations**

**Director Academic Affairs**

Assistant Director Academic Affairs

Curriculum Coordinator

**Director Information Technology**

Network Manager

EMIS Coordinator

Data Processing Analyst

**Director Personnel & Employee Relations**

Athletic Directors


**Director Pupil Services**

Principal Snow School

Supervisor of Special Education

Coordinators Preschool Program Extended Care Program

Psychologists



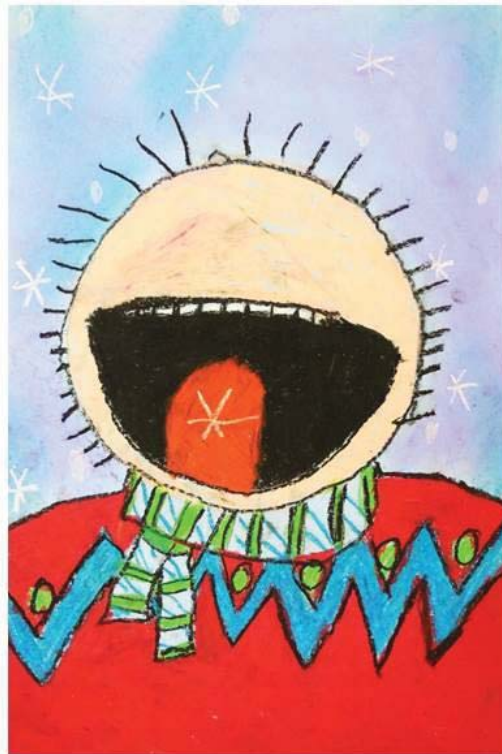
**ORGANIZATIONAL CHART**  
**BEREA CITY SCHOOLS**  
 2015-2016





**Aidan Spraggins**  
**3<sup>rd</sup> Grade**  
**Grindstone Elementary**

# FINANCIAL SECTION



**William Collins**  
**1<sup>st</sup> Grade**  
**Grindstone Elementary**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and the schedules of net pension liabilities and pension contributions 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on 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 present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2016, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 22, 2016



**Allie Stout  
Kindergarten  
Grindstone Elementary**

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*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, 2016. 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 2016 are as follows:

- The net position of the School District increased \$9,559,969 and revenues decreased \$1,750,386 from fiscal year 2015 levels.
- Total program expenses were \$83,454,476, a \$683,231 increase from fiscal year 2015 expenses of \$82,771,245.
- The outstanding 2010 Certificates of Participation were refinanced during the fiscal year, which resulted in a decrease of total debt service payments by \$544,332.

**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 Position* 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 Position 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 2016?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets and deferred outflows of resources and liabilities and deferred inflows of resources* 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, 2016*  
*Unaudited*

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These two statements report the School District's *net position* and changes in the position. This change in net position 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 Position 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 12. 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 permanent improvement 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 Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2016 compared to 2015.



**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

Table 1  
Net Position

	2016	2015	Change
<b>Assets</b>			
Current and Other Assets	\$77,625,608	\$76,612,942	\$1,012,666
Capital Assets	45,991,798	48,207,770	(2,215,972)
Total Assets	123,617,406	124,820,712	(1,203,306)
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	1,439,346	287,432	1,151,914
Pension	11,300,365	7,498,323	3,802,042
Total Deferred Outflows of Resources	12,739,711	7,785,755	4,953,956
<b>Liabilities</b>			
Current and Other Liabilities	11,698,670	11,912,596	(213,926)
Long-term Liabilities:			
Due Within One Year	2,608,927	3,089,589	(480,662)
Due in More Than One year:			
Net Pension Liability	116,923,967	110,321,416	6,602,551
Other Amounts	31,650,921	31,708,010	(57,089)
Total Liabilities	162,882,485	157,031,611	5,850,874
<b>Deferred Inflows of Resources</b>			
Property Taxes	36,468,336	42,435,856	(5,967,520)
Pension	14,224,842	19,908,767	(5,683,925)
Deferred Gain on Refunding	15,322	24,070	(8,748)
Total Deferred Inflows of Resources	50,708,500	62,368,693	(11,660,193)
<b>Net Position</b>			
Net Investment in Capital Assets	14,073,293	13,782,338	290,955
Restricted	5,921,327	6,542,501	(621,174)
Unrestricted (Deficit)	(97,228,488)	(107,118,676)	9,890,188
Total Net Position	(\$77,233,868)	(\$86,793,837)	\$9,559,969

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2016 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

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GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

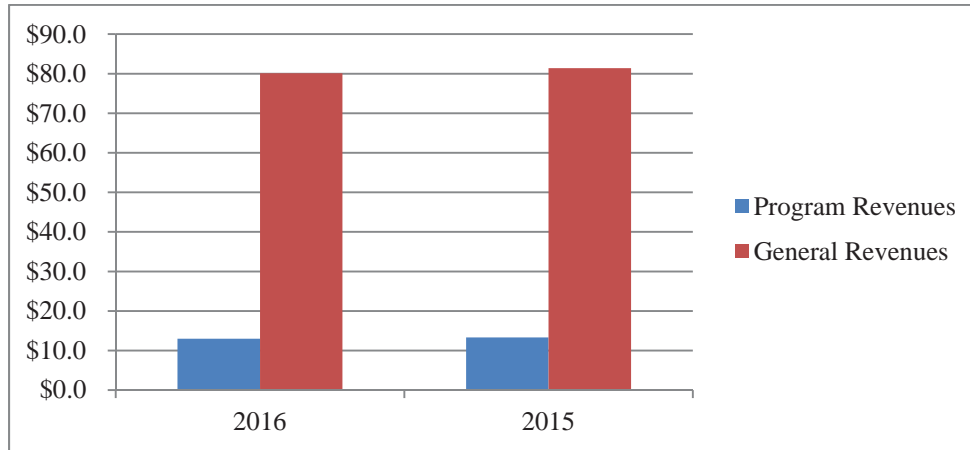
Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

**Graph 1**  
**Revenues**  
(In Millions)

	2016	2015
Program Revenues	\$13.0	\$13.3
General Revenues	80.1	81.4



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. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.00 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 .5 mills and the owner would still pay \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 61.7 percent of revenues for governmental activities for Berea City School District in fiscal year 2016. The increase in property tax revenue was due an increase in the amount available to advance the School District from the County Fiscal Officer. The amount available to be advanced can vary based on the date the tax bills are sent.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2016 and 2015.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

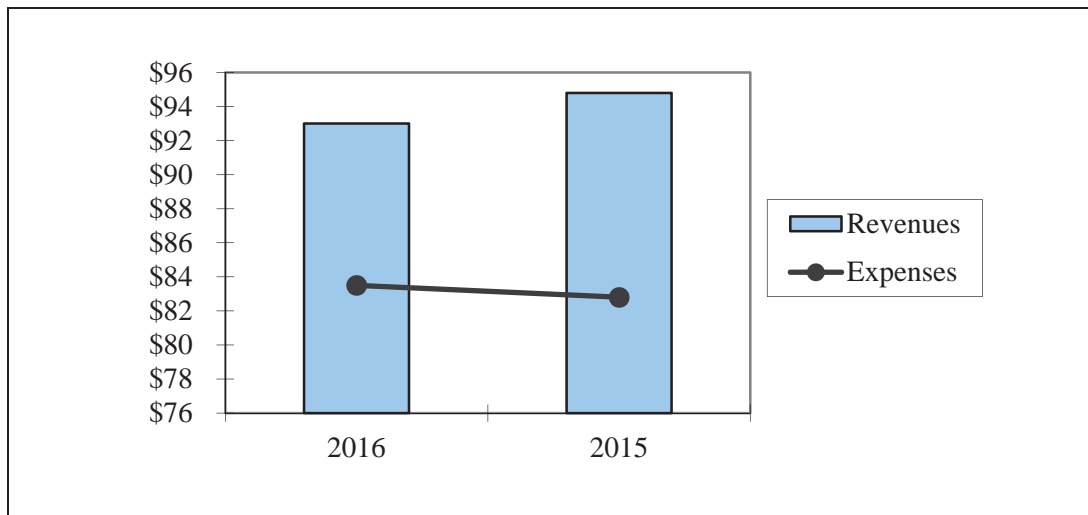
Table 2  
Changes in Net Position

	2016	2015	Change
<b>Revenues</b>			
<i>Program Revenues</i>			
Charges for Services	\$5,367,397	\$5,947,530	(\$580,133)
Operating Grants, Contributions and Interest	7,572,434	7,387,267	185,167
Capital Grants and Contributions	12,600	14,400	(1,800)
<i>Total Program Revenues</i>	<u>12,952,431</u>	<u>13,349,197</u>	<u>(396,766)</u>
<i>General Revenues</i>			
Property Taxes	57,344,335	57,031,515	312,820
Grants and Entitlements	22,430,197	23,876,897	(1,446,700)
Unrestricted Contributions	0	39,419	(39,419)
Interest	37,954	7,265	30,689
Other	249,528	460,538	(211,010)
<i>Total General Revenues</i>	<u>80,062,014</u>	<u>81,415,634</u>	<u>(1,353,620)</u>
<i>Total Revenues</i>	<u>93,014,445</u>	<u>94,764,831</u>	<u>(1,750,386)</u>
<b>Program Expenses</b>			
Instruction	49,326,871	47,306,806	2,020,065
Support Services:			
Pupils and Instructional Staff	7,053,999	7,322,784	(268,785)
Board of Education, Administration, Fiscal, and Business	7,853,248	8,027,386	(174,138)
Operation and Maintenance of Plant	5,570,470	6,907,464	(1,336,994)
Pupil Transportation	5,877,604	5,719,081	158,523
Central	1,949,975	2,058,421	(108,446)
Operation of Non-Instructional Services	3,207,160	3,257,825	(50,665)
Extracurricular Activities	1,404,707	1,018,512	386,195
Interest and Fiscal Charges	1,210,442	1,152,966	57,476
<i>Total Expenses</i>	<u>83,454,476</u>	<u>82,771,245</u>	<u>683,231</u>
<i>Change in Net Position</i>	9,559,969	11,993,586	(2,433,617)
Net Position Beginning of Year	<u>(86,793,837)</u>	<u>(98,787,423)</u>	11,993,586
Net Position End of Year	<u>(\$77,233,868)</u>	<u>(\$86,793,837)</u>	<u>\$9,559,969</u>

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

**Graph 2**  
**Revenues and Expenses**  
(In Millions)

	2016	2015
Revenues	\$93.0	\$94.8
Expenses	83.5	82.8



Total program revenues decreased \$396,766 mainly due to the decrease in charges for services. This decrease is due to fewer children who reside outside the School District boundaries attending Berea City School District. This decrease is offset by an increase in operating grants, contributions and interest. The School District actively seeks grants provided by various foundations to promote academic achievement for students in the 21st century.

The School District carefully invests its cash and equivalents in a variety of investment types with the primary focus being safety of principal, but with an attention to investment opportunities to increase yield. The School District pays close attention to daily interest rates and long-term financial trends. Fiscal year 2016's interest revenue is \$30,689 more than 2015's and is a direct result of more cash being available for investment purposes.

The intergovernmental portion of the general revenues is the second largest source of revenues for the School District and includes monies received from the Ohio Department of Education and property tax relief such as homestead exemptions and rollbacks provided by HB 920, as well as the tangible personal property loss reimbursement. The decrease is due to less monies received for the tangible personal property loss reimbursement offset by a slight increase in foundation revenues.

The largest governmental activities program expense remains to be instruction, comprising 59.1 percent of expenses. When combined with pupil and instructional support these categories make up 67.6 percent of expenses. Management is committed to working with all stakeholders to craft solutions that will most effectively use the available resources to continue to provide an excellent education to the students of the School District.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

Overall total governmental expenses increased \$683,231 due to negotiated increases in salary offset by a reduction in healthcare costs. Management must continue to diligently plan expenses, staying carefully within the School District's financial forecast. Additional revenues must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the life of the levies.

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

	2016		2015	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$49,326,871	\$41,961,471	\$47,306,806	\$39,581,421
Support Services:				
Pupil and Instructional Staff	7,053,999	6,341,887	7,322,784	6,526,554
Board of Education, Administration, Fiscal and Business	7,853,248	7,470,709	8,027,386	7,729,453
Operation and Maintenance of Plant	5,570,470	5,495,227	6,907,464	6,838,223
Pupil Transportation	5,877,604	5,669,291	5,719,081	5,574,261
Central	1,949,975	1,605,046	2,058,421	1,657,217
Operation of Non-Instructional Services	3,207,160	(117,720)	3,257,825	(207,466)
Extracurricular Activities	1,404,707	865,692	1,018,512	569,419
Interest and Fiscal Charges	1,210,442	1,210,442	1,152,966	1,152,966
<b>Total</b>	<b>\$83,454,476</b>	<b>\$70,502,045</b>	<b>\$82,771,245</b>	<b>\$69,422,048</b>

The dependence upon general tax revenues for governmental activities is apparent. The community, as a whole, is by far the primary support for Berea City School District students.

**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 \$93,691,463 and expenditures of \$85,993,273. The net change in the governmental funds fund balance for the year was most significant in the general fund, where the fund balance increased from a fund balance of \$14,999,188 to a fund balance of \$22,594,768. The increase in the general fund is due to an increase in the amount of property taxes available to advance the School District from the County Fiscal Officer and changes to the health insurance program offered to employees.

**Berea City School District**  
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The net change in the debt service fund was a decrease of \$1,865,752 due to the School District transferring excess revenues to the permanent improvement fund in accordance with Ohio Revised Code Section 5705.14(C)(2).

The net change in the permanent improvement capital projects fund is an increase of \$2,026,275. The increase is due to transfers from the general and debt service funds.

**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 2016 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 \$81,308,304, which was slightly below original budget estimates of \$82,712,167 million. Actual revenue received was \$82,413,829 million, due to higher than estimated property taxes and intergovernmental revenues.

Total final estimated expenditures on the budget basis (cash outlays plus encumbrances) were \$78,518,077, \$2,790,227 below budget basis revenues. Actual expenditures were only \$76,813,830, \$1,704,247 below the final budgeted appropriations.

**Capital Assets and Debt Administration**

*Capital Assets*

Table 4 shows fiscal year 2016 balances compared to the prior fiscal year:

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

	2016	2015
Land	\$893,217	\$893,217
Land Improvements	900,334	1,118,264
Buildings and Improvements	41,916,563	43,768,573
Furniture and Equipment	396,694	479,824
Vehicles	1,884,990	1,947,892
<b>Total</b>	<b>\$45,991,798</b>	<b>\$48,207,770</b>

The decrease of \$2,215,972 in capital assets in fiscal year 2016 is the net effect of current year additions and current year depreciation. The School District continued its ongoing commitment to maintaining and improving its capital assets. For more information refer to Note 11 to the basic financial statements.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

Ohio law requires school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2016 this amounted to \$1,111,973 for the set aside. The School District had qualifying disbursements or offsets exceeding this requirement. See Note 17 for additional information regarding set asides.

***Debt***

Table 5 summarizes bonds, certificate of participation, and notes outstanding for fiscal year 2016 and fiscal year 2015:

Table 5  
 Outstanding Debt at June 30  
 Governmental Activities

	2016	2015
2003 School Improvement Refunding Bonds	\$1,850,000	\$2,685,000
2006 Bus/Motor Vehicle Acquisition Bonds	0	80,703
2007 Energy Conservation Bonds	3,501,035	3,919,663
Certificates of Participation	25,639,899	24,802,630
2008 Tax Anticipation Notes	660,656	974,412
2013 Tax Anticipation Notes	2,160,000	2,445,000
Total	\$33,811,590	\$34,907,408

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 August 30, 2005 the School District issued \$ .7 million in bus acquisition and motor vehicle acquisition bonds. On June 7, 2007 the School District issued \$6.4 million in energy conservation improvement bonds. 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. On May 21, 2014, the School District issued refunding Certificates of Participation, in the amount of \$13,685,000, to partially refund the Certificates of Participation previously issued, in the amount of \$12,870,000. On February 23, 2016, the School District issued \$8,900,000 in Certificates of Participation (COPs), for the purpose of partially refunding the COPs issued in fiscal year 2010. On August 29, 2007 the School District issued \$2.9 million in tax anticipation notes for capital improvements. On February 6, 2013, the School District issued \$3,000,000 in Tax Anticipation Notes.

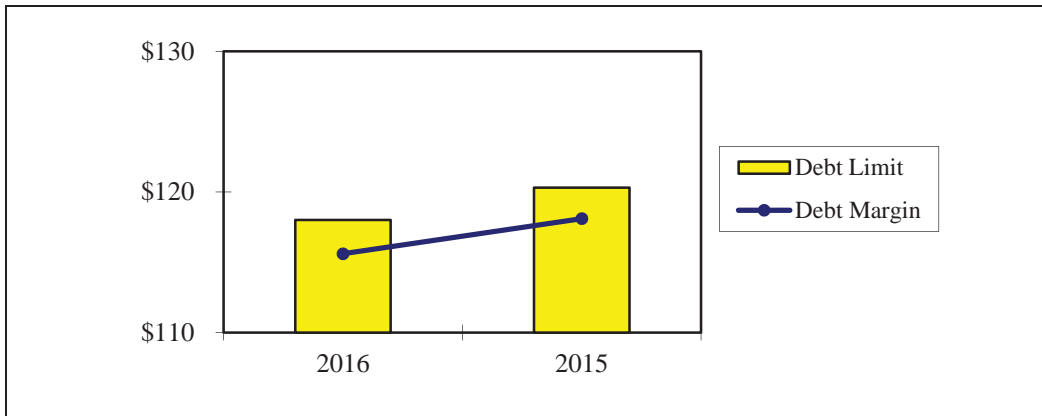
At June 30, 2016 the School District's overall legal debt margin was \$115,617,008 with an unvoted debt margin of \$1,311,538. The debt is well within permissible limits. The School District maintains an A-1 bond rating. For more information refer to Notes 19 and 20 to the basic financial statements.



**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

**Graph 3**  
 Legal Debt Margin  
 (in millions)

	2016	2015
Overall Debt Limit	\$118.0	\$120.3
Overall Debt Margin	115.6	118.1



**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 property valuations and fluctuation in tax collections further challenges this plan. Recent legislation has reinstated the phase out the personal property tax reimbursement from the State of Ohio. This will eventually lead to a twelve percent reduction in current revenue levels. Without changes to this legislation, the School District will need to explore opportunities to increase revenue or reduce expenditures in order to ensure fiscal stability.

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, The Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting since 2013 and most recently, the ASBO Meritorious Budget Award since 2015.

**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 Ryan Ghizzoni, Treasurer at Berea City School District, 390 Fair Street, Berea, Ohio 44017. Or e-mail at [rghizzoni@berea.k12.oh.us](mailto:rghizzoni@berea.k12.oh.us).

**Berea City School District***Statement of Net Position**June 30, 2016*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$21,627,231
Accounts Receivable	15,908
Intergovernmental Receivable	2,045,021
Prepaid Items	2,767
Inventory Held for Resale	27,095
Materials and Supplies Inventory	113,417
Taxes Receivable	53,665,614
Unamortized Bond Insurance Premium	128,555
Non-depreciable Capital Assets	893,217
Depreciable Capital Assets, Net	45,098,581
<i>Total Assets</i>	<u>123,617,406</u>
<b>Deferred Outflows of Resources</b>	
Deferred Charge on Refunding	1,439,346
Pension	11,300,365
<i>Total Deferred Outflows of Resources</i>	<u>12,739,711</u>
<b>Liabilities</b>	
Accounts Payable	735,023
Accrued Wages	5,206,814
Matured Compensated Absences Payable	417,660
Intergovernmental Payable	1,593,896
Accrued Interest Payable	250,194
Notes Payable	2,820,656
Claims Payable	674,427
Long-Term Liabilities:	
Due Within One Year	2,608,927
Due In More Than One Year:	
Net Pension Liability (See Note 13)	116,923,967
Other Amounts	31,650,921
<i>Total Liabilities</i>	<u>162,882,485</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	36,468,336
Pension	14,224,842
Deferred Gain on Refunding	15,322
<i>Total Deferred Inflows of Resources</i>	<u>50,708,500</u>
<b>Net Position</b>	
Net Investment in Capital Assets	14,073,293
Restricted for:	
Capital Projects	1,585,366
Debt Service	1,652,894
District Managed Student Activity	79,303
Locally Funded Programs	510,103
State Funded Programs	114,369
Federal Funded Programs	1,967,095
Unclaimed Monies	12,197
Unrestricted (Deficit)	(97,228,488)
<i>Total Net Position</i>	<u>(\$77,233,868)</u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2016

	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest		
<b>Governmental Activities</b>					
Instruction:					
Regular	\$31,822,289	\$1,446,786	\$193,444	\$8,117	(\$30,173,942)
Special	14,369,441	1,470,301	4,219,640	0	(8,679,500)
Vocational	281,881	0	27,112	0	(254,769)
Student Intervention	2,853,260	0	0	0	(2,853,260)
Support Services:					
Pupil	5,180,499	750	673,554	0	(4,506,195)
Instructional Staff	1,873,500	20,319	17,489	0	(1,835,692)
Board of Education	40,802	0	0	0	(40,802)
Administration	5,075,784	0	241,772	0	(4,834,012)
Fiscal	2,078,462	22,967	93,586	0	(1,961,909)
Business	658,200	24,214	0	0	(633,986)
Operation and Maintenance of Plant	5,570,470	74,130	1,113	0	(5,495,227)
Pupil Transportation	5,877,604	207,648	665	0	(5,669,291)
Central	1,949,975	0	340,446	4,483	(1,605,046)
Operation of Non-Instructional Services:					
Food Service Operations	1,816,513	706,925	1,005,996	0	(103,592)
Other Non-Instructional Services	1,390,647	976,776	635,183	0	221,312
Extracurricular Activities	1,404,707	416,581	122,434	0	(865,692)
Interest and Fiscal Charges	1,210,442	0	0	0	(1,210,442)
<b>Totals</b>	<b>\$83,454,476</b>	<b>\$5,367,397</b>	<b>\$7,572,434</b>	<b>\$12,600</b>	<b>(70,502,045)</b>
<b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					55,882,938
Debt Service					146,897
Capital Outlay					1,314,500
Grants and Entitlements not Restricted to Specific Programs					22,430,197
Investment Earnings					37,954
Miscellaneous					249,528
<b>Total General Revenues</b>					<b>80,062,014</b>
Change in Net Position					9,559,969
<i>Net Position Beginning of Year - Restated (See Note 3)</i>					<u>(86,793,837)</u>
<i>Net Position End of Year</i>					<u><u>(\$77,233,868)</u></u>

See accompanying notes to the basic financial statements

**Berea City School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2016*

	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$14,684,759	\$2,243,594	\$1,210,229	\$2,549,753	\$20,688,335
Restricted Assets					
Equity in Pooled Cash and Cash Equivalents	12,197	0	0	0	12,197
Accounts Receivable	15,908	0	0	0	15,908
Intergovernmental Receivable	1,277,113	0	0	767,908	2,045,021
Interfund Receivable	199,807	0	0	0	199,807
Prepaid Items	2,767	0	0	0	2,767
Inventory Held for Resale	16,866	0	0	10,229	27,095
Materials and Supplies Inventory	104,511	0	0	8,906	113,417
Property Taxes Receivable	52,416,235	0	1,249,379	0	53,665,614
<i>Total Assets</i>	<u>\$68,730,163</u>	<u>\$2,243,594</u>	<u>\$2,459,608</u>	<u>\$3,336,796</u>	<u>\$76,770,161</u>
<b>Liabilities</b>					
Accounts Payable	\$578,855	\$0	\$27,796	\$110,572	\$717,223
Accrued Wages	5,016,703	0	0	190,111	5,206,814
Matured Compensated Absences Payable	414,105	0	0	3,555	417,660
Interfund Payable	0	0	0	199,807	199,807
Intergovernmental Payable	1,481,001	0	0	109,218	1,590,219
Accrued Interest Payable	0	0	6,064	0	6,064
Notes Payable	0	0	2,820,656	0	2,820,656
<i>Total Liabilities</i>	<u>7,490,664</u>	<u>0</u>	<u>2,854,516</u>	<u>613,263</u>	<u>10,958,443</u>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue	3,028,991	0	41,728	391,588	3,462,307
Property Taxes	35,615,740	0	852,596	0	36,468,336
<i>Total Deferred Inflows of Resources</i>	<u>38,644,731</u>	<u>0</u>	<u>894,324</u>	<u>391,588</u>	<u>39,930,643</u>
<b>Fund Balances</b>					
Nonspendable	119,475	0	0	8,906	128,381
Restricted	0	2,243,594	0	2,369,329	4,612,923
Assigned	795,952	0	0	0	795,952
Unassigned (Deficit)	21,679,341	0	(1,289,232)	(46,290)	20,343,819
<i>Total Fund Balances (Deficit)</i>	<u>22,594,768</u>	<u>2,243,594</u>	<u>(1,289,232)</u>	<u>2,331,945</u>	<u>25,881,075</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$68,730,163</u>	<u>\$2,243,594</u>	<u>\$2,459,608</u>	<u>\$3,336,796</u>	<u>\$76,770,161</u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2016*

<b>Total Governmental Fund Balances</b>	<b>\$25,881,075</b>
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	45,991,798
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.	
Delinquent Property Taxes	1,792,514
Intergovernmental	391,588
Tuition and Fees	1,278,205
<b>Total</b>	<b>3,462,307</b>
The 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 the statement of net position in governmental activities in the statement of net position.	230,795
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(244,130)
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.	1,439,346
Deferred inflows of resources represent deferred gains on refundings, which are not reported in the funds.	(15,322)
Unamortized bond insurance premiums do not provide current financial resources and, therefore, are not reported in the funds.	128,555
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Certificates of Participation	(25,639,899)
General Obligation Bonds	(5,351,035)
Compensated Absences	(3,268,914)
<b>Total</b>	<b>(34,259,848)</b>
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	11,300,365
Deferred Inflows - Pension	(14,224,842)
Net Pension Liability	(116,923,967)
<b>Total</b>	<b>(119,848,444)</b>
<i>Net Position of Governmental Activities</i>	<b><u>(\$77,233,868)</u></b>

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, 2016*

	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$56,699,567	\$190,490	\$1,336,155	\$0	\$58,226,212
Intergovernmental	24,879,969	50,560	224,477	4,769,102	29,924,108
Interest	37,938	0	0	1,380	39,318
Tuition and Fees	2,836,176	0	0	979,680	3,815,856
Extracurricular Activities	146,577	0	0	258,361	404,938
Rentals	73,197	0	0	0	73,197
Charges for Services	35,952	0	0	730,253	766,205
Contributions and Donations	33,507	0	0	158,594	192,101
Miscellaneous	246,522	0	358	2,648	249,528
<i>Total Revenues</i>	<u>84,989,405</u>	<u>241,050</u>	<u>1,560,990</u>	<u>6,900,018</u>	<u>93,691,463</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	31,797,042	0	0	218,769	32,015,811
Special	12,636,429	0	0	1,595,914	14,232,343
Vocational	283,804	0	0	4	283,808
Student Intervention	2,848,758	0	0	0	2,848,758
Support Services:					
Pupil	4,715,861	0	0	644,020	5,359,881
Instructional Staff	1,910,149	0	0	0	1,910,149
Board of Education	40,738	0	0	0	40,738
Administration	4,864,436	0	0	234,689	5,099,125
Fiscal	1,922,859	5,598	0	117,437	2,045,894
Business	658,971	0	0	0	658,971
Operation and Maintenance of Plant	5,561,385	0	0	4,688	5,566,073
Pupil Transportation	4,991,598	0	0	7,489	4,999,087
Central	1,574,223	0	0	373,774	1,947,997
Operation of Non-Instructional Services	10,850	0	0	1,403,461	1,414,311
Operation of Food Service	0	0	0	1,692,327	1,692,327
Extracurricular Activities	995,228	0	0	420,055	1,415,283
Capital Outlay	59,158	0	1,032,307	22,923	1,114,388
Debt Service:					
Principal Retirement	605,000	835,000	490,000	0	1,930,000
Interest and Fiscal Charges	851,444	106,155	238,350	0	1,195,949
Certificate of Participation Issuance Costs	0	222,380	0	0	222,380
<i>Total Expenditures</i>	<u>76,327,933</u>	<u>1,169,133</u>	<u>1,760,657</u>	<u>6,735,550</u>	<u>85,993,273</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>8,661,472</u>	<u>(928,083)</u>	<u>(199,667)</u>	<u>164,468</u>	<u>7,698,190</u>
<b>Other Financing Sources (Uses)</b>					
Certificates of Participation Issued	0	8,900,000	0	0	8,900,000
Premium on Certificates of Participation	0	264,473	0	0	264,473
Payment to Refunded Bond Escrow Agent	0	(8,942,092)	0	0	(8,942,092)
Transfers In	0	0	2,225,942	0	2,225,942
Transfers Out	(1,065,892)	(1,160,050)	0	0	(2,225,942)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,065,892)</u>	<u>(937,669)</u>	<u>2,225,942</u>	<u>0</u>	<u>222,381</u>
<i>Net Change in Fund Balances</i>	7,595,580	(1,865,752)	2,026,275	164,468	7,920,571
<i>Restated Fund Balances (Deficit)</i>					
Beginning of Year (See Note 3)	14,999,188	4,109,346	(3,315,507)	2,167,477	17,960,504
<i>Fund Balances (Deficit) End of Year</i>	<u>\$22,594,768</u>	<u>\$2,243,594</u>	<u>(\$1,289,232)</u>	<u>\$2,331,945</u>	<u>\$25,881,075</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, 2016*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$7,920,571</b>
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
This is the amount by which depreciation exceeded capital outlay in the current period.	
Capital Asset Additions	489,765
Depreciation	<u>(1,693,209)</u>
Total	(1,203,444)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
	(1,012,528)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Delinquent Property Taxes	(881,877)
Intergovernmental	(102,342)
Tuition and Fees	307,561
Rentals	<u>(360)</u>
Total	(677,018)
Repayment of principal is an expenditure and other financing use in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Certificate of Participation	605,000
General Obligation Bonds	1,325,000
Payment to Refunded Bond Escrow Agent	<u>8,942,092</u>
Total	10,872,092
Bond insurance premiums are debt service expenditures in governmental funds when paid, but are reported as unamortized bond insurance premiums on the statement of net position and are allocated as an expense over the life of the outstanding debt.	
	39,200
In the statement of activities, interest is accrued on outstanding bonds and certificates of participation, whereas in governmental funds, an interest expenditure is reported when due.	
Accrued Interest	40,150
Amortization of Accounting Loss	(57,954)
Amortization of Accounting Gain	8,748
Amortization of Unamortized Bond Insurance Premium	(4,748)
Amortization of Certificates of Participation Discount	(10,020)
Amortization of Bond Premium	<u>9,331</u>
Total	(14,493)
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 in governmental funds.	
	40,689
The internal service fund used by management is not reported in the district-wide statements of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	
	(124,043)
Other financing sources in the governmental funds increased long-term liabilities in the statement of net position.	
Refunding Certificates of Participation Issued	(8,900,000)
Discount on Certificates of Participation	<u>(264,473)</u>
Total	(9,164,473)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
	6,666,017
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	
	<u>(3,782,601)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$9,559,969</u></u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$53,414,424	\$52,859,892	\$53,675,712	\$815,820
Intergovernmental	25,087,799	24,580,802	24,960,173	379,371
Interest	10,326	15,964	16,210	246
Tuition and Fees	3,679,774	3,214,459	3,222,125	7,666
Extracurricular Activities	157,630	205,370	146,577	(58,793)
Rentals	75,100	75,880	77,051	1,171
Charges for Services	49,600	49,506	35,952	(13,554)
Contributions and Donations	25,900	44,166	33,507	(10,659)
Miscellaneous	211,614	262,265	246,522	(15,743)
<i>Total Revenues</i>	<u>82,712,167</u>	<u>81,308,304</u>	<u>82,413,829</u>	<u>1,105,525</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	32,361,683	31,804,277	31,650,709	153,568
Special	12,853,300	12,824,760	12,806,453	18,307
Vocational	392,401	392,401	336,389	56,012
Student Intervention	3,149,598	3,108,835	2,926,912	181,923
Support Services:				
Pupil	4,757,807	4,856,057	4,724,830	131,227
Instructional Staff	2,308,910	2,324,918	1,961,502	363,416
Board of Education	36,659	36,783	36,782	1
Administration	4,813,071	4,813,521	4,770,916	42,605
Fiscal	1,938,264	1,941,560	1,941,560	0
Business	746,444	796,720	677,324	119,396
Operation and Maintenance of Plant	6,024,616	5,880,612	5,620,053	260,559
Pupil Transportation	5,043,993	5,228,984	5,207,655	21,329
Central	1,666,896	1,674,396	1,626,929	47,467
Operation of Non-Instructional Services	22,021	22,785	19,231	3,554
Extracurricular Activities	957,577	1,109,917	987,396	122,521
Capital Outlay	67,350	67,350	62,745	4,605
Debt Service:				
Principal Retirement	605,000	605,000	605,000	0
Interest and Fiscal Charges	1,029,201	1,029,201	851,444	177,757
<i>Total Expenditures</i>	<u>78,774,791</u>	<u>78,518,077</u>	<u>76,813,830</u>	<u>1,704,247</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>\$3,937,376</u>	<u>\$2,790,227</u>	<u>\$5,599,999</u>	<u>\$2,809,772</u>

(continued)



**Berea City School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Other Financing Sources (Uses)</b>				
Advances In	\$0	\$312,587	\$312,587	\$0
Advances Out	0	0	(86,152)	(86,152)
Transfers Out	(1,065,893)	(1,065,892)	(1,065,892)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,065,893)</u>	<u>(753,305)</u>	<u>(839,457)</u>	<u>(86,152)</u>
<i>Net Change in Fund Balance</i>	2,871,483	2,036,922	4,760,542	2,723,620
<i>Fund Balance Beginning of Year</i>	8,025,391	8,025,391	8,025,391	0
Prior Year Encumbrances Appropriated	<u>766,595</u>	<u>766,595</u>	<u>766,595</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$11,663,469</u>	<u>\$10,828,908</u>	<u>\$13,552,528</u>	<u>\$2,723,620</u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Fund Net Position*  
*Internal Service Funds*  
*June 30, 2016*

	<u>Internal Service</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$926,699</u>
<b>Liabilities</b>	
Accounts Payable	\$17,800
Intergovernmental Payable	3,677
Claims Payable	<u>674,427</u>
<i>Total Liabilities</i>	<u>695,904</u>
<b>Net Position</b>	
Unrestricted	<u><u>\$230,795</u></u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Revenues,  
 Expenses and Changes in Fund Net Position  
 Internal Service Funds  
 For the Fiscal Year Ended June 30, 2016*

	Internal Service
<hr style="border-top: 3px double #000;"/>	
<b>Operating Revenues</b>	
Charges for Services	\$9,013,018
<b>Operating Expenses</b>	
Fringe Benefits	14,466
Purchased Services	1,284,709
Claims	7,837,886
<i>Total Operating Expenses</i>	9,137,061
<i>Change in Net Position</i>	(124,043)
<i>Net Position Beginning of Year</i>	354,838
<i>Net Position End of Year</i>	\$230,795

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Cash Flows*  
*Internal Service Funds*  
For the Fiscal Year Ended June 30, 2016

	Internal Service
<i><b>Increase (Decrease) in Cash and Cash Equivalents</b></i>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services	\$9,014,236
Cash Payments for Employee Benefits	(14,466)
Cash Payments for Goods and Services	(1,263,232)
Cash Payments for Claims	(8,105,900)
<i>Net Decrease in Cash and Cash Equivalents</i>	(369,362)
<i>Cash and Cash Equivalents Beginning of Year</i>	1,296,061
<i>Cash and Cash Equivalents End of Year</i>	\$926,699
 <b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>	
<i>Operating Loss</i>	(\$124,043)
Decrease in Accounts Receivable	1,218
Increase (Decrease) in Liabilities	
Accounts Payable	17,800
Intergovernmental Payable	3,677
Claims Payable	(268,014)
<i>Net Cash Used for Operating Activities</i>	(\$369,362)

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2016*

	Private Purpose Trust Fund	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$13,445	\$819,431
<b>Liabilities</b>		
Undistributed Monies	0	\$734,815
Due to Students	0	84,616
<i>Total Liabilities</i>	0	\$819,431
<b>Net Position</b>		
Held in Trust for Scholarships:	\$13,445	

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Changes in Fiduciary Net Position*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2016*

	Scholarship
<b>Additions</b>	
Interest	\$9
<b>Deductions</b>	0
<i>Change in Net Position</i>	9
<i>Net Position Beginning of Year</i>	13,436
<i>Net Position End of Year</i>	\$13,445

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, 2016*

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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 344 classified employees, 449 certificated full-time personnel, and 44 administrators who provide services to 6,549 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 in 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. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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***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.

The School District participates in three jointly governed organizations and one public entity risk pool. These organizations are presented in Note 18 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 more significant of the School District's accounting policies are described below.

### ***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 and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

***General Fund*** The general fund is used to account for and report 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 for and report restricted property taxes for the payment of school improvement general obligation bond, principal, interest and related costs.



**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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***Permanent Improvement Fund*** The permanent improvement fund accounts for and reports a tax levy, bond and note proceeds and contributions restricted for the acquisition, construction, or improvement of capital facilities.

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 position, financial position and cash flows and are classified as either enterprise or internal service. The School District only has internal service funds.

***Internal Service Funds*** The internal service funds account 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 School District's internal service funds account for medical, prescription drug, dental, and vision claims of School District employees and for workers' compensation.

***Fiduciary Funds*** Fiduciary fund reporting focuses on net position and changes in net position. 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, staff services and payroll.

***Basis of Presentation***

The School District's basic financial statements consist of government-wide statements, including a statement of net position 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 position 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 position 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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***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 internal service fund is presented on the face of the proprietary fund statements. The fiduciary fund is reported by type.

***Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

***Fund Financial Statements*** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the internal service funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the funds are included on the statement of fund net position. The statement of changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activity.

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

***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 outflows/inflows of resources, 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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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 7). 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 Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, unavailable revenue, and gain on refunding. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, tuition and fees, and other revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 13)

***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.

***Cash and Cash Equivalents***

Cash received by the School District is pooled for investment purposes. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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During fiscal year 2016, investments were limited to federal farm credit bank bonds, federal home loan bank bonds, federal home loan mortgage corporation notes, federal national mortgage association notes, money markets, United States treasury bonds and STAR Ohio. Investments are reported at fair value which is based on quoted market prices.

STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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 2016 amounted to \$37,938 which includes \$10,023 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.

***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 for unclaimed monies.

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2016, 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.

***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, 2016*

***Unamortized Bond Insurance Premiums, Discounts and Premiums***

On the government-wide financial statements, bond insurance premiums, and discounts and premiums on bonds and certificates of participation (COPs) are deferred and amortized over the term of the debt using the straight line method. Premiums are presented as an increase of the face amount of the debt. On the fund financial statements, bond insurance premiums and discounts and premiums on bonds and COPs are received or expended in the year the debt was issued.

***Deferred Charge/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/loss on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources or deferred inflows of resources on the statement of net position.

***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 position 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 acquisition 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 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:

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

***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 columns of the statement of net position.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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***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.

***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 net pension liability 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.

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

***Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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***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 includes the remaining amount that is not restricted or committed. These assigned balances are established by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

***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.

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.

***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 and workers' compensation 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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***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 payments for services provided and used are not eliminated.

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 and after nonoperating revenues/expenses in the internal service fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***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.

***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 function level in the general fund and the fund level for all other funds. The Treasurer has been given the authority to allocate appropriations to the object level in the general fund and the function and object fund 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 – Change in Accounting Principles and Restatement of Fund Balance and Net Position**

For fiscal year 2016, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 72, "Fair Value Measurement and Application," GASB Statement No 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68," GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," GASB Statement



**Berea City School District**  
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No. 79, “Certain External Investment Pools and Pool Participants,” and GASB Statement No. 82, “Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the School District’s fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68. The implementation of this GASB pronouncement did not result in any changes to the School District’s financial statements.

GASB Statement No. 76 identifies-in the context of the current governmental financial reporting environment-the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the School District’s financial statements.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The School Districts participates in STAR Ohio which implemented GASB Statement No. 79 for fiscal year 2016. The School District incorporated the corresponding GASB 79 guidance into their fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the School District’s fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

***Restatement of Prior Year’s Fund Balance and Net Position***

The correction of an error by the County Fiscal Officer in the calculation of the amount of property taxes available as an advance as of June 30, 2015 had the following effect on fund balances and net position as reported June 30, 2015:

	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Fund Balance (Deficit) at June 30, 2015	\$8,170,303	\$3,998,187	(\$3,475,916)	\$2,167,477	\$10,860,051
Property Taxes Available as an Advance	6,828,885	111,159	160,409	0	7,100,453
Restated Fund Balance (Deficit) at June 30, 2015	<u>\$14,999,188</u>	<u>\$4,109,346</u>	<u>(\$3,315,507)</u>	<u>\$2,167,477</u>	<u>\$17,960,504</u>

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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	Governmental Activities
Net Position June 30, 2015	(\$93,894,290)
Property Taxes Available as an Advance	7,100,453
Restated Net Position June 30, 2015	(\$86,793,837)

**Note 4 – Accountability**

The following funds had deficit fund balances at June 30, 2016:

<b>Special Revenue Funds</b>	
Title VI-B	\$2,690
Title I	32,842
Preschool at Risk	3,862
Title IIA	5,834
Title III	1,062
<b>Capital Projects Fund</b>	
Permanent Improvement	1,289,232

The deficits in the special revenue funds 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.

**Note 5 - 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).
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).
5. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).

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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	\$7,595,580
Net Adjustment for Revenue Accruals	(2,553,848)
Advances In	312,587
Ending Fair Value Adjustment for Investments	(21,728)
Net Adjustment for Expenditure Accruals	750,458
Advances Out	(86,152)
Adjustment for Encumbrances	(1,236,355)
Budget Basis	\$4,760,542

**Note 6 – 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	Permanent Improvement	Other Governmental Funds	Total
<b>Nonspendable</b>					
Prepays	\$2,767	\$0	\$0	\$0	\$2,767
Inventory	104,511	0	0	8,906	113,417
Unclaimed Monies	12,197	0	0	0	12,197
<i>Total Nonspendable</i>	119,475	0	0	8,906	128,381
<b>Restricted for</b>					
Non-Public Schools	0	0	0	106,873	106,873
Athletics and Music	0	0	0	79,303	79,303
Preschool Education	0	0	0	13,025	13,025
Professional Development	0	0	0	72,546	72,546
Technology Improvements	0	0	0	50	50
Food Service Operations	0	0	0	1,637,953	1,637,953
Adult Education	0	0	0	453,429	453,429
Debt Service Payments	0	2,243,594	0	0	2,243,594
Capital Improvements	0	0	0	6,150	6,150
<i>Total Restricted</i>	0	2,243,594	0	2,369,329	4,612,923
<b>Assigned to</b>					
Purchases on Order:					
Instruction	510,085	0	0	0	510,085
Support Services	279,511	0	0	0	279,511
Non-instructional Services	480	0	0	0	480
Athletics and Music	2,289	0	0	0	2,289
Capital Improvements	3,587	0	0	0	3,587
<i>Total Assigned</i>	795,952	0	0	0	795,952
<b>Unassigned (Deficit)</b>	21,679,341	0	(1,289,232)	(46,290)	20,343,819
<i>Total Fund Balances (Deficit)</i>	\$22,594,768	\$2,243,594	(\$1,289,232)	\$2,331,945	\$25,881,075

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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**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 distributions are received by the School District in the second half of the fiscal year. Second-half tax distributions are received in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed values as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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 revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 became a lien on December 31, 2014, were levied after April 1, 2015, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County 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, 2016, are available to finance fiscal year 2016 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, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only 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 inflows of resources – property taxes.

The amount available as an advance at June 30, 2016, was \$15,049,709 in the general fund and \$355,055 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2015, was \$12,025,853 in the general fund, \$195,754 in the debt service fund, and \$282,484 in the permanent improvement capital projects fund.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**Berea City School District**  
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The assessed values upon which fiscal year 2016 taxes were collected are:

	2015 Second Half Collections		2016 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,301,850,930	97.38%	\$1,275,009,230	97.21%
Public Utility Personal	35,071,880	2.62	36,528,700	2.79
<b>Total</b>	<b>\$1,336,922,810</b>	<b>100.00%</b>	<b>\$1,311,537,930</b>	<b>100.00%</b>
Full Tax Rate per \$1,000 of assessed valuation	\$78.00		\$78.00	

**Note 8 - Interfund Transactions**

*Interfund Balances*

Interfund balances at June 30, 2016, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable
	General
<b>Other Governmental Funds:</b>	
Title VI-B	\$85,531
Title I	98,377
Preschool at Risk	12,494
Preschool	279
Title III	3,126
<b>Total</b>	<b>\$199,807</b>

The interfund payables in other governmental funds 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. Interfund balances will be repaid within one year.

*Interfund Transfers*

The transfer of \$1,065,892 from the general fund to the permanent improvement fund was made to move unrestricted balances to support programs and projects accounted for in the fund. The debt service fund transferred excess funds of \$1,160,050 to the permanent improvement fund accordance with Ohio Revised Code 5705.14(C)(2).

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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**Note 9 – 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, and Government National Mortgage 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, and with certain limitations bonds and other obligations of political subdivisions 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 (STAR Ohio); 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.

**Berea City School District**  
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**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, \$11,481,232 of the School District’s bank balance of \$11,987,497 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.

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, 2016, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Moody Rating	Percent of Total Investments
Fair Value				
Federal Farm Credit Bank Bonds	\$752,208	Less than Three Years	AAA	7.00%
Federal Home Loan Bank Bonds	904,976	Less than Three Years	AAA	8.42
Federal Home Loan Mortgage Corporation Notes	1,502,842	Less than Four Years	AAA	13.98
Federal National Mortgage Association Notes	1,414,725	Less than Four Years	AAA	13.16
Money Markets	1,999,472	Less than One Year	AAA	18.60
United States Treasury Bonds	55,138	Less than One Year	n/a	n/a
Net Asset Value per Share				
STAR Ohio	<u>4,122,079</u>	Less than One Year	n/a	n/a
Total Portfolio	<u>\$10,751,440</u>			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District’s recurring fair value measurements as of June 30, 2016. All of the School District’s investments measured at fair value are valued using quoted market prices (Level 1 inputs).

**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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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**Credit Risk** The Moody's ratings of the School Districts investments are listed in the table above. 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.

**Concentration of Credit Risk** The School District places no limit on the amount it may invest in any one issuer.

**Note 10 - Receivables**

Receivables at June 30, 2016, 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:

	<u>Amount</u>
Tuition and Fees	\$1,277,113
Title I	416,610
Title VI-B	247,885
Title IIA	33,241
Preschool at Risk	31,797
Preschool	21,827
Title III	<u>16,548</u>
Total Intergovernmental Receivables	<u><u>\$2,045,021</u></u>



**Berea City School District**  
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**Note 11 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Balance 6/30/15	Additions	Deductions	Balance 6/30/16
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$893,217	\$0	\$0	\$893,217
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	2,979,523	12,344	(287,722)	2,704,145
Buildings and Improvements	75,569,515	152,516	(3,614,601)	72,107,430
Furniture and Equipment	2,801,817	14,249	0	2,816,066
Vehicles	5,943,076	310,656	(157,458)	6,096,274
<i>Total Capital Assets, Being Depreciated</i>	<u>87,293,931</u>	<u>489,765</u>	<u>(4,059,781)</u>	<u>83,723,915</u>
Less Accumulated Depreciation:				
Land Improvements	(1,861,259)	(87,176)	144,624	(1,803,811)
Buildings and Improvements	(31,800,942)	(1,135,096)	2,745,171	(30,190,867)
Furniture and Equipment	(2,321,993)	(97,379)	0	(2,419,372)
Vehicles	(3,995,184)	(373,558)	157,458	(4,211,284)
<i>Total Accumulated Depreciation</i>	<u>(39,979,378)</u>	<u>(1,693,209)</u>	<u>3,047,253</u>	<u>(38,625,334)</u>
Total Capital Assets, Being Depreciated, Net	<u>47,314,553</u>	<u>(1,203,444)</u>	<u>(1,012,528)</u>	<u>45,098,581</u>
Governmental Activities Capital Assets, Net	<u>\$48,207,770</u>	<u>(\$1,203,444)</u>	<u>(\$1,012,528)</u>	<u>\$45,991,798</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$500,541
Special	268,615
Vocational	5,839
Support Services	
Pupil	46,716
Instructional Staff	25,398
Administration	79,405
Fiscal	15,637
Business	4,161
Operation and Maintenance of Plant	138,705
Pupil Transportation	493,076
Central	35,897
Operation of Food Service	76,432
Extracurricular Activities	2,787
Total Depreciation Expense	<u>\$1,693,209</u>

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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**Note 12 - Risk Management**

***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 2016, the School District contracted with Schools of Ohio Risk Sharing Authority 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 Liberty 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 Liberty Mutual and have a \$1,000 deductible for comprehensive and \$1,000 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, \$1,000,000 uninsured/underinsured motorist.

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.

***Workers' Compensation***

For fiscal year 2016, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). 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.

***Health and Life Insurance***

The School District offers medical, prescription drug, dental, and vision benefits for all eligible employees and their dependents through a self-insurance internal service fund. The School District used a self-insured program through January 31, 2013, was not self-insured beginning February 1, 2013, and then went back to a self-insured program during fiscal year 2015. The School District is self-insured with Medical Mutual serving as third-party administrator. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$125,000 per employee, per year. The claims liability of \$674,427 reported in the self-insurance internal service fund at June 30, 2016, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that 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. Management's expectation is the claims liabilities will be paid within one year. Changes in the fund's claim liability amount in fiscal years 2015 and 2016 were:

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	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2015	\$92,350	\$9,204,139	\$8,354,048	\$942,441
2016	942,441	7,837,886	8,105,900	674,427

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

**Note 13 - Defined Benefit Pension Plans**

*Net Pension Liability*

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District’s obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

**Berea City School District**  
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***Plan Description - School Employees Retirement System (SERS)***

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. 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, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

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, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. No allocation was made to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$1,741,922 for fiscal year 2016. Of this amount \$73,388 is reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five year of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. 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, 11 percent of the 12 percent member rate goes to the DC Plan and 1 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability 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 – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. Effective July 1, 2016, the statutory maximum employee contribution rate was increased one percent to 14 percent. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$4,924,095 for fiscal year 2016. Of this amount \$696,282 is reported as an intergovernmental payable.

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***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability Prior Measurement Date	0.43617500%	0.36280548%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.41362290%</u>	<u>0.33767048%</u>	
Change in Proportionate Share	<u>-0.02255210%</u>	<u>-0.02513500%</u>	
Proportionate Share of the Net Pension Liability	\$23,601,723	\$93,322,244	\$116,923,967
Pension Expense	\$1,176,427	\$2,606,174	\$3,782,601

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$201,867	\$3,463,607	\$3,665,474
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	178,164	790,710	968,874
School District contributions subsequent to the measurement date	<u>1,741,922</u>	<u>4,924,095</u>	<u>6,666,017</u>
Total Deferred Outflows of Resources	<u>\$2,121,953</u>	<u>\$9,178,412</u>	<u>\$11,300,365</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$782,002	\$6,711,634	\$7,493,636
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>1,000,296</u>	<u>5,730,910</u>	<u>6,731,206</u>
Total Deferred Inflows of Resources	<u>\$1,782,298</u>	<u>\$12,442,544</u>	<u>\$14,224,842</u>

\$6,666,017 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Fiscal Year Ending June 30:	SERS	STRS	Total
2017	(\$603,570)	(\$2,947,321)	(\$3,550,891)
2018	(603,570)	(2,947,321)	(3,550,891)
2019	(605,369)	(2,947,320)	(3,552,689)
2020	410,242	653,735	1,063,977
Total	<u>(\$1,402,267)</u>	<u>(\$8,188,227)</u>	<u>(\$9,590,494)</u>

**Actuarial Assumptions - SERS**

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums

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over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	<u>100.00 %</u>	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's proportionate share of the net pension liability	\$32,727,110	\$23,601,723	\$15,917,396

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.



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Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

STRS’ investment consultant develops best estimates for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	10 Year Expected Nominal Rate of Return *
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

\* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.5 percent.

**Discount Rate** The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

**Sensitivity of the School District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the School District’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$129,631,636	\$93,322,244	\$62,617,239

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**Note 14 – Postemployment Benefits**

***School Employees Retirement System***

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is 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.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. 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.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, no allocation of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, prorated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the School District's surcharge obligation was \$191,471.

The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$191,471, \$372,693, and \$253,906, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

***State Teachers Retirement System***

Plan Description – The State Teachers Retirement System of Ohio (STRS Ohio) administers a cost-sharing multiple-employer defined benefit Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Ohio law authorizes STRS to offer this plan. 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 can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board discretionary 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 Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly

**Berea City School District**  
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premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the fiscal years ended June 30, 2016 and June 30, 2015, STRS Ohio did not allocate any employer contributions to post-employment health care. For the fiscal year ended June 30, 2014, one percent of covered payroll was allocated to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015 and 2014 were \$0, \$0 and \$372,984, respectively. The full amount has been contributed for 2016, 2015 and 2014.

**Note 15 – 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.

**Note 16 - Contingencies**

***Grants***

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2016, if applicable, cannot be determined at this time.

***School Foundation***

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016, Foundation funding for the School District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or a liability of the School District.

***Litigation***

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

**Berea City School District**  
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**Note 17 - 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 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 capital acquisition. Disclosure of this information is required by State statute.

	Capital Improvements
Set Aside Balance as of June 30, 2015	\$0
Current Year Set-Aside Requirement	1,111,973
Current Year Offset	(1,501,329)
Qualifying Disbursements	(215,539)
Total	(\$604,895)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$0

Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years.

**Note 18 - Jointly Governed Organizations and Public Entity Risk Pool**

*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. The degree of control exercised by any participating school district 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 University. The degree of control exercised by any participating school district is limited to its representation on the board. 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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The Ohio Schools' Council Association (Council) is a jointly governed organization among 156 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 degree of control exercised by any participating school district is limited to its representation on 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 2016 the School District paid \$18,830 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Boulevard, Independence, Ohio 44131.

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 serves as the new supplier and program manager for the period from April 1, 2013 through March 31, 2016. 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.

***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 19 – 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.

On February 6, 2013, the School District issued \$3,000,000, 2.08 percent tax anticipation notes. These notes were issued for various school improvements in the School District.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

The School District's note activity, including amounts outstanding and interest rates are as follows:

	Principal Outstanding 6/30/2015	Additions	Deductions	Principal Outstanding 6/30/2016
<b>Permanent Improvement</b>				
2008 Capital Projects 4.0%				
Tax Anticipation Notes	\$965,000	\$0	\$310,000	\$655,000
Premium on Notes	9,412	0	3,756	5,656
2013 School Improvement 2.08%				
Tax Anticipation Notes	2,445,000	0	285,000	2,160,000
Total Notes	<u>\$3,419,412</u>	<u>\$0</u>	<u>\$598,756</u>	<u>\$2,820,656</u>

Principal and interest requirements to retire the notes outstanding at June 30, 2016 are as follows:

Fiscal Year Ending June 30	2008 Notes		2013 Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$320,000	\$21,038	\$290,000	\$41,912	\$610,000	\$62,950
2018	335,000	7,119	295,000	35,828	630,000	42,947
2019	0	0	300,000	29,640	300,000	29,640
2020	0	0	310,000	23,296	310,000	23,296
2021	0	0	315,000	16,796	315,000	16,796
2022	0	0	320,000	10,192	320,000	10,192
2023	0	0	330,000	3,432	330,000	3,432
Total	<u>\$655,000</u>	<u>\$28,157</u>	<u>\$2,160,000</u>	<u>\$161,096</u>	<u>\$2,815,000</u>	<u>\$189,253</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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

**Note 20 – Long – Term Liabilities**

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

	Principal Outstanding 6/30/2015	Additions	Reductions	Principal Outstanding 6/30/2016	Amounts Due in One Year
Certificates of Participation:					
Certificates of Participation - 2010					
Serial Certificates	\$3,740,000	\$0	\$575,000	\$3,165,000	\$590,000
Term Certificates	7,810,000	0	7,810,000	0	0
Discount on Certificate of Participation	(159,028)	0	(113,167)	(45,861)	0
Premium on Certificate of Participation	49,733	0	35,391	14,342	0
2014 Certificates of Participation Refunding					
Serial Certificates	13,060,000	0	0	13,060,000	0
Term Certificates	545,000	0	30,000	515,000	30,000
Discount on Certificate of Participation	(243,075)	0	(10,020)	(233,055)	0
2016 Certificates of Participation Refunding					
Serial Certificates	0	8,900,000	0	8,900,000	215,000
Premium on Certificate of Participation	0	264,473	0	264,473	0
<b>Total Certificates of Participation</b>	<b>24,802,630</b>	<b>9,164,473</b>	<b>8,327,204</b>	<b>25,639,899</b>	<b>835,000</b>
General Obligation Bonds:					
2003 School Improvement Refunding	2,685,000	0	835,000	1,850,000	890,000
2006 Bus Acquisition Bonds	80,000	0	80,000	0	0
Premium on Bonds	703	0	703	0	0
2007 Energy Conservation Bonds	3,855,000	0	410,000	3,445,000	425,000
Premium on Bonds	64,663	0	8,628	56,035	0
<b>Total General Obligation Bonds</b>	<b>6,685,366</b>	<b>0</b>	<b>1,334,331</b>	<b>5,351,035</b>	<b>1,315,000</b>
Net Pension Liability					
SERS	22,074,568	1,527,155	0	23,601,723	0
STRS	88,246,848	5,075,396	0	93,322,244	0
<b>Total Net Pension Liability</b>	<b>110,321,416</b>	<b>6,602,551</b>	<b>0</b>	<b>116,923,967</b>	<b>0</b>
Compensated Absences	3,309,603	1,118,900	1,159,589	3,268,914	458,927
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$145,119,015</b>	<b>\$16,885,924</b>	<b>\$10,821,124</b>	<b>\$151,183,815</b>	<b>\$2,608,927</b>

On November 4, 2009, the School District issued \$26,000,000 in Certificates of Participation (COPs) at a net interest rate of 4.7 percent, for the purpose of building a new elementary school. The COPs issuance included a premium of \$127,260, a discount of \$406,581, which were amortized over the life of the COPs, and issuance costs of \$490,946. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term of five years with includes the right to renew for 30 successive one-year terms through October 1, 2044 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 3.00 to 5.00 percent. The School District has the option to purchase the elementary building on any lease payment date by paying the amount necessary to defease the indenture.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

On May 21, 2014, the School District issued \$13,685,000 in Certificates of Participation (COPs), for the purpose of partially refunding the COPs issued in fiscal year 2010 for the purpose of building a new elementary school. The COPs issuance included a discount of \$253,931, which is amortized over the life of the COPs, and issuance costs of \$356,418. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term of five years with includes the right to renew for 19 successive one-year terms through October 1, 2039, subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 3.20 to 5.00 percent. The School District has the option to purchase the elementary building on any lease payment date by paying the amount necessary to defease the indenture. The COPs were issued for a 26 year period with final maturity during fiscal year 2040. The COPs will be retired through the general fund. The COPs were sold at a discount of \$253,931. Net proceeds of \$13,074,651 (after payment of \$356,418 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2010 COPs. On June 30, 2016, \$12,870,000 of the defeased bonds are still outstanding.

The term certificates maturing on October 1, 2018, 2024 and 2029 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on August 1 in the years and in the respective principal amounts as follows:

Year	2014 Certificates of Participation		
	\$120,000	\$215,000	\$210,000
2017	\$30,000	\$0	\$0
2018	30,000	0	0
2019	0	0	0
2020	0	35,000	0
2021	0	35,000	0
2022	0	35,000	0
2023	0	35,000	0
2024	0	35,000	0
2025	0	0	0
2026	0	0	40,000
2027	0	0	40,000
2028	0	0	40,000
2029	0	0	45,000
Total	\$60,000	\$175,000	\$165,000
<i>Stated Maturity</i>	<i>10/1/2018</i>	<i>10/1/2024</i>	<i>10/1/2029</i>

The remaining principal amount of the term certificates (\$30,000 \$40,000 and \$45,000) will mature at the stated maturity.

On February 23, 2016, the School District issued \$8,900,000 in Certificates of Participation (COPs), for the purpose of partially refunding the COPs issued in fiscal year 2010 for the purpose of building a new elementary school. The COPs issuance included a premium of \$264,473, which is amortized over the life of the COPs, and issuance costs of \$222,380. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been



**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term of five years with includes the right to renew for 19 successive one-year terms through October 1, 2030, subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 1.15 to 3.50 percent. The School District has the option to purchase the elementary building on any lease payment date by paying the amount necessary to defease the indenture. The COPs were issued for a 26 year period with final maturity during fiscal year 2031. The COPs will be retired through the general fund.

Net proceeds of \$8,942,092 (after payment of \$222,380 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2010 COPs. As a result, \$7,810,000 of these COPs are considered defeased and the liability for the refunded COPs has been removed from the School District’s financial statements. Accordingly, the trust account assets and liabilities for the defeased COPs are not included in the School District’s financial statements. On June 30, 2016, \$7,810,000 of the defeased bonds are still outstanding.

The School District decreased its total debt service payments by \$544,332 as a result of the refunding. The School District also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$491,420, but incurred an accounting loss of \$1,209,868 (difference between amount paid to bond escrow agent and the refunding amount), which is shown in the following table:

***Certificates of Participation - 2010***

Term Certificates of Participation	\$7,810,000
Discount on Term Certificates of Participation	(113,167)
Premium on Term Certificates of Participation	35,391
Total Certificates of Participation - 2010	7,732,224
Payment to Refunded Bond Escrow Agent	(8,942,092)
2016 Certificates of Participation Refunding Accounting Loss	(\$1,209,868)

Annual base rent requirements to retire COPs outstanding at June 30, 2016 are as follows:

	Certificates of Participation			
	Serial		Term	
	Principal	Interest	Principal	Interest
2017	\$805,000	\$853,263	\$30,000	\$31,410
2018	715,000	830,036	30,000	30,960
2019	735,000	807,116	30,000	30,511
2020	760,000	781,259	35,000	29,761
2021	790,000	753,054	35,000	28,711
2022 - 2026	4,265,000	3,470,489	185,000	127,379
2027 - 2031	4,890,000	2,876,756	170,000	77,579
2032 - 2036	6,215,000	1,876,677	0	0
2037 - 2040	5,950,000	502,371	0	0
Total	\$25,125,000	\$12,751,021	\$515,000	\$356,311

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

School Improvement Bonds in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the School District's financial statements. On June 30, 2015, \$2,780,000 of the defeased bonds are still outstanding.

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 was amortized over ten years using the straight-line method. These bonds were fully repaid during fiscal year 2016.

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.

At June 30, 2016 the School District's overall legal debt margin was \$115,617,008 with an unvoted debt margin of \$1,311,538. Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2016 are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Total
	Principal	Interest	
2017	\$1,315,000	205,272	\$1,520,272
2018	1,410,000	137,735	1,547,735
2019	475,000	93,300	568,300
2020	495,000	73,900	568,900
2021	510,000	53,800	563,800
2022 - 2024	1,090,000	44,000	1,134,000
Total	<u>\$5,295,000</u>	<u>\$608,007</u>	<u>\$5,903,007</u>

The School District pays obligations related to employee compensation from the fund benefitting from their service which is the general fund, the food service fund and the adult and community education funds. See note 13 for additional information related to the net pension liability. Compensated absences will be paid from the general fund, the food service fund and the adult and community education funds. The certificates of participation are paid from the general fund and the general obligation bonds are paid from the debt service fund.

**Note 21 – Encumbrances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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Major Funds:	
General	\$1,236,355
Permanent Improvement	89,817
Other Governmental Funds	<u>351,532</u>
Total Governmental Funds	1,677,704
Internal Service Funds	<u>27,392</u>
Total	<u><u>\$1,705,096</u></u>

**Note 22 – Subsequent Event**

On November 8, 2016, the School District passed a 4.2 mill bond levy. The levy is projected to raise \$112.5 million to be used for the following:

- Installing climate control systems in all schools
- Upgrading current classroom and learning technology
- Building a new high school on the site of the current high school
- Constructing a new elementary school in Brook Park on the current Ford Intermediate site
- Renovating the Middlebrook Education Center and Middleburg Heights Junior High to become a grades 5-8 campus
- Renovating Big Creek Elementary School
- Providing for minor renovations to Grindstone Elementary



## **Required Supplementary Information**

**Berea City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*School Employees Retirement System of Ohio*  
*Last Three Fiscal Years (1) \**

	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.4136229%	0.4361750%	0.4361750%
School District's Proportionate Share of the Net Pension Liability	\$23,601,723	\$22,074,568	\$25,937,927
School District's Covered-Employee Payroll	\$12,457,449	\$12,673,622	\$9,402,489
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	189.46%	174.18%	275.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	71.70%	65.52%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

\* Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

**Berea City School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*State Teachers Retirement System of Ohio*  
*Last Three Fiscal Years (1) \**

	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.33767048%	0.36280548%	0.36280548%
School District's Proportionate Share of the Net Pension Liability	\$93,322,244	\$88,246,848	\$105,119,069
School District's Covered-Employee Payroll	\$34,421,322	\$35,863,107	\$39,619,977
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	271.12%	246.07%	265.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	74.70%	69.30%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. An additional column will be added each year.

\* Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

**Berea City School District**  
*Required Supplementary Information*  
*Schedule of School District Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$1,741,922	\$1,641,892	\$1,756,564	\$1,301,304
Contributions in Relation to the Contractually Required Contribution	<u>(1,741,922)</u>	<u>(1,641,892)</u>	<u>(1,756,564)</u>	<u>(1,301,304)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$12,442,300	\$12,457,449	\$12,673,622	\$9,402,489
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.18%	13.86%	13.84%



<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$1,770,542	\$1,849,827	\$1,981,450	\$1,465,171	\$1,360,444	\$1,395,261
<u>(1,770,542)</u>	<u>(1,849,827)</u>	<u>(1,981,450)</u>	<u>(1,465,171)</u>	<u>(1,360,444)</u>	<u>(1,395,261)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$13,163,882	\$14,716,207	\$14,634,045	\$14,889,945	\$13,853,810	\$13,064,242
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

**Berea City School District**  
*Required Supplementary Information*  
*Schedule of School District Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$4,924,095	\$4,818,985	\$4,662,204	\$5,150,597
Contributions in Relation to the Contractually Required Contribution	<u>(4,924,095)</u>	<u>(4,818,985)</u>	<u>(4,662,204)</u>	<u>(5,150,597)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$35,172,107	\$34,421,322	\$35,863,107	\$39,619,977
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.00%	13.00%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$5,093,110	\$5,120,193	\$5,195,903	\$4,996,303	\$4,793,547	\$4,494,270
<u>(5,093,110)</u>	<u>(5,120,193)</u>	<u>(5,195,903)</u>	<u>(4,996,303)</u>	<u>(4,793,547)</u>	<u>(4,494,270)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$39,177,769	\$39,386,100	\$39,968,485	\$38,433,100	\$36,873,438	\$34,571,308
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

## **Combining and Individual Fund Statements and Schedules**

## Combining Statements– 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.

**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 tuition and fees charged for the adult education program that are restricted for the costs of running the adult education program.

**Educational Management Information System (EMIS) Fund** This fund accounts for and reports restricted State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

**Race to the Top Fund** This fund accounts for and reports restricted Federal monies used for education innovation and reform, achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

**Title IIA Fund** This fund accounts for restricted Federal grant monies used for professional development of teachers.

**Title III Fund** This fund accounts for and reports restricted Federal monies used for costs associated with English proficiency.

(continued)

## Combining Statements – Nonmajor Governmental Funds (continued)

### *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:

**Building Fund** This fund accounts for and reports bond and note proceeds restricted for the various capital improvements within the School District.

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

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2016*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,543,603	\$6,150	\$2,549,753
Intergovernmental Receivable	767,908	0	767,908
Inventory Held for Resale	10,229	0	10,229
Materials and Supplies Inventory	8,906	0	8,906
<i>Total Assets</i>	<u>\$3,330,646</u>	<u>\$6,150</u>	<u>\$3,336,796</u>
<b>Liabilities</b>			
Accounts Payable	\$110,572	\$0	\$110,572
Accrued Wages	190,111	0	190,111
Matured Compensated Absences Payable	3,555	0	3,555
Interfund Payable	199,807	0	199,807
Intergovernmental Payable	109,218	0	109,218
<i>Total Liabilities</i>	<u>613,263</u>	<u>0</u>	<u>613,263</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	391,588	0	391,588
<b>Fund Balances</b>			
Nonspendable	8,906	0	8,906
Restricted	2,363,179	6,150	2,369,329
Unassigned (Deficit)	(46,290)	0	(46,290)
<i>Total Fund Balances</i>	<u>2,325,795</u>	<u>6,150</u>	<u>2,331,945</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$3,330,646</u>	<u>\$6,150</u>	<u>\$3,336,796</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, 2016*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$4,756,502	\$12,600	\$4,769,102
Interest	1,380	0	1,380
Tuition and Fees	979,680	0	979,680
Extracurricular Activities	258,361	0	258,361
Charges for Services	730,253	0	730,253
Contributions and Donations	158,594	0	158,594
Miscellaneous	2,648	0	2,648
<i>Total Revenues</i>	<u>6,887,418</u>	<u>12,600</u>	<u>6,900,018</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	218,769	0	218,769
Special	1,595,914	0	1,595,914
Vocational	4	0	4
Support Services:			
Pupil	644,020	0	644,020
Administration	234,689	0	234,689
Fiscal	117,437	0	117,437
Operation and Maintenance of Plant	4,688	0	4,688
Pupil Transportation	7,489	0	7,489
Central	373,774	0	373,774
Operation of Non-Instructional Services	1,403,461	0	1,403,461
Operation of Food Service	1,692,327	0	1,692,327
Extracurricular Activities	420,055	0	420,055
Capital Outlay	0	22,923	22,923
<i>Total Expenditures</i>	<u>6,712,627</u>	<u>22,923</u>	<u>6,735,550</u>
<i>Net Change in Fund Balances</i>	174,791	(10,323)	164,468
<i>Fund Balances Beginning of Year</i>	<u>2,151,004</u>	<u>16,473</u>	<u>2,167,477</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,325,795</u></u>	<u><u>\$6,150</u></u>	<u><u>\$2,331,945</u></u>



**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2016*

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$0	\$138,938	\$0	\$83,037
Intergovernmental Receivable	247,885	0	416,610	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$247,885</u>	<u>\$138,938</u>	<u>\$416,610</u>	<u>\$83,037</u>
<b>Liabilities</b>				
Accounts Payable	\$477	\$32,065	\$35,564	\$3,734
Accrued Wages	14,904	0	87,753	0
Matured Compensated Absences Payable	0	0	0	0
Interfund Payable	85,531	0	98,377	0
Intergovernmental Payable	26,154	0	12,288	0
<i>Total Liabilities</i>	<u>127,066</u>	<u>32,065</u>	<u>233,982</u>	<u>3,734</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	123,509	0	215,470	0
<b>Fund Balances</b>				
Nonspendable	0	0	0	0
Restricted	0	106,873	0	79,303
Unassigned (Deficit)	(2,690)	0	(32,842)	0
<i>Total Fund Balances (Deficit)</i>	<u>(2,690)</u>	<u>106,873</u>	<u>(32,842)</u>	<u>79,303</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$247,885</u>	<u>\$138,938</u>	<u>\$416,610</u>	<u>\$83,037</u>

(continued)

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2016*

	<u>Preschool at Risk</u>	<u>Local Grants</u>	<u>Preschool</u>	<u>Food Service</u>
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$0	\$73,713	\$0	\$1,732,943
Intergovernmental Receivable	31,797	0	21,827	0
Inventory Held for Resale	0	0	0	10,229
Materials and Supplies Inventory	0	0	0	8,906
<i>Total Assets</i>	<u>\$31,797</u>	<u>\$73,713</u>	<u>\$21,827</u>	<u>\$1,752,078</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$1,167	\$0	\$25,485
Accrued Wages	10,401	0	4,382	33,454
Matured Compensated Absences Payable	0	0	0	3,555
Interfund Payable	12,494	0	279	0
Intergovernmental Payable	1,456	0	613	42,725
<i>Total Liabilities</i>	<u>24,351</u>	<u>1,167</u>	<u>5,274</u>	<u>105,219</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	11,308	0	3,528	0
<b>Fund Balances</b>				
Nonspendable	0	0	0	8,906
Restricted	0	72,546	13,025	1,637,953
Unassigned (Deficit)	(3,862)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(3,862)</u>	<u>72,546</u>	<u>13,025</u>	<u>1,646,859</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$31,797</u>	<u>\$73,713</u>	<u>\$21,827</u>	<u>\$1,752,078</u>

<u>Adult and Community Education</u>	<u>Educational Management Information Systems</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$511,846	\$50	\$3,076	\$0	\$2,543,603
0	0	33,241	16,548	767,908
0	0	0	0	10,229
0	0	0	0	8,906
<u>\$511,846</u>	<u>\$50</u>	<u>\$36,317</u>	<u>\$16,548</u>	<u>\$3,330,646</u>
\$11,057	\$0	\$1,023	\$0	\$110,572
25,131	0	11,311	2,775	190,111
0	0	0	0	3,555
0	0	0	3,126	199,807
22,229	0	3,364	389	109,218
<u>58,417</u>	<u>0</u>	<u>15,698</u>	<u>6,290</u>	<u>613,263</u>
<u>0</u>	<u>0</u>	<u>26,453</u>	<u>11,320</u>	<u>391,588</u>
0	0	0	0	8,906
453,429	50	0	0	2,363,179
0	0	(5,834)	(1,062)	(46,290)
<u>453,429</u>	<u>50</u>	<u>(5,834)</u>	<u>(1,062)</u>	<u>2,325,795</u>
<u>\$511,846</u>	<u>\$50</u>	<u>\$36,317</u>	<u>\$16,548</u>	<u>\$3,330,646</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, 2016*

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities
<b>Revenues</b>				
Intergovernmental	\$1,477,238	\$553,651	\$1,310,173	\$0
Interest	0	176	0	0
Tuition and Fees	0	0	0	3,868
Extracurricular Activities	0	0	0	258,361
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	115,741
Miscellaneous	0	0	0	435
<i>Total Revenues</i>	<u>1,477,238</u>	<u>553,827</u>	<u>1,310,173</u>	<u>378,405</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	540,856	0	1,027,083	0
Vocational	0	0	0	0
Support Services:				
Pupil	620,151	0	0	0
Administration	234,374	0	0	0
Fiscal	25,431	0	30,809	0
Operation and Maintenance of Plant	0	0	0	4,688
Pupil Transportation	645	0	0	6,844
Central	6,989	0	209,860	0
Operation of Non-Instructional Services	60,023	523,670	20,246	2,351
Operation of Food Service	0	0	0	0
Extracurricular Activities	0	0	0	420,054
<i>Total Expenditures</i>	<u>1,488,469</u>	<u>523,670</u>	<u>1,287,998</u>	<u>433,937</u>
<i>Net Change in Fund Balances</i>	(11,231)	30,157	22,175	(55,532)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>8,541</u>	<u>76,716</u>	<u>(55,017)</u>	<u>134,835</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$2,690)</u>	<u>\$106,873</u>	<u>(\$32,842)</u>	<u>\$79,303</u>

Preschool at Risk	Local Grants	Preschool	Food Service	Adult and Community Education	Educational Management Information System
\$165,366	\$0	\$52,531	\$1,037,491	\$0	\$0
0	16	0	1,188	0	0
0	0	0	0	975,812	0
0	0	0	0	0	0
0	361	0	729,892	0	0
0	42,734	0	0	119	0
0	0	0	2,213	0	0
<u>165,366</u>	<u>43,111</u>	<u>52,531</u>	<u>1,770,784</u>	<u>975,931</u>	<u>0</u>
174,097	44,672	0	0	0	0
0	366	3,025	0	0	0
0	4	0	0	0	0
0	297	23,572	0	0	0
0	315	0	0	0	0
0	0	852	55,203	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	1,872	0	0	6,340
0	0	0	0	797,171	0
0	0	0	1,692,327	0	0
0	1	0	0	0	0
<u>174,097</u>	<u>45,655</u>	<u>29,321</u>	<u>1,747,530</u>	<u>797,171</u>	<u>6,340</u>
(8,731)	(2,544)	23,210	23,254	178,760	(6,340)
<u>4,869</u>	<u>75,090</u>	<u>(10,185)</u>	<u>1,623,605</u>	<u>274,669</u>	<u>6,390</u>
<u>(\$3,862)</u>	<u>\$72,546</u>	<u>\$13,025</u>	<u>\$1,646,859</u>	<u>\$453,429</u>	<u>\$50</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, 2016*

	Race to the Top	Title IIA	Title III	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Intergovernmental	\$0	\$134,759	\$25,293	\$4,756,502
Interest	0	0	0	1,380
Tuition and Fees	0	0	0	979,680
Extracurricular Activities	0	0	0	258,361
Charges for Services	0	0	0	730,253
Contributions and Donations	0	0	0	158,594
Miscellaneous	0	0	0	2,648
<i>Total Revenues</i>	<u>0</u>	<u>134,759</u>	<u>25,293</u>	<u>6,887,418</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	0	218,769
Special	0	0	24,584	1,595,914
Vocational	0	0	0	4
Support Services:				
Pupil	0	0	0	644,020
Administration	0	0	0	234,689
Fiscal	0	4,137	1,005	117,437
Operation and Maintenance of Plant	0	0	0	4,688
Pupil Transportation	0	0	0	7,489
Central	19,229	128,604	880	373,774
Operation of Non-Instructional Services	0	0	0	1,403,461
Operation of Food Service	0	0	0	1,692,327
Extracurricular Activities	0	0	0	420,055
<i>Total Expenditures</i>	<u>19,229</u>	<u>132,741</u>	<u>26,469</u>	<u>6,712,627</u>
<i>Net Change in Fund Balances</i>	(19,229)	2,018	(1,176)	174,791
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>19,229</u>	<u>(7,852)</u>	<u>114</u>	<u>2,151,004</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>(\$5,834)</u>	<u>(\$1,062)</u>	<u>\$2,325,795</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, 2016*

	<u>Building</u>	<u>Network Connectivity</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues</b>			
Intergovernmental	\$0	\$12,600	\$12,600
<b>Expenditures</b>			
Capital Outlay	10,815	12,108	22,923
<i>Net Change in Fund Balances</i>	(10,815)	492	(10,323)
<i>Fund Balances Beginning of Year</i>	10,815	5,658	16,473
<i>Fund Balances End of Year</i>	<u>\$0</u>	<u>\$6,150</u>	<u>\$6,150</u>

## Combining Statements– Internal Service Funds

### *Internal Service Funds*

Internal service funds are established to account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis.

**Self Insurance Fund** This fund accounts for revenues used to provide for medical, prescription drug, and vision claims of the School District employees.

**Workers' Compensation Fund** This fund accounts for revenues used to provide workers' compensation benefits to employees.



**Berea City School District**  
*Combining Statement of Fund Net Position*  
*Internal Service Funds*  
*June 30, 2016*

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$716,552	\$210,147	\$926,699
<b>Liabilities</b>			
Accounts Payable	\$17,800	\$0	\$17,800
Intergovernmental Payable	3,677	0	3,677
Claims Payable	674,427	0	674,427
<i>Total Liabilities</i>	<u>695,904</u>	<u>0</u>	<u>695,904</u>
<b>Net Position</b>			
Unrestricted	<u>\$20,648</u>	<u>\$210,147</u>	<u>\$230,795</u>

**Berea City School District**  
*Combining Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2016*

	Self Insurance	Workers' Compensation	Total Internal Service Funds
<b>Operating Revenues</b>			
Charges for Services	\$8,649,497	\$363,521	\$9,013,018
<b>Operating Expenses</b>			
Fringe Benefits	14,466	0	14,466
Purchased Services	1,131,335	153,374	1,284,709
Claims	7,837,886	0	7,837,886
<i>Total Operating Expenses</i>	8,983,687	153,374	9,137,061
<i>Change in Net Position</i>	(334,190)	210,147	(124,043)
<i>Net Position Beginning of Year</i>	354,838	0	354,838
<i>Net Position End of Year</i>	\$20,648	\$210,147	\$230,795

**Berea City School District**  
*Combining Statement of Cash Flows*  
*Internal Service Funds*  
For the Fiscal Year Ended June 30, 2016

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Interfund Services	\$8,650,715	\$363,521	\$9,014,236
Cash Payments for Employee Benefits	(14,466)	0	(14,466)
Cash Payments for Goods and Services	(1,109,858)	(153,374)	(1,263,232)
Cash Payments for Claims	<u>(8,105,900)</u>	<u>0</u>	<u>(8,105,900)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(579,509)	210,147	(369,362)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,296,061</u>	<u>0</u>	<u>1,296,061</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$716,552</u></u>	<u><u>\$210,147</u></u>	<u><u>\$926,699</u></u>
<b><i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</i></b>			
<i>Operating Income (Loss)</i>	(\$334,190)	\$210,147	(\$124,043)
Decrease in Accounts Receivable	1,218	0	1,218
Increase (Decrease) in Liabilities			
Accounts Payable	17,800	0	17,800
Intergovernmental Payable	3,677	0	3,677
Claims Payable	<u>(268,014)</u>	<u>0</u>	<u>(268,014)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$579,509)</u></u>	<u><u>\$210,147</u></u>	<u><u>(\$369,362)</u></u>

## Combining Statements – Fiduciary Funds

### *Fiduciary Funds*

Fiduciary fund reporting focuses on net position and change in net position. 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.

**Payroll** This fund accounts for and report the collection of gross payroll for respective funds and disbursements of net pay to employees and withholding to proper vendors.

**Berea City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2016*

	Balance 06/30/15	Additions	Deductions	Balance 06/30/16
<b><i>Student Activities</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$59,396	\$116,839	\$91,619	\$84,616
<b>Liabilities</b>				
Due to Students	\$59,396	\$116,839	\$91,619	\$84,616
<b><i>Employee Benefits</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$16,556	\$253,031	\$204,709	\$64,878
<b>Liabilities</b>				
Undistributed Monies	\$16,556	\$253,031	\$204,709	\$64,878
<b><i>Staff Services</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$23,748	\$29,007	\$24,227	\$28,528
<b>Liabilities</b>				
Undistributed Monies	\$23,748	\$29,007	\$24,227	\$28,528
<b><i>Payroll</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$13,441,718	\$12,800,309	\$641,409
<b>Liabilities</b>				
Undistributed Monies	\$0	\$13,441,718	\$12,800,309	\$641,409
<b><i>Total - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$99,700	\$13,840,595	\$13,120,864	\$819,431
<b>Liabilities</b>				
Undistributed Monies	\$40,304	\$13,723,756	\$13,029,245	\$734,815
Due to Students	59,396	116,839	91,619	84,616
<b>Total Liabilities</b>	<b>\$99,700</b>	<b>\$13,840,595</b>	<b>\$13,120,864</b>	<b>\$819,431</b>

**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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$53,414,424	\$52,859,892	\$53,675,712	\$815,820
Intergovernmental	25,087,799	24,580,802	24,960,173	379,371
Interest	10,326	15,964	16,210	246
Tuition and Fees	3,679,774	3,214,459	3,222,125	7,666
Extracurricular Activities	157,630	205,370	146,577	(58,793)
Rentals	75,100	75,880	77,051	1,171
Charges for Services	49,600	49,506	35,952	(13,554)
Payments in Lieu of Taxes	148	18,711	19,000	289
Contributions and Donations	25,900	44,166	33,507	(10,659)
Miscellaneous	211,466	243,554	227,522	(16,032)
<i>Total Revenues</i>	82,712,167	81,308,304	82,413,829	1,105,525
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	21,246,904	20,808,170	20,808,170	0
Fringe Benefits	9,280,184	9,290,924	9,243,711	47,213
Purchased Services	918,258	912,960	893,423	19,537
Materials and Supplies	815,273	677,003	612,888	64,115
Capital Outlay	54,653	70,735	62,567	8,168
Other	46,411	44,485	29,950	14,535
<b>Total Regular</b>	32,361,683	31,804,277	31,650,709	153,568
Special:				
Salaries and Wages	7,730,297	7,690,553	7,690,553	0
Fringe Benefits	3,657,714	3,581,903	3,569,488	12,415
Purchased Services	1,444,173	1,533,003	1,533,003	0
Materials and Supplies	19,386	17,858	12,911	4,947
Other	1,730	1,443	498	945
<b>Total Special</b>	12,853,300	12,824,760	12,806,453	18,307
Vocational:				
Salaries and Wages	268,061	253,448	231,754	21,694
Fringe Benefits	111,958	107,204	75,387	31,817
Purchased Services	2,636	2,628	127	2,501
Capital Outlay	9,746	29,121	29,121	0
<b>Total Vocational</b>	392,401	392,401	336,389	56,012
Student Intervention:				
Salaries and Wages	39,200	49,093	49,093	0
Fringe Benefits	11,186	13,758	13,758	0
Purchased Services	2,993,762	2,929,783	2,747,870	181,913
Materials and Supplies	450	450	440	10
Other	105,000	115,751	115,751	0
<b>Total Student Intervention</b>	3,149,598	3,108,835	2,926,912	181,923
<b>Total Instruction</b>	\$48,756,982	\$48,130,273	\$47,720,463	\$409,810

(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, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Support Services:</b>				
<b>Pupil:</b>				
Salaries and Wages	\$2,252,446	\$2,248,670	\$2,202,946	\$45,724
Fringe Benefits	979,731	978,119	940,647	37,472
Purchased Services	1,493,170	1,595,614	1,553,777	41,837
Materials and Supplies	27,945	29,650	23,456	6,194
Capital Outlay	3,000	0	0	0
Other	1,515	4,004	4,004	0
<b>Total Pupil</b>	<b>4,757,807</b>	<b>4,856,057</b>	<b>4,724,830</b>	<b>131,227</b>
<b>Instructional Staff:</b>				
Salaries and Wages	1,074,946	1,074,946	956,772	118,174
Fringe Benefits	433,595	433,596	360,465	73,131
Purchased Services	635,005	641,685	500,213	141,472
Materials and Supplies	98,731	102,635	93,213	9,422
Capital Outlay	14,399	21,292	16,252	5,040
Other	52,234	50,764	34,587	16,177
<b>Total Instructional Staff</b>	<b>2,308,910</b>	<b>2,324,918</b>	<b>1,961,502</b>	<b>363,416</b>
<b>Board of Education:</b>				
Salaries and Wages	7,500	7,500	7,500	0
Fringe Benefits	1,159	1,127	1,127	0
Purchased Services	11,500	14,482	14,481	1
Other	16,500	13,674	13,674	0
<b>Total Board of Education</b>	<b>36,659</b>	<b>36,783</b>	<b>36,782</b>	<b>1</b>
<b>Administration:</b>				
Salaries and Wages	3,311,467	3,173,156	3,173,156	0
Fringe Benefits	1,415,351	1,354,129	1,349,272	4,857
Purchased Services	64,419	264,521	235,082	29,439
Materials and Supplies	18,620	18,615	10,897	7,718
Capital Outlay	100	100	0	100
Other	3,114	3,000	2,509	491
<b>Total Administration</b>	<b>4,813,071</b>	<b>4,813,521</b>	<b>4,770,916</b>	<b>42,605</b>
<b>Fiscal:</b>				
Salaries and Wages	518,847	543,848	543,848	0
Fringe Benefits	245,991	228,055	228,055	0
Purchased Services	203,611	224,406	224,406	0
Materials and Supplies	11,836	7,842	7,842	0
Capital Outlay	31,056	23,773	23,773	0
Other	926,923	913,636	913,636	0
<b>Total Fiscal</b>	<b>\$1,938,264</b>	<b>\$1,941,560</b>	<b>\$1,941,560</b>	<b>\$0</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Business:</b>				
Salaries and Wages	\$105,283	\$106,484	\$106,484	\$0
Fringe Benefits	50,964	50,133	35,357	14,776
Purchased Services	404,656	404,073	355,493	48,580
Materials and Supplies	90,803	141,090	95,687	45,403
Capital Outlay	9,038	9,040	7,800	1,240
Other	85,700	85,900	76,503	9,397
<b>Total Business</b>	746,444	796,720	677,324	119,396
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	2,714,639	2,839,694	2,839,694	0
Fringe Benefits	994,383	1,000,487	1,000,487	0
Purchased Services	1,922,348	1,642,408	1,401,803	240,605
Materials and Supplies	329,465	322,089	318,366	3,723
Capital Outlay	44,978	57,307	42,991	14,316
Other	18,803	18,627	16,712	1,915
<b>Total Operation and Maintenance of Plant</b>	6,024,616	5,880,612	5,620,053	260,559
<b>Pupil Transportation:</b>				
Salaries and Wages	2,818,443	3,006,715	3,006,715	0
Fringe Benefits	1,162,966	1,180,160	1,180,160	0
Purchased Services	173,715	143,941	122,782	21,159
Materials and Supplies	708,164	452,902	452,872	30
Capital Outlay	180,198	444,766	444,766	0
Other	507	500	360	140
<b>Total Pupil Transportation</b>	5,043,993	5,228,984	5,207,655	21,329
<b>Central:</b>				
Salaries and Wages	780,057	820,769	820,769	0
Fringe Benefits	369,754	370,352	370,352	0
Purchased Services	429,033	387,672	348,808	38,864
Materials and Supplies	31,932	32,433	29,004	3,429
Capital Outlay	55,054	62,695	57,521	5,174
Other	1,066	475	475	0
<b>Total Central</b>	1,666,896	1,674,396	1,626,929	47,467
<b>Total Support Services</b>	27,336,660	27,553,551	26,567,551	986,000
<b>Operation of Non-Instructional Services:</b>				
<b>Community Services:</b>				
Purchased Services	1,104	1,600	1,150	450
Materials and Supplies	1,397	1,392	1,382	10
Other	8,018	7,500	5,364	2,136
<b>Total Community Services</b>	\$10,519	\$10,492	\$7,896	\$2,596

(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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Non-Instructional Services:				
Materials and Supplies	\$958	\$958	\$0	\$958
Other	10,544	11,335	11,335	0
Total Other Non-Instructional Services:	11,502	12,293	11,335	958
Total Operation of Non-Instructional Services	22,021	22,785	19,231	3,554
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	83,100	86,384	86,384	0
Fringe Benefits	34,614	31,330	19,114	12,216
Materials and Supplies	5,842	841	540	301
Capital Outlay	2,000	7,000	0	7,000
Other	142,940	142,600	48,728	93,872
Total Academic and Subject Oriented Activities	268,496	268,155	154,766	113,389
Sports Oriented Activities:				
Salaries and Wages	474,808	575,987	575,987	0
Fringe Benefits	143,533	196,042	196,042	0
Purchased Services	25,000	21,834	21,834	0
Materials and Supplies	500	0	0	0
Total Sports Oriented Activities	643,841	793,863	793,863	0
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	19,700	21,798	21,798	0
Fringe Benefits	5,699	6,136	6,136	0
Purchased Services	5,003	5,000	0	5,000
Materials and Supplies	3,509	3,500	2,601	899
Capital Outlay	5,009	3,000	2,561	439
Other	6,320	8,465	5,671	2,794
Total School and Public Service Co-Curricular Activities	45,240	47,899	38,767	9,132
Total Extracurricular Activities	957,577	1,109,917	987,396	122,521
Capital Outlay:				
Building Acquisition and Construction Capital Outlay	67,350	67,350	62,745	4,605
Debt Service:				
Principal Retirement	605,000	605,000	605,000	0
Interest and Fiscal Charges	1,029,201	1,029,201	851,444	177,757
Total Debt Service	1,634,201	1,634,201	1,456,444	177,757
<i>Total Expenditures</i>	78,774,791	78,518,077	76,813,830	1,704,247
<i>Excess of Revenues Over (Under) Expenditures</i>	\$3,937,376	\$2,790,227	\$5,599,999	\$2,809,772

(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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources (Uses)</b>				
Advances In	\$0	\$312,587	\$312,587	\$0
Advances Out	0	0	(86,152)	(86,152)
Transfers Out	(1,065,893)	(1,065,892)	(1,065,892)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,065,893)</u>	<u>(753,305)</u>	<u>(839,457)</u>	<u>(86,152)</u>
<i>Net Change in Fund Balance</i>	2,871,483	2,036,922	4,760,542	2,723,620
<i>Fund Balance Beginning of Year</i>	8,025,391	8,025,391	8,025,391	0
Prior Year Encumbrances Appropriated	766,595	766,595	766,595	0
<i>Fund Balance End of Year</i>	<u>\$11,663,469</u>	<u>\$10,828,908</u>	<u>\$13,552,528</u>	<u>\$2,723,620</u>

**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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$2,045,315	\$721,883	\$1,063,561	\$341,678
Intergovernmental	135,923	34,317	50,560	16,243
<i>Total Revenues</i>	<u>2,181,238</u>	<u>756,200</u>	<u>1,114,121</u>	<u>357,921</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	13,000	13,000	5,598	7,402
Debt Service:				
Principal Retirement	1,430,000	1,430,000	1,430,000	0
Interest and Fiscal Charges	188,472	188,472	188,472	0
Certificate of Participation Issuance Cost	0	222,380	222,380	0
<i>Total Debt Service</i>	<u>1,618,472</u>	<u>1,840,852</u>	<u>1,840,852</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,631,472</u>	<u>1,853,852</u>	<u>1,846,450</u>	<u>7,402</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>549,766</u>	<u>(1,097,652)</u>	<u>(732,329)</u>	<u>365,323</u>
<b>Other Financing Sources (Uses)</b>				
Certificates of Participation Issued	0	8,900,000	8,900,000	0
Premium on Certificates of Participation	0	264,473	264,473	0
Payments to Refunded Bond Agent	0	(8,942,092)	(8,942,092)	0
Transfers In	182,475	241,559	355,892	114,333
Transfers Out	0	(1,160,050)	(1,160,050)	0
<i>Total Other Financing Sources (Uses)</i>	<u>182,475</u>	<u>(696,110)</u>	<u>(581,777)</u>	<u>114,333</u>
<i>Net Change in Fund Balance</i>	732,241	(1,793,762)	(1,314,106)	479,656
<i>Fund Balance Beginning of Year</i>	<u>3,557,700</u>	<u>3,557,700</u>	<u>3,557,700</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$4,289,941</u>	<u>\$1,763,938</u>	<u>\$2,243,594</u>	<u>\$479,656</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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$811,965	\$560,432	\$586,267	\$25,835
Intergovernmental	454,880	214,585	224,477	9,892
Miscellaneous	211	342	358	16
<i>Total Revenues</i>	<u>1,267,056</u>	<u>775,359</u>	<u>811,102</u>	<u>35,743</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	104,709	80,027	65,182	14,845
Materials and Supplies	5,221	13,750	13,750	0
Capital Outlay	452,762	325,886	312,934	12,952
Total Instructional Staff	<u>562,692</u>	<u>419,663</u>	<u>391,866</u>	<u>27,797</u>
Fiscal:				
Other	28,192	20,500	20,257	243
Total Support Services	<u>590,884</u>	<u>440,163</u>	<u>412,123</u>	<u>28,040</u>
Capital Outlay:				
Building Improvement Services:				
Capital Outlay	828,183	909,860	741,764	168,096
Debt Service:				
Principal Retirement	186,059	490,000	490,000	0
Interest and Fiscal Charges	61,278	161,381	161,381	0
Total Debt Service	<u>247,337</u>	<u>651,381</u>	<u>651,381</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,666,404</u>	<u>2,001,404</u>	<u>1,805,268</u>	<u>196,136</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(399,348)	(1,226,045)	(994,166)	231,879
<b>Other Financing Sources (Uses)</b>				
Transfers In	1,551,949	1,787,643	1,870,050	82,407
<i>Net Change in Fund Balance</i>	1,152,601	561,598	875,884	314,286
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	244,528	244,528	244,528	0
<i>Fund Balance End of Year</i>	<u>\$1,397,129</u>	<u>\$806,126</u>	<u>\$1,120,412</u>	<u>\$314,286</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, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$1,860,420	\$1,664,340	\$1,462,341	(\$201,999)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	346,510	240,186	240,186	0
Fringe Benefits	11,678	156,803	156,803	0
Purchased Services	150,520	95,804	95,804	0
Materials and Supplies	57,239	51,701	51,701	0
Other	21,286	0	0	0
Total Instruction	565,947	544,494	544,494	0
Support Services:				
Pupil:				
Salaries and Wages	99,036	7,810	7,810	0
Fringe Benefits	28,068	2,068	2,068	0
Purchased Services	688,701	655,102	655,102	0
Total Pupil	815,805	664,980	664,980	0
Administration:				
Salaries and Wages	188,199	164,639	164,639	0
Fringe Benefits	45,768	67,838	67,838	0
Purchased Services	4,074	910	910	0
Other	1,389	0	0	0
Total Administration	239,430	233,387	233,387	0
Fiscal:				
Other	1,227	25,431	25,431	0
Pupil Transportation:				
Purchased Services	2,064	645	645	0
Central:				
Purchased Services	34,984	8,162	8,162	0
Total Support Services	\$1,093,510	\$932,605	\$932,605	\$0

(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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	\$128,091	\$66,388	\$66,387	\$1
<i>Total Expenditures</i>	<u>1,798,191</u>	<u>1,543,487</u>	<u>1,543,486</u>	<u>1</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>62,229</u>	<u>120,853</u>	<u>(81,145)</u>	<u>(201,998)</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	44,855	44,855	0
Advances Out	<u>0</u>	<u>0</u>	<u>(68,624)</u>	<u>(68,624)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>44,855</u>	<u>(23,769)</u>	<u>(68,624)</u>
<i>Net Change in Fund Balance</i>	62,229	165,708	(104,914)	(270,622)
<i>Fund Deficit Beginning of Year</i>	(51,586)	(51,586)	(51,586)	0
Prior Year Encumbrances Appropriated	<u>68,624</u>	<u>68,624</u>	<u>68,624</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$79,267</u></u>	<u><u>\$182,746</u></u>	<u><u>(\$87,876)</u></u>	<u><u>(\$270,622)</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$574,538	\$560,929	\$553,651	(\$7,278)
Interest	0	176	176	0
<i>Total Revenues</i>	574,538	561,105	553,827	(7,278)
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	248,506	382,904	381,216	1,688
Materials and Supplies	378,798	262,994	224,810	38,184
Capital Outlay	123,298	83,817	74,034	9,783
<i>Total Expenditures</i>	750,602	729,715	680,060	49,655
<i>Net Change in Fund Balance</i>	(176,064)	(168,610)	(126,233)	42,377
<i>Fund Balance Beginning of Year</i>	1,189	1,189	1,189	0
Prior Year Encumbrances Appropriated	174,875	174,875	174,875	0
<i>Fund Balance End of Year</i>	\$0	\$7,454	\$49,831	\$42,377



**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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$2,065,556	\$1,571,060	\$1,193,758	(\$377,302)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	846,538	430,350	430,350	0
Fringe Benefits	240,773	190,208	190,208	0
Materials and Supplies	19,126	5,547	5,547	0
Capital Outlay	707,204	452,642	452,642	0
Other	5,215	0	0	0
Total Instruction	1,818,856	1,078,747	1,078,747	0
Support Services:				
Administration:				
Purchased Services	5,587	2,405	2,405	0
Other	6,125	0	0	0
Total Administration	11,712	2,405	2,405	0
Fiscal:				
Other	5,042	30,809	30,809	0
Central:				
Salaries and Wages	117,958	128,323	128,323	0
Fringe Benefits	32,757	55,797	55,797	0
Purchased Services	39,384	19,116	19,116	0
Materials and Supplies	2,703	1,214	1,214	0
Capital Outlay	3,754	0	0	0
Other	6,907	194	194	0
Total Central	203,463	204,644	204,644	0
Total Support Services	\$220,217	\$237,858	\$237,858	\$0

(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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Operation of Non-Instructional Services:				
Community Services:				
Fringe Benefits	\$759	\$0	\$0	\$0
Purchased Services	17,077	12,951	12,951	0
Materials and Supplies	11,958	7,619	7,619	0
Total Operation of Non-Instructional Services	29,794	20,570	20,570	0
<i>Total Expenditures</i>	2,068,867	1,337,175	1,337,175	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,311)	233,885	(143,417)	(377,302)
<b>Other Financing Sources (Uses)</b>				
Advances In	0	39,308	39,308	0
Advances Out	0	0	(218,312)	(218,312)
<i>Total Other Financing Sources (Uses)</i>	0	39,308	(179,004)	(218,312)
<i>Net Change in Fund Balance</i>	(3,311)	273,193	(322,421)	(595,614)
<i>Fund Balance Beginning of Year</i>	1,955	1,955	1,955	0
Prior Year Encumbrances Appropriated	219,668	219,668	219,668	0
<i>Fund Balance (Deficit) End of Year</i>	\$218,312	\$494,816	(\$100,798)	(\$595,614)

**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Tuition and Fees	\$2,610	\$4,801	\$3,868	(\$933)
Extracurricular Activities	278,170	320,700	258,361	(62,339)
Contributions and Donations	18,000	143,668	115,741	(27,927)
Miscellaneous	3,000	540	435	(105)
<i>Total Revenues</i>	<i>301,780</i>	<i>469,709</i>	<i>378,405</i>	<i>(91,304)</i>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	0	360	0	360
Support Services:				
Pupil:				
Materials and Supplies	3,235	3,235	0	3,235
Operation and Maintenance of Plant:				
Purchased Services	7,978	7,871	4,688	3,183
Pupil Transportation:				
Purchased Services	9,707	6,844	6,844	0
<i>Total Support Services</i>	<i>20,920</i>	<i>17,950</i>	<i>11,532</i>	<i>6,418</i>
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	500	2,500	2,351	149
Capital Outlay	250	1,250	0	1,250
<i>Total Operation of Non-Instructional Services:</i>	<i>750</i>	<i>3,750</i>	<i>2,351</i>	<i>1,399</i>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	18,543	28,550	21,055	7,495
Materials and Supplies	20,608	21,327	12,807	8,520
Capital Outlay	5,650	4,831	1,400	3,431
Other	38,759	167,851	126,731	41,120
<i>Total Academic and Subject Oriented Activities</i>	<i>\$83,560</i>	<i>\$222,559</i>	<i>\$161,993</i>	<i>\$60,566</i>

(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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Sports Oriented Activities:				
Salaries and Wages	\$0	\$5,279	\$5,279	\$0
Fringe Benefits	0	1,069	1,069	0
Purchased Services	125,595	141,229	141,229	0
Materials and Supplies	94,450	19,589	19,360	229
Capital Outlay	2,000	63,937	63,789	148
Other	36,114	38,727	38,727	0
<b>Total Sports Oriented Activities</b>	<b>258,159</b>	<b>269,830</b>	<b>269,453</b>	<b>377</b>
<b>Total Extracurricular Activities</b>	<b>341,719</b>	<b>492,389</b>	<b>431,446</b>	<b>60,943</b>
<i>Total Expenditures</i>	<i>363,389</i>	<i>514,449</i>	<i>445,329</i>	<i>69,120</i>
<i>Net Change in Fund Balance</i>	<i>(61,609)</i>	<i>(44,740)</i>	<i>(66,924)</i>	<i>(22,184)</i>
<i>Fund Balance Beginning of Year</i>	<i>106,988</i>	<i>106,988</i>	<i>106,988</i>	<i>0</i>
Prior Year Encumbrances Appropriated	29,905	29,905	29,905	0
<i>Fund Balance End of Year</i>	<i>\$75,284</i>	<i>\$92,153</i>	<i>\$69,969</i>	<i>(\$22,184)</i>

**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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$191,074	\$189,085	\$159,277	(\$29,808)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	132,588	108,732	108,732	0
Fringe Benefits	48,512	53,064	53,064	0
Purchased Services	444	444	444	0
<i>Total Expenditures</i>	181,544	162,240	162,240	0
<i>Excess of Revenues Over (Under) Expenditures</i>	9,530	26,845	(2,963)	(29,808)
<b>Other Financing Sources (Uses)</b>				
Advances In	0	1,989	1,989	0
Advances Out	0	0	(444)	(444)
<i>Total Other Financing Sources (Uses)</i>	0	1,989	1,545	(444)
<i>Net Change in Fund Balance</i>	9,530	28,834	(1,418)	(30,252)
<i>Fund Deficit Beginning of Year</i>	(9,531)	(9,531)	(9,531)	0
Prior Year Encumbrances Appropriated	444	444	444	0
<i>Fund Balance (Deficit) End of Year</i>	\$443	\$19,747	(\$10,505)	(\$30,252)

**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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Interest	\$0	\$16	\$16	\$0
Charges for Services	0	361	361	0
Contributions and Donations	25,993	42,954	42,734	(220)
<i>Total Revenues</i>	25,993	43,331	43,111	(220)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	157	153	0	153
Fringe Benefits	0	0	0	0
Purchased Services	4,557	4,200	2,100	2,100
Materials and Supplies	49,095	68,145	29,179	38,966
Capital Outlay	12,039	14,798	14,502	296
Other	2,626	1,819	0	1,819
Total Regular	68,474	89,115	45,781	43,334
Special:				
Materials and Supplies	823	480	366	114
Vocational:				
Purchased Services	817	817	0	817
Materials and Supplies	6	4	4	0
Total Vocational	823	821	4	817
Total Instruction	70,120	90,416	46,151	44,265
Support Services:				
Pupil:				
Purchased Services	78	165	165	0
Materials and Supplies	1,607	132	132	0
Capital Outlay	28	28	0	28
Total Pupil	\$1,713	\$325	\$297	\$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, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Instructional Staff:				
Salaries and Wages	\$130	\$130	\$0	\$130
Purchased Services	10	1,510	0	1,510
Materials and Supplies	890	657	315	342
<b>Total Instructional Staff</b>	<b>1,030</b>	<b>2,297</b>	<b>315</b>	<b>1,982</b>
Pupil Transportation:				
Purchased Services	853	1,126	0	1,126
<b>Total Support Services</b>	<b>3,596</b>	<b>3,748</b>	<b>612</b>	<b>3,136</b>
Operation of Non-Instructional Services:				
Community Services:				
Capital Outlay	171	171	0	171
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	1	1	1	0
<b>Total Expenditures</b>	<b>73,888</b>	<b>94,339</b>	<b>46,764</b>	<b>47,575</b>
<b>Net Change in Fund Balance</b>	<b>(47,895)</b>	<b>(51,008)</b>	<b>(3,653)</b>	<b>47,355</b>
<b>Fund Balance Beginning of Year</b>	<b>71,957</b>	<b>71,957</b>	<b>71,957</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>3,364</b>	<b>3,364</b>	<b>3,364</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$27,426</b>	<b>\$24,313</b>	<b>\$71,668</b>	<b>\$47,355</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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$68,353	\$59,112	\$37,285	(\$21,827)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	4,109	0	0	0
Fringe Benefits	671	0	0	0
Purchased Services	4,027	0	0	0
Materials and Supplies	3,373	3,025	3,025	0
Total Instruction	12,180	3,025	3,025	0
Support Services:				
Pupil:				
Salaries and Wages	29,536	16,237	16,237	0
Fringe Benefits	9,365	7,110	7,110	0
Purchased Services	10,235	7,508	7,508	0
Total Pupil	49,136	30,855	30,855	0
Administration:				
Salaries and Wages	1,571	0	0	0
Fringe Benefits	415	0	0	0
Purchased Services	746	0	0	0
Total Administration	2,732	0	0	0
Fiscal:				
Other	137	852	852	0
Pupil Transportation:				
Purchased Services	503	0	0	0
Central:				
Purchased Services	2,704	1,872	1,872	0
Total Support Services	55,212	33,579	33,579	0
<b>Total Expenditures</b>	67,392	36,604	36,604	0
<i>Excess of Revenues Over (Under) Expenditures</i>	\$961	\$22,508	\$681	(\$21,827)

(continued)



**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Preschool Fund (continued)*  
*For the Fiscal Year Ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Other Financing Sources (Uses)</b>				
Advances Out	\$0	\$0	(\$9,194)	(\$9,194)
<i>Net Change in Fund Balance</i>	961	22,508	(8,513)	(31,021)
<i>Fund Deficit Beginning of Year</i>	(961)	(961)	(961)	0
Prior Year Encumbrances Appropriated	9,195	9,195	9,195	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$9,195</u>	<u>\$30,742</u>	<u>(\$279)</u>	<u>(\$31,021)</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2016*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$919,400	\$1,006,524	\$1,037,491	\$30,967
Interest	80	1,153	1,188	35
Charges for Services	793,000	708,106	729,892	21,786
Miscellaneous	5,450	2,147	2,213	66
<i>Total Revenues</i>	<u>1,717,930</u>	<u>1,717,930</u>	<u>1,770,784</u>	<u>52,854</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	<u>0</u>	<u>55,203</u>	<u>55,203</u>	<u>0</u>
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	700,736	650,736	626,490	24,246
Fringe Benefits	299,660	307,660	299,878	7,782
Purchased Services	92,956	92,956	52,425	40,531
Materials and Supplies	1,018,032	1,018,032	614,425	403,607
Capital Outlay	<u>100,859</u>	<u>987,656</u>	<u>238,865</u>	<u>748,791</u>
Total Operation of Non-Instructional Services	<u>2,212,243</u>	<u>3,057,040</u>	<u>1,832,083</u>	<u>1,224,957</u>
<i>Total Expenditures</i>	<u>2,212,243</u>	<u>3,112,243</u>	<u>1,887,286</u>	<u>1,224,957</u>
<i>Net Change in Fund Balance</i>	(494,313)	(1,394,313)	(116,502)	1,277,811
<i>Fund Balance Beginning of Year</i>	1,499,085	1,499,085	1,499,085	0
Prior Year Encumbrances Appropriated	<u>201,883</u>	<u>201,883</u>	<u>201,883</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,206,655</u></u>	<u><u>\$306,655</u></u>	<u><u>\$1,584,466</u></u>	<u><u>\$1,277,811</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Adult and Community Education Fund*  
*For the Fiscal Year Ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Tuition and Fees	\$989,100	\$988,981	\$975,812	(\$13,169)
Contributions and Donations	0	119	119	0
<i>Total Revenues</i>	<u>989,100</u>	<u>989,100</u>	<u>975,931</u>	<u>(13,169)</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	570,724	570,724	453,826	116,898
Fringe Benefits	305,803	301,303	287,274	14,029
Purchased Services	42,161	52,104	37,705	14,399
Materials and Supplies	21,950	19,007	14,630	4,377
Capital Outlay	7,993	5,107	1,264	3,843
Other	9,500	9,886	9,886	0
<i>Total Expenditures</i>	<u>958,131</u>	<u>958,131</u>	<u>804,585</u>	<u>153,546</u>
<i>Net Change in Fund Balance</i>	30,969	30,969	171,346	140,377
<i>Fund Balance Beginning of Year</i>	331,659	331,659	331,659	0
Prior Year Encumbrances Appropriated	<u>3,924</u>	<u>3,924</u>	<u>3,924</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$366,552</u></u>	<u><u>\$366,552</u></u>	<u><u>\$506,929</u></u>	<u><u>\$140,377</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Educational Management Information System Fund  
 For the Fiscal Year Ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Salaries and Wages	0	6,265	6,265	0
Purchased Services	<u>6,390</u>	<u>125</u>	<u>125</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,390</u>	<u>6,390</u>	<u>6,390</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(6,390)	(6,390)	(6,390)	0
<i>Fund Balance Beginning of Year</i>	6,373	6,373	6,373	0
Prior Year Encumbrances Appropriated	<u>17</u>	<u>17</u>	<u>17</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Race to the Top Fund*  
*For the Fiscal Year Ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$26,965	\$26,965	\$26,965	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Salaries and Wages	15,213	15,213	15,213	0
Fringe Benefits	4,016	4,016	4,016	0
<i>Total Expenditures</i>	<u>19,229</u>	<u>19,229</u>	<u>19,229</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	7,736	7,736	7,736	0
<i>Fund Deficit Beginning of Year</i>	<u>(7,736)</u>	<u>(7,736)</u>	<u>(7,736)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$257,843	\$181,574	\$148,333	(\$33,241)
<b>Expenditures</b>				
Current:				
Support Services:				
Administration:				
Purchased Services	523	0	0	0
Fiscal:				
Other	2,014	4,137	4,137	0
Central:				
Salaries and Wages	154,159	77,068	77,068	0
Fringe Benefits	45,491	28,475	28,475	0
Purchased Services	39,599	35,037	35,037	0
Materials and Supplies	9,869	2,306	2,306	0
Other	3,794	776	776	0
<i>Total Expenditures</i>	255,449	147,799	147,799	0
<i>Excess of Revenues Over (Under) Expenditures</i>	2,394	33,775	534	(33,241)
<b>Other Financing Sources (Uses)</b>				
Advances Out	0	0	(11,273)	(11,273)
<i>Net Change in Fund Balance</i>	2,394	33,775	(10,739)	(44,514)
<i>Fund Deficit Beginning of Year</i>	(2,393)	(2,393)	(2,393)	0
Prior Year Encumbrances Appropriated	11,273	11,273	11,273	0
<i>Fund Balance (Deficit) End of Year</i>	\$11,274	\$42,655	(\$1,859)	(\$44,514)

**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, 2016*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$49,524	\$45,929	\$29,381	(\$16,548)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	19,667	17,795	17,795	0
Fringe Benefits	5,489	6,957	6,957	0
Materials and Supplies	10,195	106	106	0
Capital Outlay	5,914	4,740	4,740	0
Other	46	0	0	0
Total Instruction	41,311	29,598	29,598	0
Support Services:				
Fiscal:				
Other	249	1,005	1,005	0
Central:				
Purchased Services	3,430	880	880	0
Materials and Supplies	1,250	0	0	0
Total Central	4,680	880	880	0
Total Support Services	4,929	1,885	1,885	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	2,260	0	0	0
<i>Total Expenditures</i>	48,500	31,483	31,483	0
<i>Excess of Revenues Over (Under) Expenditures</i>	1,024	14,446	(2,102)	(16,548)
<b>Other Financing Source (Uses)</b>				
Advances Out	0	0	(4,740)	(4,740)
<i>Net Change in Fund Balance</i>	1,024	14,446	(6,842)	(21,288)
<i>Fund Deficit Beginning of Year</i>	(1,024)	(1,024)	(1,024)	0
Prior Year Encumbrances Appropriated	4,740	4,740	4,740	0
<i>Fund Balance (Deficit) End of Year</i>	\$4,740	\$18,162	(\$3,126)	(\$21,288)

**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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay	10,815	10,815	10,815	0
<i>Net Change in Fund Balance</i>	(10,815)	(10,815)	(10,815)	0
<i>Fund Balance Beginning of Year</i>	10,815	10,815	10,815	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$12,600	\$12,600	\$12,600	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	7,800	7,800	7,800	0
Support Services:				
Central:				
Purchased Services	10,458	10,458	4,308	6,150
<i>Total Expenditures</i>	<u>18,258</u>	<u>18,258</u>	<u>12,108</u>	<u>6,150</u>
<i>Net Change in Fund Balance</i>	(5,658)	(5,658)	492	6,150
<i>Fund Balance Beginning of Year</i>	<u>5,658</u>	<u>5,658</u>	<u>5,658</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$6,150</u></u>	<u><u>\$6,150</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, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$9,189,950	\$9,189,950	\$8,650,715	(\$539,235)
<b>Expenses</b>				
Fringe Benefits	89	89	14,466	(14,377)
Purchased Services	74,420	1,245,050	1,137,250	107,800
Claims	9,326,954	8,156,324	8,105,900	50,424
<i>Total Expenses</i>	9,401,463	9,401,463	9,257,616	143,847
<i>Net Change in Fund Equity</i>	(211,513)	(211,513)	(606,901)	(395,388)
<i>Fund Equity Beginning of Year</i>	1,278,481	1,278,481	1,278,481	0
Prior Year Encumbrances Appropriated	17,580	17,580	17,580	0
<i>Fund Equity End of Year</i>	\$1,084,548	\$1,084,548	\$689,160	(\$395,388)

**Berea City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Workers' Compensation Fund*  
*For the Fiscal Year Ended June 30, 2016*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$347,000	\$347,000	\$363,521	\$16,521
<b>Expenses</b>				
Purchased Services	347,000	347,000	153,374	193,626
<i>Net Change in Fund Equity</i>	0	0	210,147	210,147
<i>Fund Equity Beginning of Year</i>	0	0	0	0
<i>Fund Equity End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$210,147</u>	<u>\$210,147</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, 2016*

	<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	\$0	\$0	\$9	\$9
<b>Expenses</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	0	0	9	9
<i>Fund Equity Beginning of Year</i>	<u>13,436</u>	<u>13,436</u>	<u>13,436</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$13,436</u></u>	<u><u>\$13,436</u></u>	<u><u>\$13,445</u></u>	<u><u>\$9</u></u>

# STATISTICAL SECTION



**Cecily Grigson**  
**5<sup>th</sup> grade**  
**Ford Intermediate**

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**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 financial health.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S12 - S20
<b>Debt Capacity</b> 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 debt in the future.	S21 - S24
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's activities take place.	S25 - S26
<b>Operating Information</b> 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.	S27 - S39

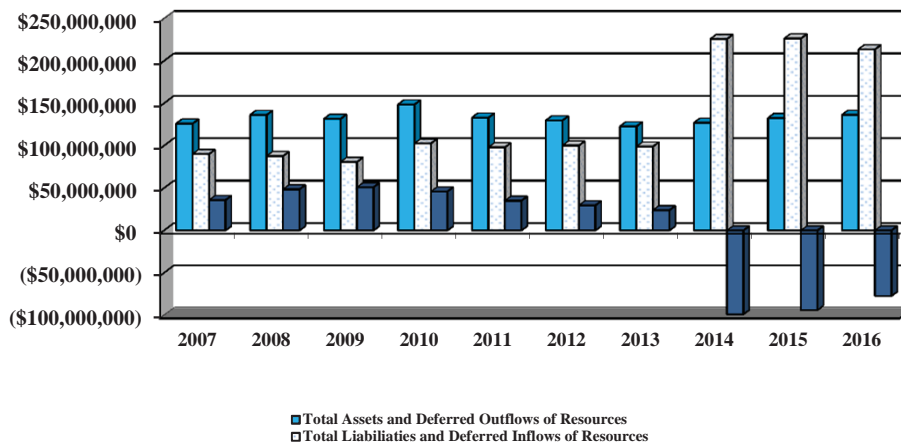
**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	2007	2008	2009	2010
Governmental Activities:				
Net Investment in Capital Assets	\$10,618,221	\$10,053,655	\$10,836,395	\$17,647,068
Restricted for:				
Capital Projects	2,101,471	0	0	0
Debt Service	2,555,851	5,636,961	5,624,696	2,850,111
Set Asides	431,846	32,292	389,213	229,621
Other Purposes	2,479,929	1,959,363	2,354,730	2,010,455
Unrestricted (Deficit)	24,575,315	30,822,355	31,675,782	23,173,431
<i>Total Net Position of Governmental Activities</i>	<u>\$42,762,633</u>	<u>\$48,504,626</u>	<u>\$50,880,816</u>	<u>\$45,910,686</u>

(1) The School District reported the impact of GASB Statement No. 68 beginning in fiscal year 2014.

**Net Position**





<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014 (1)</b>	<b>2015 (1)</b>	<b>2016 (1)</b>
\$14,326,886	\$12,126,538	\$13,489,578	\$14,028,113	\$13,782,338	\$14,073,293
1,467,073	2,853,456	1,325,817	614,126	191,417	1,585,366
2,994,724	3,125,971	3,337,903	2,956,126	3,736,492	1,652,894
193,440	99,686	0	28,983	0	0
2,934,178	2,982,140	2,644,355	2,344,096	2,614,592	2,683,067
13,141,808	8,405,570	3,063,523	(118,758,867)	(107,118,676)	(97,228,488)
<u>\$35,058,109</u>	<u>\$29,593,361</u>	<u>\$23,861,176</u>	<u>(\$98,787,423)</u>	<u>(\$86,793,837)</u>	<u>(\$77,233,868)</u>

**Berea City School District**

*Changes in Net Position*

*Last Ten Fiscal Years*

*(accrual basis of accounting)*

	2007	2008	2009	2010
<b>Expenses</b>				
Governmental Activities:				
Regular Instruction	\$33,422,192	\$39,358,016	\$36,391,830	\$45,065,039
Special Instruction	7,217,382	11,074,764	11,547,898	10,038,403
Vocational Instruction	582,310	700,317	809,220	825,472
Adult/Continuing Instruction	179,333	182,990	217,180	227,267
Student Intervention	0	0	0	0
Pupil Support	4,136,208	4,756,650	5,062,514	5,264,854
Instructional Staff Support	4,208,406	5,788,567	7,184,673	7,503,450
Board of Education	32,706	42,261	39,173	40,655
Administration	3,890,384	4,148,412	4,979,545	4,847,968
Fiscal	1,514,355	2,524,738	1,767,988	1,644,105
Business	688,830	743,284	839,474	732,957
Operation and Maintenance of Plant	6,648,771	7,790,941	8,874,736	7,582,239
Pupil Transportation	3,309,074	4,128,443	4,092,193	4,039,473
Central	2,284,938	2,380,593	2,415,876	2,203,808
Operation of Non-Instructional Services	3,664,529	3,908,876	3,876,038	3,409,255
Extracurricular Activities	1,632,024	1,679,646	1,707,738	1,793,990
Interest and Fiscal Charges	481,379	794,393	772,958	1,721,024
<i>Total Governmental Activities Expenses</i>	<u>73,892,821</u>	<u>90,002,891</u>	<u>90,579,034</u>	<u>96,939,959</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Sales:				
Regular Instruction	1,017,281	3,234,041	1,070,598	1,094,550
Special Instruction	830,296	388,876	813,165	1,549,202
Adult/Continuing	194,641	178,586	200,570	232,937
Pupil Support	4,482	4,256	3,750	2,999
Instructional Staff Support	113,719	152,390	142,636	184,976
Fiscal	0	0	0	0
Business	0	18,574	136,431	107,659
Operation and Maintenance of Plant	137,119	156,563	26,854	122,319
Pupil Transportation	63,490	53,840	65,579	74,205
Central	148,268	0	0	0
Operation of Non-Instructional Services	2,415,337	2,395,120	2,303,752	2,172,752
Extracurricular Activities	435,269	407,496	270,131	270,030
Operating Grants and Contributions				
Regular Instruction	487,930	345,357	353,705	809,913
Special Instruction	1,146,319	1,333,987	1,499,683	1,537,002
Vocational Instruction	0	0	0	0
Pupil Support	790,456	725,207	760,077	968,944
Instructional Staff Support	487,755	526,799	557,453	859,369
Administration	81,069	81,625	100,509	89,783
Fiscal	0	0	0	0
Business	0	0	0	5,803
Operation and Maintenance of Plant	0	0	367	4,082
Pupil Transportation	36,038	16,473	15,131	189,203
Central	25,007	26,573	21,474	12,959
Operation of Non-Instructional Services	1,670,078	1,539,691	1,643,553	1,626,109
Extracurricular Activities	34,024	41,460	83,779	149,800
Capital Grants and Contributions				
Regular Instruction	0	0	0	0
Instructional Staff Support	0	1,249	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	39,000	90,477	36,000	25,149
Extracurricular Activities	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$10,157,578</u>	<u>\$11,718,640</u>	<u>\$10,105,197</u>	<u>\$12,089,853</u>

2011	2012	2013	2014	2015 (1)	2016 (1)
\$48,818,126	\$41,353,215	\$39,608,990	\$36,199,890	\$31,189,634	\$31,822,289
8,879,849	10,245,263	13,517,350	16,507,159	12,957,488	14,369,441
747,511	755,157	557,365	461,608	449,327	281,881
167	0	0	0	0	0
0	0	0	0	2,710,357	2,853,260
5,233,024	5,613,451	5,486,171	5,060,741	5,296,091	5,180,499
5,898,656	6,585,844	6,429,274	1,936,743	2,026,693	1,873,500
40,279	33,962	29,421	30,936	31,884	40,802
4,481,530	4,976,072	4,689,371	5,149,936	4,962,719	5,075,784
1,713,498	1,867,747	1,889,015	1,886,716	1,929,973	2,078,462
836,727	615,697	908,587	930,614	1,102,810	658,200
7,697,334	7,484,540	7,089,550	6,640,901	6,907,464	5,570,470
3,577,492	4,737,450	4,589,088	5,703,126	5,719,081	5,877,604
2,750,598	3,169,134	2,974,477	2,497,201	2,058,421	1,949,975
2,561,931	3,466,400	3,323,805	4,208,485	3,257,825	3,207,160
1,711,255	1,733,246	1,980,304	1,498,499	1,018,512	1,404,707
2,190,396	2,124,918	2,645,105	1,721,028	1,152,966	1,210,442
97,138,373	94,762,096	95,717,873	90,433,583	82,771,245	83,454,476
1,359,352	1,037,994	1,254,464	1,764,837	1,790,405	1,446,786
1,736,219	1,274,859	1,823,523	2,565,414	1,681,630	1,470,301
170	0	0	0	0	0
2,207	1,769	1,249	0	0	750
0	0	0	0	0	20,319
0	0	0	0	0	22,967
101,338	79,724	96,770	136,140	64,857	24,214
33,459	178,773	69,586	80,579	69,241	74,130
95,206	67,061	77,436	58,826	142,936	207,648
0	0	0	0	0	0
2,157,619	2,110,236	2,056,037	1,803,214	1,780,337	1,683,701
524,532	598,101	656,322	598,546	418,124	416,581
766,495	496,491	118,881	188,555	221,274	193,444
2,064,492	1,070,960	1,153,964	2,205,144	4,011,352	4,219,640
0	0	0	0	20,724	27,112
1,087,625	831,186	713,117	894,215	796,230	673,554
1,157,931	557,118	315,957	33,821	0	17,489
179,389	125,451	97,373	189,657	227,549	241,772
0	0	0	0	5,527	93,586
0	7,814	0	0	0	0
478	0	965	0	0	1,113
40,381	168,815	21,150	2,789	1,884	665
5,000	622,915	361,531	456,851	386,804	340,446
1,838,840	1,587,131	1,859,766	1,625,303	1,684,954	1,641,179
46,262	0	144,556	23,717	30,969	122,434
0	250,000	0	3,000	0	8,117
0	0	47,379	0	0	0
0	0	0	7,000	0	0
25,025	16,200	0	12,600	14,400	4,483
0	0	167,000	0	0	0
326,576	326,576	0	0	0	0
\$13,548,596	\$11,409,174	\$11,037,026	\$12,650,208	\$13,349,197	\$12,952,431

(continued)

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

	2007	2008	2009	2010
<b>Net (Expense)/Revenue</b>	(\$63,735,243)	(\$78,284,251)	(\$80,473,837)	(\$84,850,106)
<b>General Revenues</b>				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	68,639,747	55,730,090	53,974,253	49,940,417
Debt Service	1,409,130	1,289,022	1,133,718	1,068,671
Capital Outlay	2,138,811	1,188,843	1,341,588	1,294,683
Grants and Entitlements not Restricted to Specific Programs	17,729,223	23,174,392	25,357,616	26,020,444
Unrestricted Contributions	0	0	0	0
Gain on Sale of Capital Assets	0	0	0	0
Investment Earnings	1,531,056	1,958,941	692,009	307,078
Miscellaneous	897,255	684,956	350,843	1,248,683
<i>Total Governmental Activities General Revenue</i>	<u>92,345,222</u>	<u>84,026,244</u>	<u>82,850,027</u>	<u>79,879,976</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$28,609,979</u>	<u>\$5,741,993</u>	<u>\$2,376,190</u>	<u>(\$4,970,130)</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in fiscal year 2015.

2011	2012	2013	2014	2015 (1)	2016 (1)
<u>(\$83,589,777)</u>	<u>(\$83,352,922)</u>	<u>(\$84,680,847)</u>	<u>(\$77,783,375)</u>	<u>(\$69,422,048)</u>	<u>(\$70,502,045)</u>
49,482,680	50,612,454	52,931,241	54,324,820	54,892,650	55,882,938
1,030,334	1,033,395	1,077,944	928,565	1,410,043	146,897
934,134	1,303,640	1,280,245	1,310,611	728,822	1,314,500
20,908,683	23,706,710	22,622,495	22,999,655	23,876,897	22,430,197
66,896	0	51,316	51,639	39,419	0
0	243,452	0	0	0	0
88,002	34,505	20,181	8,164	7,265	37,954
226,471	954,018	965,240	149,550	460,538	249,528
<u>72,737,200</u>	<u>77,888,174</u>	<u>78,948,662</u>	<u>79,773,004</u>	<u>81,415,634</u>	<u>80,062,014</u>
<u>(\$10,852,577)</u>	<u>(\$5,464,748)</u>	<u>(\$5,732,185)</u>	<u>\$1,989,629</u>	<u>\$11,993,586</u>	<u>\$9,559,969</u>

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

	2007	2008	2009	2010 (1)
<b>General Fund</b>				
Nonspendable	NA	NA	NA	\$187,165
Restricted	NA	NA	NA	0
Assigned	NA	NA	NA	180,745
Unassigned	NA	NA	NA	29,008,560
Reserved	\$7,256,242	\$5,309,185	\$6,053,850	NA
Unreserved (Deficit)	16,245,091	24,094,592	25,745,798	NA
<i>Total General Fund</i>	<u>23,501,333</u>	<u>29,403,777</u>	<u>31,799,648</u>	<u>29,376,470</u>
<b>All Other Governmental Funds</b>				
Nonspendable	NA	NA	NA	32,883
Restricted	NA	NA	NA	22,754,429
Unassigned (Deficit)	NA	NA	NA	(530,612)
Reserved	5,034,225	742,625	965,712	NA
Unreserved, Undesignated, Reported in:				
Special Revenue funds	811,467	746,651	907,538	NA
Debt Service funds	2,595,939	2,890,925	3,081,356	NA
Capital Projects funds (Deficit)	1,376,833	(857,848)	(1,448,894)	NA
<i>Total All Other Governmental Funds</i>	<u>9,818,464</u>	<u>3,522,353</u>	<u>3,505,712</u>	<u>22,256,700</u>
<i>Total Governmental Funds</i>	<u>\$33,319,797</u>	<u>\$32,926,130</u>	<u>\$35,305,360</u>	<u>\$51,633,170</u>

(1) The School District reported the impact of GASB Statement No. 54 beginning in fiscal year 2010.

2011	2012	2013	2014	2015	2016
\$171,517	\$187,478	\$185,814	\$212,861	\$173,388	\$119,475
206,582	99,686	0	28,983	0	0
196,107	1,745,897	1,416,139	285,566	609,623	795,952
14,900,858	6,907,662	0	4,414,093	14,216,177	21,679,341
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
<u>15,475,064</u>	<u>8,940,723</u>	<u>1,601,953</u>	<u>4,941,503</u>	<u>14,999,188</u>	<u>22,594,768</u>
11,072	10,900	10,809	10,212	9,386	8,906
9,008,264	7,508,663	7,344,944	5,687,075	6,340,491	4,612,923
(234,765)	(758,626)	(1,100,574)	(2,191,354)	(3,388,561)	(1,335,522)
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
<u>8,784,571</u>	<u>6,760,937</u>	<u>6,255,179</u>	<u>3,505,933</u>	<u>2,961,316</u>	<u>3,286,307</u>
<u>\$24,259,635</u>	<u>\$15,701,660</u>	<u>\$7,857,132</u>	<u>\$8,447,436</u>	<u>\$17,960,504</u>	<u>\$25,881,075</u>

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

	2007	2008	2009	2010
<b>Revenues</b>				
Property Taxes	\$72,670,415	\$58,477,685	\$57,002,404	\$52,524,445
Intergovernmental	21,709,669	28,062,598	30,097,350	32,323,880
Interest	1,531,056	1,958,941	692,009	307,078
Tuition and Fees	3,946,827	4,248,130	4,018,410	4,003,556
Extracurricular Activities	623,724	623,628	503,326	526,446
Rentals	86,344	126,960	102,356	122,822
Charges for Services	1,413,265	1,449,228	1,395,370	1,317,925
Contributions and Donations	203,876	111,687	192,852	234,725
Miscellaneous	897,255	684,956	350,843	1,248,683
<i>Total Revenues</i>	<u>103,082,431</u>	<u>95,743,813</u>	<u>94,354,920</u>	<u>92,609,560</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	32,771,887	33,916,940	34,960,310	38,432,683
Special	8,483,399	11,576,938	11,594,623	10,312,422
Vocational	655,665	757,472	809,189	843,469
Adult/Continuing	204,469	192,654	218,090	235,330
Student Intervention	0	0	0	0
Support Services:				
Pupil	4,566,841	4,944,184	5,056,856	5,372,728
Instructional Staff	5,804,026	6,521,497	7,031,107	8,203,956
Board of Education	32,706	42,261	39,173	40,655
Administration	4,361,340	4,383,314	5,094,343	4,859,059
Fiscal	1,588,976	2,588,737	1,761,506	1,693,464
Business	746,023	751,120	828,027	746,207
Operation and Maintenance of Plant	7,927,296	8,192,643	8,762,671	8,090,494
Pupil Transportation	3,913,115	4,287,855	3,930,569	4,112,181
Central	2,539,975	2,932,731	2,715,901	2,751,609
Operation of Non-Instructional Services	3,925,523	4,182,836	3,840,731	3,741,752
Extracurricular Activities	1,729,558	1,751,459	1,729,082	1,832,564
Capital Outlay	4,437,683	7,312,724	1,587,501	7,643,405
Debt Service:				
Principal Retirement	870,000	940,000	1,242,802	1,275,000
Interest and Fiscal Charges	459,523	782,942	773,209	1,324,505
Debt Issuance Costs	145,981	79,173	0	490,946
<i>Total Expenditures</i>	<u>85,163,986</u>	<u>96,137,480</u>	<u>91,975,690</u>	<u>102,002,429</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>17,918,445</u>	<u>(393,667)</u>	<u>2,379,230</u>	<u>(9,392,869)</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	6,617,802	0	0	0
Certificates of Participation Issued	0	0	0	26,000,000
Premium on General Obligation Bonds	135,539	0	0	0
Premium on Certificates of Participation	0	0	0	127,260
Payment to Refunded Bond Escrow Agent	0	0	0	0
Discount on Certificates of Participation	0	0	0	(406,581)
Transfers In	108	261,714	605,412	572,338
Transfers Out	(108)	(261,714)	(605,412)	(572,338)
<i>Total Other Financing Sources (Uses)</i>	<u>6,753,341</u>	<u>0</u>	<u>0</u>	<u>25,720,679</u>
<b>Special Item</b>				
Sale of CA Thomas Elementary	0	0	0	0
<i>Net Change in Fund Balances</i>	<u>\$24,671,786</u>	<u>(\$393,667)</u>	<u>\$2,379,230</u>	<u>\$16,327,810</u>
Debt Service as a Percentage of Noncapital Expenditures	1.8%	2.0%	2.2%	2.7%



2011	2012	2013	2014	2015	2016
\$51,029,228	\$51,417,177	\$55,022,732	\$57,550,637	\$57,215,966	\$58,226,212
28,419,803	29,207,458	28,235,695	29,000,164	31,535,412	29,924,108
88,002	34,505	20,181	8,164	7,265	39,318
3,711,286	3,780,047	3,981,655	4,018,423	5,055,528	3,815,856
580,322	708,113	695,598	598,546	409,016	404,938
31,032	174,798	68,650	79,031	70,429	73,197
1,255,224	1,177,577	1,095,096	1,009,180	855,786	766,205
153,717	354,898	386,584	129,911	147,662	192,101
226,471	954,018	965,240	149,550	460,538	249,528
<u>85,495,085</u>	<u>87,808,591</u>	<u>90,471,431</u>	<u>92,543,606</u>	<u>95,757,602</u>	<u>93,691,463</u>
39,077,887	38,236,513	37,335,907	35,321,823	31,632,929	32,015,811
10,734,786	10,350,252	13,674,321	16,154,620	13,090,313	14,232,343
910,458	768,027	584,269	454,754	489,976	283,808
167	0	0	0	0	0
0	0	0	0	2,710,357	2,848,758
5,743,923	5,680,392	5,531,744	5,013,480	5,328,640	5,359,881
8,253,865	6,645,875	6,677,925	1,980,267	2,044,328	1,910,149
40,279	33,962	29,421	30,981	31,897	40,738
5,120,714	4,949,479	4,717,817	5,092,297	5,114,218	5,099,125
1,808,492	2,017,012	1,888,299	1,871,639	1,919,004	2,045,894
888,137	780,589	911,931	902,132	1,073,329	658,971
8,583,494	7,547,015	7,173,156	6,535,277	5,880,086	5,566,073
4,771,895	4,610,385	4,648,162	4,750,302	5,206,133	4,999,087
3,059,261	3,015,167	3,004,102	2,457,830	2,067,684	1,947,997
3,670,827	3,490,834	3,467,797	4,142,443	3,271,791	3,106,638
1,761,982	1,745,513	2,014,019	1,566,036	1,022,526	1,415,283
14,970,422	3,305,605	2,758,857	2,176,308	2,133,519	1,114,388
1,320,000	1,375,000	1,870,000	1,855,000	1,900,000	1,930,000
2,152,031	2,083,398	2,028,232	1,648,113	1,327,804	1,195,949
0	0	0	356,418	0	222,380
<u>112,868,620</u>	<u>96,635,018</u>	<u>98,315,959</u>	<u>92,309,720</u>	<u>86,244,534</u>	<u>85,993,273</u>
<u>(27,373,535)</u>	<u>(8,826,427)</u>	<u>(7,844,528)</u>	<u>233,886</u>	<u>9,513,068</u>	<u>7,698,190</u>
0	0	0	0	0	0
0	0	0	13,685,000	0	8,900,000
0	0	0	0	0	0
0	0	0	0	0	264,473
0	0	0	(13,074,651)	0	(8,942,092)
0	0	0	(253,931)	0	0
1,005,734	570,437	571,137	0	39,212	2,225,942
<u>(1,005,734)</u>	<u>(570,437)</u>	<u>(571,137)</u>	<u>0</u>	<u>(39,212)</u>	<u>(2,225,942)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>356,418</u>	<u>0</u>	<u>222,381</u>
0	268,452	0	0	0	0
<u>(27,373,535)</u>	<u>(\$8,557,975)</u>	<u>(\$7,844,528)</u>	<u>\$590,304</u>	<u>\$9,513,068</u>	<u>\$7,920,571</u>
3.7%	3.7%	4.0%	3.9%	3.8%	3.7%

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

Collection Year	Real Property			Tangible Personal Property Public Utility	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial/PU			
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	23,880,323	26,335,030
2011	889,364,590	488,484,510	3,936,711,714	23,832,328	27,082,191
2012	888,117,120	489,346,920	3,935,611,543	24,692,430	28,059,580
2013	829,921,220	460,919,440	3,688,116,171	30,559,960	34,727,227
2014	834,432,190	463,754,130	3,709,103,771	33,200,280	37,727,591
2015	835,121,070	466,729,860	3,719,574,086	35,071,880	39,854,409
2016	823,937,040	451,072,190	3,642,883,514	36,528,700	41,509,886

**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 phased out beginning in 2006. The listing percentage was 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	Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
\$138,126,787	\$1,105,014,296	\$1,604,060,017	\$5,235,888,611	\$74.90	\$42.57
50,767,689	406,141,512	1,524,393,269	4,574,216,774	74.90	40.40
25,866,283	406,141,512	1,507,845,563	4,595,947,232	74.90	39.84
0	0	1,400,269,233	3,958,874,773	75.00	41.51
0	0	1,401,681,428	3,963,793,905	74.90	41.41
0	0	1,402,156,470	3,963,671,122	74.10	41.29
0	0	1,321,400,620	3,722,843,399	78.00	47.60
0	0	1,331,386,600	3,746,831,362	78.00	47.73
0	0	1,336,922,810	3,759,428,495	78.00	47.81
0	0	1,311,537,930	3,684,393,401	78.00	48.22

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

	2007	2008	2009	2010	2011
<b>Unvoted Millage</b>					
Operating	\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
<b>Voted Millage - by levy</b>					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	\$6.36	\$6.35	\$6.35	\$6.87	\$6.88
Commercial/Industrial and Public Utility Real	11.88	11.82	11.85	12.26	12.24
General Business and Public Utility Personal	31.40	31.40	31.40	31.40	31.40
1985 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	2.84	2.83	2.83	3.07	3.07
Commercial/Industrial and Public Utility Real	3.51	3.50	3.50	3.63	3.62
General Business and Public Utility Personal	6.90	6.90	6.90	6.90	6.90
1991 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	3.41	3.41	3.40	3.69	3.69
Commercial/Industrial and Public Utility Real	4.04	4.03	4.04	4.17	4.17
General Business and Public Utility Personal	6.90	6.90	6.90	6.90	6.90
1994 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	3.51	3.50	3.50	3.79	3.79
Commercial/Industrial and Public Utility Real	3.88	3.86	3.87	4.00	4.00
General Business and Public Utility Personal	5.90	5.90	5.90	5.90	5.90
2000 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	4.45	4.44	4.44	4.80	4.81
Commercial/Industrial and Public Utility Real	4.33	4.31	4.32	4.47	4.47
General Business and Public Utility Personal	5.90	5.90	5.90	5.90	5.90
2002 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	4.95	4.94	4.93	5.34	5.34
Commercial/Industrial and Public Utility Real	5.33	5.31	5.32	5.50	5.50
General Business and Public Utility Personal	5.90	5.90	5.90	5.90	5.90
2006 Operating -continuing					
Effective Millage Rates					
Residential/Agricultural Real	4.81	4.80	4.80	5.19	5.20
Commercial/Industrial and Public Utility Real	4.87	4.85	4.86	5.03	5.03
General Business and Public Utility Personal	5.25	5.25	5.25	5.25	5.25
2012 Operating -continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.00	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00	0.00
1992 Bond Levy (debt service)	0.80	0.80	0.80	0.90	0.80
1976 Permanent Improvement Continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.18	0.18	0.18	0.19	0.19
Commercial/Industrial and Public Utility Real	0.34	0.34	0.34	0.35	0.35
General Business and Public Utility Personal	0.90	0.90	0.90	0.90	0.90

2012	2013	2014	2015	2016
\$4.05	\$4.05	\$4.05	\$4.05	\$4.05

\$6.88	\$7.41	\$7.42	\$7.43	\$7.54
12.32	13.04	13.10	13.25	13.91
31.40	31.40	31.40	31.40	31.40

3.07	3.31	3.31	3.31	3.36
3.64	3.85	3.88	3.92	4.11
6.90	6.90	6.90	6.90	6.90

3.69	3.97	3.98	3.99	4.04
4.19	4.44	4.46	4.51	4.74
6.90	6.90	6.90	6.90	6.90

3.79	4.09	4.09	4.09	4.16
4.02	4.26	4.28	4.33	4.54
5.90	5.90	5.90	5.90	5.90

4.81	5.18	5.18	5.19	5.27
4.49	4.76	4.77	4.83	5.07
5.90	5.90	5.90	5.90	5.90

5.35	5.76	5.77	5.78	5.85
5.53	5.86	5.88	5.90	5.90
5.90	5.90	5.90	5.90	5.90

5.20	5.25	5.25	5.25	5.25
5.05	5.25	5.25	5.25	5.25
5.25	5.25	5.25	5.25	5.25

0.00	3.90	3.90	3.90	3.90
0.00	3.90	3.90	3.90	3.90
0.00	3.90	3.90	3.90	3.90

0.90	0.90	0.90	0.70	0.00
------	------	------	------	------

0.19	0.21	0.21	0.21	0.21
0.35	0.37	0.38	0.38	0.39
0.90	0.90	0.90	0.90	0.90

(continued)

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

	2007	2008	2009	2010	2011
1996 Permanent Improvement Continuing					
Effective Millage Rates					
Residential/Agricultural Real	\$0.69	\$0.69	\$0.69	\$0.74	\$0.74
Commercial/Industrial and Public Utility Real	0.72	0.72	0.72	0.74	0.74
General Business and Public Utility Personal	1.00	1.00	1.00	1.00	1.00
<b>Total voted millage by type of property</b>					
Residential/Agricultural Real	\$32.00	\$31.94	\$31.92	\$34.58	\$34.51
Commercial/Industrial and Public Utility Real	39.70	39.54	39.62	41.05	40.92
General Business and Public Utility Personal	70.85	70.85	70.85	70.95	70.85
<b>Total millage by type of property</b>					
Residential/Agricultural Real	\$36.05	\$35.99	\$35.97	\$38.63	\$38.56
Commercial/Industrial and Public Utility Real	43.75	43.59	43.67	45.10	44.97
General Business and Public Utility Personal	74.90	74.90	74.90	75.00	74.90
<b>Total Weighted Average Tax Rate</b>	\$42.57	\$40.40	\$39.84	\$41.51	\$41.41
<b>Overlapping Rates by Taxing District</b>					
Berea City					
Effective Millage Rates					
Residential/Agricultural Real	\$13.06	\$13.00	\$13.00	\$13.03	\$13.13
Commercial/Industrial and Public Utility Real	13.65	13.59	13.60	13.63	13.56
General Business and Public Utility Personal	17.20	17.40	18.60	17.20	17.20
Middleburg Heights City					
Effective Millage Rates					
Residential/Agricultural Real	4.67	4.61	4.61	4.65	4.65
Commercial/Industrial and Public Utility Real	4.85	4.79	4.80	4.83	4.83
General Business and Public Utility Personal	5.45	5.45	5.45	5.45	5.45
Brook Park City					
Effective Millage Rates					
Residential/Agricultural Real	4.70	4.64	4.64	4.67	4.67
Commercial/Industrial and Public Utility Real	4.68	4.62	4.63	4.68	4.68
General Business and Public Utility Personal	4.80	4.75	4.75	4.75	4.75
Cuyahoga County					
Effective Millage Rates					
Residential/Agricultural Real	17.82	17.76	17.76	17.79	18.46
Commercial/Industrial and Public Utility Real	18.75	18.69	18.70	18.73	18.87
General Business and Public Utility Personal	20.20	18.20	20.60	20.60	19.05
Polaris J.V.S.D.					
Effective Millage Rates					
Residential/Agricultural Real	2.00	1.94	1.94	1.97	2.01
Commercial/Industrial and Public Utility Real	2.00	1.94	1.94	1.97	2.18
General Business and Public Utility Personal	2.40	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:** Office of the Fiscal Officer, Cuyahoga County, Ohio

**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.

2012	2013	2014	2015	2016
\$0.74	\$0.80	\$0.80	\$0.80	\$0.81
0.74	0.79	0.79	0.80	0.84
1.00	1.00	1.00	1.00	1.00
\$34.62	\$40.78	\$40.81	\$40.65	\$40.39
40.33	46.52	46.69	47.07	48.65
70.05	73.95	73.95	73.95	73.95
\$38.67	\$44.83	\$44.86	\$44.70	\$44.44
44.38	50.57	50.74	51.12	52.70
74.10	78.00	78.00	78.00	78.00
\$41.29	\$47.60	\$47.73	\$47.81	\$48.22
\$13.13	\$12.75	\$12.76	\$12.76	\$12.78
13.56	13.31	13.31	13.32	13.38
17.20	16.80	16.80	16.80	16.80
4.65	4.71	4.71	4.71	4.71
4.83	4.88	4.88	4.88	4.91
5.45	5.45	5.45	5.45	5.45
4.67	4.73	4.73	4.73	4.74
4.68	4.67	4.67	4.68	4.68
4.75	4.80	4.75	4.75	4.75
12.78	13.22	13.94	14.05	14.05
13.11	12.99	14.05	14.01	13.87
13.22	20.80	14.05	14.05	14.05
2.04	2.33	2.33	2.33	2.29
2.18	2.13	2.14	2.17	2.27
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
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
2011	58,241,431	55,834,655	95.86	3,578,785	59,413,440	102.01
2012	63,666,931	60,646,452	95.26	1,879,820	62,526,272	98.21
2013	64,016,614	58,980,806	92.13	1,944,222	60,925,028	95.17
2014	64,540,119	60,082,521	93.09	1,573,779	61,656,300	95.53
2015	62,695,041	60,196,116	96.01	1,477,262	61,673,378	98.37

**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 2016 information cannot be presented because all collections have not been made by June 30, 2016.
- (3) The County's current operating system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.
- (3) Tax information cannot be broken out for real property, public utility and personal tangible.



**Berea City School District***Principal Taxpayers**Real Estate Tax**2016 and 2007(1)*

Name of Taxpayer	2016	
	Assessed Value	Percent of Real Property Assessed Value
City of Cleveland	\$48,453,980	3.80 %
Southland Shopping Center, LLC	12,410,790	0.97
The Islander Company, LLC	10,546,340	0.83
Middleburg-Legacy Place Real Estate Company	5,583,730	0.44
Ford Motor Co Engine Plant	5,239,500	0.41
CP- Snow Prop, LLC	4,690,500	0.37
M W P Company	4,656,940	0.37
Airport Executive Park, LLC	4,000,230	0.31
Brook Park Land Developer	3,959,770	0.31
Techpark Ltd Partnership	3,859,370	0.30
<b>Totals</b>	<b>\$103,401,150</b>	<b>8.11 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$1,275,009,230</b>	
Name of Taxpayer	2007	
	Assessed Value	Percent of Real Property Assessed Value
City of Cleveland	\$78,632,620	5.49 %
Ford Motor Company	19,387,250	1.35
Cleveland Electric Illuminating	17,597,640	1.23
Southland Shopping Center, LLC	13,932,910	0.97
The Islander Company, LLC	10,876,380	0.76
M W P Company	8,190,540	0.57
Techpark Ltd Partnership	7,241,740	0.51
Park N' Fly	7,208,880	0.50
Robert Amsdell	5,911,250	0.41
Ozre Lodging LLC	4,982,260	0.35
<b>Totals</b>	<b>\$173,961,470</b>	<b>12.14 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$1,432,514,450</b>	

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

(1) The amounts presented represent the assessed values upon which 2016 and 2007 collections were based.

**Berea City School District**  
*Principal Taxpayers*  
*Public Utilities Real Property*  
*2016 and 2007(1)*

Name of Taxpayer	2016	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$25,216,150	69.03 %
American Transmission System	6,217,380	17.02
Columbia Gas of Ohio Inc	4,115,190	11.27
Totals	<u>\$35,548,720</u>	<u>97.32 %</u>
Total Public Utility Assessed Valuation	<u>\$36,528,700</u>	
	2007	
Name of Taxpayer	Assessed Value	Percent of Public Utility
Ohio Bell Telephone Co.	\$3,415,830	10.22 %
Alltel Communications	735,830	2.20
New Cingular Wirelss PCS LLC	318,710	0.96
Sprintcom Inc.	318,640	0.95
Totals	<u>\$4,789,010</u>	<u>14.33 %</u>
Total Public Utility Assessed Valuation	<u>\$33,418,780</u>	

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

(1) The amounts presented represent the assessed values upon which 2016 and 2007 collections were based.

**Berea City School District**  
*Computation of Direct and Overlapping*  
*Debt Attributable to Governmental Activities*  
*June 30, 2016*

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
<b>Direct:</b>			
Berea City School District			
General Obligation Bonds	\$5,351,035	100.00 %	\$5,351,035
Certificates of Participation	25,639,899	100.00	25,639,899
<b>Total Direct</b>	<b>30,990,934</b>		<b>30,990,934</b>
<b>Overlapping:</b>			
Cuyahoga County	1,613,009,183	4.72	76,134,033
Greater Cleveland Regional Transit	156,082,969	4.72	7,367,116
City of Middleburg Heights	10,108,775	37.98	3,839,313
City of Brook Park	10,701,033	32.09	3,433,961
City of Berea	29,738,576	27.05	8,044,285
City of Olmsted Falls	2,340,692	0.43	10,065
City of Cleveland	621,168,000	4.29	26,648,107
<b>Total Overlapping</b>	<b>2,443,149,228</b>		<b>125,476,881</b>
<b>Total</b>	<b>\$2,474,140,162</b>		<b>\$156,467,815</b>

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 2016 collection year.

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

	2007	2008	2009	2010
Assessed Valuation (1)	<u>\$1,604,060,017</u>	<u>\$1,524,393,269</u>	<u>\$1,507,845,563</u>	<u>\$1,400,269,233</u>
Debt Limit - 9% of Assessed Value (2)	<u>\$144,365,402</u>	<u>\$137,195,394</u>	<u>\$135,706,101</u>	<u>\$126,024,231</u>
Amount of Debt Applicable to Debt Limit				
Certificates of Participation	0	0	0	26,000,000
General Obligation Bonds	16,737,802	15,797,802	14,555,000	13,280,000
Notes	0	2,820,000	2,585,000	2,340,000
Less Amount Available in Debt Service	<u>(2,731,988)</u>	<u>(2,990,032)</u>	<u>(3,205,289)</u>	<u>(3,486,071)</u>
Total	14,005,814	15,627,770	13,934,711	38,133,929
Exemptions:				
Certificates of Participation	0	0	0	26,000,000
Energy Conservation Bonds	<u>6,582,802</u>	<u>6,547,802</u>	<u>6,205,000</u>	<u>5,845,000</u>
Amount of Debt Subject to Limit	<u>7,423,012</u>	<u>9,079,968</u>	<u>7,729,711</u>	<u>6,288,929</u>
Overall Debt Margin	<u>\$136,942,390</u>	<u>\$128,115,426</u>	<u>\$127,976,390</u>	<u>\$119,735,302</u>
Legal Debt Margin as a Percentage of the Debt Limit	8.54%	8.40%	8.49%	8.55%
Unvoted Debt Limit - 10% of Assessed Value (2)	\$1,604,060	\$1,524,393	\$1,507,846	\$1,400,269
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$1,604,060</u>	<u>\$1,524,393</u>	<u>\$1,507,846</u>	<u>\$1,400,269</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100%	100%	100%	100%
Additional Limit for Unvoted Debt:				
Debt Limit - .9% of Assessed Value	\$14,436,540	\$13,719,539	\$13,570,610	\$12,602,423
Certificates of Participation	0	0	0	26,000,000
Energy Conservation Bonds	<u>6,582,802</u>	<u>6,547,802</u>	<u>6,205,000</u>	<u>5,845,000</u>
Additional Unvoted Debt Margin	<u>\$7,853,738</u>	<u>\$7,171,737</u>	<u>\$7,365,610</u>	<u>(\$19,242,577)</u>

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

(1) Beginning in fiscal year 2007 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.

2011	2012	2013	2014	2015	2016
<u>\$1,401,681,428</u>	<u>\$1,402,156,470</u>	<u>\$1,321,400,620</u>	<u>\$1,331,386,600</u>	<u>\$1,336,922,810</u>	<u>\$1,311,537,930</u>
<u>\$126,151,329</u>	<u>\$126,194,082</u>	<u>\$118,926,056</u>	<u>\$119,824,794</u>	<u>\$120,323,053</u>	<u>\$118,038,414</u>
26,000,000	26,000,000	25,500,000	25,790,000	25,155,000	25,125,000
11,960,000	10,585,000	9,215,000	7,885,000	6,620,000	5,295,000
2,085,000	1,820,000	4,545,000	3,985,000	3,410,000	2,815,000
<u>(3,595,079)</u>	<u>(3,696,184)</u>	<u>(3,870,286)</u>	<u>(3,535,427)</u>	<u>(3,998,187)</u>	<u>(2,243,594)</u>
36,449,921	34,708,816	35,389,714	34,124,573	31,186,813	30,991,406
26,000,000	26,000,000	25,500,000	25,790,000	25,155,000	25,125,000
5,470,000	5,080,000	4,675,000	4,250,000	3,855,000	3,445,000
<u>4,979,921</u>	<u>3,628,816</u>	<u>5,214,714</u>	<u>4,084,573</u>	<u>2,176,813</u>	<u>2,421,406</u>
<u>\$121,171,408</u>	<u>\$122,565,266</u>	<u>\$113,711,342</u>	<u>\$115,740,221</u>	<u>\$118,146,240</u>	<u>\$115,617,008</u>
8.64%	8.74%	8.61%	8.69%	8.84%	8.82%
\$1,401,681	\$1,402,156	\$1,321,401	\$1,331,387	\$1,336,923	\$1,311,538
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$1,401,681</u>	<u>\$1,402,156</u>	<u>\$1,321,401</u>	<u>\$1,331,387</u>	<u>\$1,336,923</u>	<u>\$1,311,538</u>
100%	100%	100%	100%	100%	100%
\$12,615,133	\$12,619,408	\$11,892,606	\$11,982,479	\$12,032,305	\$11,803,841
26,000,000	26,000,000	25,500,000	0	0	0
5,470,000	5,080,000	4,675,000	4,250,000	3,855,000	3,445,000
<u>(\$18,854,867)</u>	<u>(\$18,460,592)</u>	<u>(\$18,282,394)</u>	<u>\$7,732,479</u>	<u>\$8,177,305</u>	<u>\$8,358,841</u>

**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*

Fiscal Year	General Bonded Debt			Other General Debt		Ratio of General Debt to Personal Income (3)	Total Debt per Capita (2)
	General Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value (1)	Bonded Debt per Capita (2)	Certificates of Participation	Total Debt		
2007	\$16,997,832	0.32	\$298.14	\$0	\$16,997,832	1.54	\$298.14
2008	16,035,536	0.35	288.67	0	16,035,536	1.45	288.67
2009	14,770,438	0.32	265.89	0	14,770,438	1.33	265.89
2010	13,473,142	0.34	242.54	26,000,000	39,473,142	3.21	710.59
2011	12,131,033	0.31	215.64	25,742,839	37,873,872	2.79	673.23
2012	10,734,025	0.27	197.86	25,756,135	36,490,160	2.60	672.62
2013	9,300,454	0.25	171.43	25,269,431	34,569,885	2.46	637.22
2014	7,960,410	0.21	146.73	25,423,146	33,383,556	2.38	617.73
2015	6,685,366	0.18	123.23	24,802,630	31,487,996	2.24	580.41
2016	5,351,035	0.15	98.63	25,639,899	30,990,934	2.21	571.25

**Source:** School District Records

- (1) The estimated actual value can be found on S13.
- (2) The population can be found on S25.
- (3) The personal income can be found on S25.
- (4) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

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

Year	Population	Total Personal Income	Per Capita Personal Income	Median Household Income	Median Age	Unemployment Rate
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
2012	54,251	1,404,216,035	26,126	56,362	40.5	7.7
2013	54,251	1,404,216,035	26,126	47,945	40.5	7.1
2014	54,042	1,401,687,354	25,937	54,329	40.5	7.9
2015	54,251	1,404,232,884	25,884	56,626	40.5	5.6
2016	54,251	1,404,232,884	25,884	55,327	40.5	5.6

Source: U.S. Census Bureau  
 Cities of Berea, Middleburg Heights and Brookpark

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

Employer	Nature of Business	2016	
		Number of Employees	Percentage of Total Employment
Baldwin Wallace College	Higher Education	3,155	6.42%
Southwest General Hospital	Hospital	2,668	5.43
United Parcel Service	Delivery	1,905	3.88
Department of Interior	Government	1,639	3.34
Ford Motor Company	Automobile	1,608	3.27
Berea City Schools	Education	837	1.70
Amerimark Direct LLC	Manufacturing	831	1.69
OHNH EMP LLC	Manufacturing	685	1.39
Quadax	Manufacturing	649	1.32
Cleveland Browns	NFL	565	1.15
Total		<u>14,542</u>	
Total Employment within the School District		<u>49,116</u>	

Employer	Nature of Business	2007	
		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
Berea City School District	Education	1,100	1.46
Baldwin Wallace College	Higher Education	953	1.26
Berea Children's Home	Treatment Facility	695	0.92
Marc Glassman	Warehouse	635	0.84
City of Middleburg Heights	Municipal Government	457	0.61
Total		<u>18,004</u>	
Total Employment within the School District		<u>75,430</u>	

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



**Berea City School District**

*Per Pupil Cost*

*Last Ten Fiscal Years*

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<u>Fiscal Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of Students Receiving Free and Reduced Lunch</u>
2007	\$73,892,821	7,429	\$9,947	(3.25)	537	13.8	27.39%
2008	90,002,891	7,375	12,204	22.70	554	13.3	28.31
2009	90,579,034	7,181	12,614	3.36	513	14.0	29.21
2010	96,939,959	7,098	13,657	8.27	528	13.4	34.5
2011	97,138,373	7,018	13,841	1.35	495	14.2	37.5
2012	94,762,096	7,121	13,307	(3.86)	506	14.1	33.8
2013	95,717,873	6,980	13,713	3.05	502	13.9	34.7
2014	90,433,583	6,694	13,510	(1.48)	479	14.0	34.7
2015	82,771,245	6,789	12,192	(9.75)	440	15.4	33.1
2016	83,454,476	6,549	12,743	4.52	449	14.6	32.0

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

**Berea City School District**  
*Building Statistics by Function/Program*  
*Last Ten Fiscal Years*

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

2011	2012	2013	2014	2015	2016
116,620	116,620	116,620	116,620	116,620	116,620
764	718	780	642	622	631
1,010	1,010	1,010	1,010	1,010	1,010
49	49	49	49	49	49
35	37	37	31	29	33
6	7	14	9	10	11
96,900	96,900	96,900	96,900	96,900	96,900
661	658	757	647	707	643
836	836	836	836	836	836
56	56	56	56	56	56
30	32	32	27	23	25
11	9	14	16	21	21
53,400	53,400	53,400	53,400	53,400	53,400
494	514	543	438	445	441
437	437	437	437	437	437
31	31	31	31	31	31
25	26	21	22	18	25
3	4	9	10	7	7
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
41,746	0	0	0	0	0
378	0	0	0	0	0
334	0	0	0	0	0
24	0	0	0	0	0
20	0	0	0	0	0
4	0	0	0	0	0
44,384	0	0	0	0	0
158	0	0	0	0	0
355	0	0	0	0	0
25	0	0	0	0	0
10	0	0	0	0	0
5	0	0	0	0	0

(continued)

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

	2007	2008	2009	2010
<b>Smith Elementary School (1)</b>				
Constructed in 1966				
Total Building Square Footage	42,000	42,000	42,000	42,000
Enrollment Grades K-6	192	185	180	480
Student Capacity	336	336	336	336
Regular Instruction Classrooms	21	21	21	21
Regular Instruction Teachers	10	10	9	23
Special Instruction Teachers	4	6	7	0
<b>Grindstone Elementary School (1)</b>				
Constructed in 2011				
Total Building Square Footage	NA	NA	NA	NA
Enrollment Grades K-6	NA	NA	NA	NA
Student Capacity	NA	NA	NA	NA
Regular Instruction Classrooms	NA	NA	NA	NA
Regular Instruction Teachers	NA	NA	NA	NA
Special Instruction Teachers	NA	NA	NA	NA
<b>Ford Middle School</b>				
Constructed in 1961				
Total Building Square Footage	165,800	165,800	165,800	165,800
Enrollment Grades 6-8	1,030	1,001	1,021	1,000
Student Capacity	1,175	1,175	1,175	1,175
Regular Instruction Classrooms	66	66	66	66
Regular Instruction Teachers	50	52	49	51
Special Instruction Teachers	13	13	13	13
<b>Roehm Middle School</b>				
Constructed in 1956				
Total Building Square Footage	133,804	133,804	133,804	133,804
Enrollment Grades 6-8	666	639	630	627
Student Capacity	1,163	1,163	1,163	1,163
Regular Instruction Classrooms	47	47	47	47
Regular Instruction Teachers	33	34	36	29
Special Instruction Teachers	8	8	7	8
<b>Berea High School</b>				
Constructed in 1928				
Total Building Square Footage	264,266	264,266	264,266	264,266
Enrollment Grades 9-12	1,342	1,193	1,100	1,065
Student Capacity	1,582	1,582	1,582	1,582
Regular Instruction Classrooms	67	67	67	67
Regular Instruction Teachers	55	55	50	42
Special Instruction Teachers	15	17	18	16
<b>Midpark High School</b>				
Constructed in 1962				
Total Building Square Footage	236,563	236,563	236,563	236,563
Enrollment Grades 9-12	1,453	1,396	1,377	1,430
Student Capacity	1,418	1,418	1,418	1,418
Regular Instruction Classrooms	55	55	55	55
Regular Instruction Teachers	60	63	65	72
Special Instruction Teachers	13	18	15	11

(1) 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 transitioned into the new Grindstone Elementary in the 2012 school year.

**Source:** School District's Records

2011	2012	2013	2014	2015	2016
42,000	42,000	42,000	42,000	4,200	4,200
481	0	0	0	0	0
336	336	336	336	336	336
21	0	0	0	0	0
24	0	0	0	0	0
4	0	0	0	0	0
NA	105,000	105,000	105,000	105,000	105,000
NA	820	901	899	890	831
NA	820	820	820	820	820
NA	43	43	43	43	43
NA	38	40	39	40	40
NA	10	16	20	12	14
165,800	165,800	165,800	165,800	165,800	165,800
1,003	1,038	999	925	905	955
1,175	1,175	1,175	1,175	1,175	1,185
66	66	66	66	66	66
48	42	49	47	39	47
11	14	14	11	12	16
133,804	133,804	133,804	133,804	133,804	27,290
631	777	703	0	0	0
1,163	1,163	1,163	1,163	1,163	0
47	47	47	47	0	0
32	40	41	0	0	0
8	9	13	0	0	0
264,266	264,266	264,266	264,266	264,266	264,266
1,100	1,170	1,064	1,672	1,682	1,615
1,582	1,582	1,582	1,582	1,582	1,582
67	67	67	67	67	67
45	45	44	88	67	60
13	12	15	16	21	20
236,563	236,563	236,563	236,563	236,563	236,563
1,348	1,426	1,233	1,471	1,541	1,433
1,418	1,418	1,418	1,418	1,418	1,418
55	55	55	55	55	55
65	60	55	73	69	62
12	11	13	21	28	32

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

Degree	2007	2008	2009	2010
Bachelor's Degree	57	66	56	51
Bachelor + 15	21	30	16	14
Bachelor + 30	28	33	43	40
Master's Degree	331	296	309	329
Master + 15	40	55	35	41
Master + 30	24	39	20	16
PhD	36	35	34	37
Total	537	554	513	528

Source: School District Records

2011	2012	2013	2014	2015	2016
42	67	31	36	18	36
9	20	15	7	4	4
32	25	24	23	21	20
322	317	325	296	286	278
40	47	51	54	57	60
14	16	24	21	23	22
36	14	32	42	31	29
495	506	502	479	440	449

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

Fiscal Year	Berea Attendance Rate	State Average	Berea Graduation Rate	State Average
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
2012	95.30	93.00	91.10	90.00
2013	92.20	94.20	93.40	82.40
2014	95.00	94.30	92.70	82.20
2015	95.30	94.10	93.10	83.80
2016	93.50	94.00	90.90	83.00

Source: Ohio Department of Education Local Report Cards



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

Fiscal Year	Berea Average	State Average
2007	13.8	19.6
2008	13.3	18.6
2009	14.0	18.6
2010	13.4	19.4
2011	14.2	18.5
2012	14.1	21.9
2013	13.9	18.5
2014	14.0	18.5
2015	15.4	N/A
2016	14.6	N/A

Source: Ohio Department of Education, EMIS Reports  
N/A - Information not available.

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

Function/Program	2007	2008	2009	2010	2011
<b>Regular Instruction</b>					
Elementary Classroom Teachers	174.00	174.00	151.00	154.00	137.00
Intermediate School Classroom Teachers	100.00	100.00	88.00	85.00	82.00
Junior High Schools Classroom Teachers	NA	NA	NA	NA	NA
High School Classroom Teachers	121.00	120.50	118.00	114.00	108.00
(1) Non-Teaching Support Staff Elementary	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff Intermediate	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff Junior High	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff High School	NA	NA	NA	NA	NA
<b>Special Instruction</b>					
Elementary Classroom Teachers	43.00	45.00	47.00	36.00	60.00
Gifted Education Teachers	4.00	4.00	4.00	5.00	5.00
Intermediate School Classroom Teachers	NA	NA	NA	NA	NA
Junior High Schools Classroom Teachers	30.50	29.00	28.50	29.00	28.00
High School Classroom Teachers	28.00	28.50	33.50	28.00	25.00
(1) Non-Teaching Support Staff Elementary	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff Intermediate	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff Junior High	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff High School	NA	NA	NA	NA	NA
<b>Vocational Instruction</b>					
High School Classroom Teachers	4.50	4.50	7.00	7.00	5.00
<b>Pupil Support Services</b>					
Guidance Counselors	16.50	16.50	16.50	17.00	18.00
Librarians	6.00	6.00	6.00	7.00	5.50
Psychologists	3.00	4.00	4.00	4.00	4.00
Speech and Language Pathologists	13.00	13.00	12.00	13.00	13.00
(1) Non-Teaching Support Staff Central	4.00	5.00	5.00	5.00	5.00
<b>Instructional Support Service</b>					
(1) Non-Teaching Support Staff Elementary	85.50	86.00	81.50	92.00	75.50
(1) Non-Teaching Support Staff Middle	36.00	35.00	38.00	32.00	33.00
(1) Non-Teaching Support Staff High	30.50	28.00	33.00	33.00	33.00
(1) Non-Teaching Support Staff Central	6.00	6.00	9.00	9.00	9.00
<b>Administration</b>					
Elementary	10.00	10.00	10.00	10.00	8.00
Intermediate School	NA	NA	NA	NA	NA
Junior High Schools	6.00	6.00	6.00	6.00	6.00
High School	8.00	8.00	8.00	8.00	8.00
Central	1.00	1.00	2.00	2.00	2.00
(1) Non-Teaching Support Staff	27.00	27.00	18.00	18.00	18.00
<b>Business</b>					
Central	3.00	3.00	3.00	3.00	3.00

2012	2013	2014	2015	2016
137.00	131.00	120.00	110.00	123.00
83.00	92.00	49.00	39.00	47.00
NA	NA	74.00	69.00	62.00
108.00	99.00	88.00	67.00	56.00
NA	NA	24.00	26.00	28.00
NA	NA	5.00	5.00	5.00
NA	NA	7.00	5.00	5.00
NA	NA	6.00	2.00	4.00
47.00	53.00	48.00	53.00	49.00
5.00	5.00	5.00	4.00	4.00
NA	NA	10.00	11.00	16.00
30.00	28.00	31.50	28.00	32.00
24.00	28.00	16.50	17.00	20.00
NA	NA	38.00	34.00	31.00
NA	NA	13.00	8.00	8.00
NA	NA	6.00	16.00	13.00
NA	NA	10.00	12.00	12.00
7.00	4.00	4.00	3.00	4.00
18.00	18.00	15.00	15.00	15.00
6.00	6.00	5.00	5.00	5.00
4.00	4.00	2.00	2.00	1.00
16.00	16.00	11.00	11.00	12.00
4.00	4.00	5.00	8.00	9.00
54.00	65.00	NA	NA	NA
29.00	28.00	NA	NA	NA
38.00	33.00	NA	NA	NA
8.00	3.00	NA	NA	NA
7.00	7.00	7.00	7.00	7.00
NA	NA	3.00	2.00	2.00
6.00	6.00	4.00	6.00	6.00
8.00	6.00	5.00	4.00	4.00
2.00	2.00	2.00	4.00	4.00
24.00	26.00	23.00	28.00	28.00
3.00	2.00	2.00	2.00	2.00

(continued)

**Berea City School District**  
*School District Employees by Function/Program (continued)*  
*Last Ten Fiscal Years*

Function/Program	2007	2008	2009	2010	2011
Fiscal					
Treasurer Department	7.00	7.00	7.00	7.00	7.00
Operation of Plant					
Custodial Dept.	68.00	68.00	65.00	65.00	61.00
Maintenance Dept.	14.00	17.00	16.00	16.00	16.00
Pupil Transportation					
Bus Drivers	61.00	60.00	46.50	45.00	45.00
Bus Aides	9.00	6.50	7.00	7.00	12.00
Mechanics	5.00	5.00	5.00	5.00	5.00
Transportation support staff	4.00	4.00	4.00	4.00	3.00
Central					
Community Relations	2.50	2.50	2.50	2.00	2.00
Technology	17.00	16.00	18.00	18.00	16.00
Personnel	5.00	5.00	5.00	5.00	5.00
Extracurricular					
Athletic Department	2.00	2.00	2.00	2.00	4.00
Food Service Program					
Elementary	34.00	34.00	16.50	16.50	14.00
Intermediate	NA	NA	NA	NA	NA
Junior High School	14.00	14.00	16.50	16.50	14.00
High School	16.00	16.00	11.00	11.00	11.00
Central	2.00	2.00	1.00	1.00	1.00
Adult Education/Community Service					
Preschool	11.50	11.00	11.00	11.00	12.00
Extended Care	32.00	31.00	24.00	24.00	18.00
Adult Education	2.00	2.00	2.00	2.00	0.00
Totals	<u>1,066.50</u>	<u>1,063.00</u>	<u>989.00</u>	<u>975.00</u>	<u>937.00</u>

Source: School District Records

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

(1) The School District reallocated all the Instructional Support Service FTEs to other functions/programs in fiscal year 2014.

2012	2013	2014	2015	2016
7.00	7.00	6.00	8.00	9.00
46.00	46.00	46.00	41.00	36.00
16.00	16.00	12.00	13.00	13.00
62.00	62.00	68.00	80.00	80.00
15.00	15.00	12.00	17.00	15.00
5.00	5.00	4.00	4.00	4.00
3.00	4.00	3.00	4.00	4.00
2.00	2.00	2.00	1.00	1.00
14.00	12.00	12.00	12.00	11.00
4.00	4.00	4.00	4.00	4.00
4.00	4.00	2.00	1.00	1.00
14.00	14.00	11.00	11.00	10.00
NA	NA	5.00	3.00	4.00
14.00	14.00	5.00	4.00	4.00
11.00	11.00	5.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
12.00	12.00	11.00	8.00	8.00
25.00	22.00	15.00	14.00	14.00
0.00	0.00	0.00	0.00	0.00
<u>923.00</u>	<u>917.00</u>	<u>863.00</u>	<u>833.00</u>	<u>837.00</u>





# 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  
JANUARY 10, 2017**