



Dave Yost • Auditor of State

**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2017**

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**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017**

<u>FEDERAL GRANTOR</u> <i>Pass Through Grantor</i>		Federal	Pass Through		Non-Cash
Program Title	Grant Year	CFDA Number	Entity Identifying Number	Expenditures	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed Through Ohio Department of Education</i>					
Nutrition Cluster					
School Breakfast Program	2017	10.553		\$ 177,899	
National School Lunch Program	2017	10.555		817,685	\$ 125,950
Total Nutrition Cluster				<u>995,584</u>	<u>125,950</u>
Total U.S. Department of Agriculture				<u>995,584</u>	<u>125,950</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed Through Ohio Department of Education</i>					
Title I	2016	84.010		168,168	
Title I	2017	84.010		931,125	
Total Title I				<u>1,099,293</u>	
Special Education Cluster					
IDEA Part B	2016	84.027		67,283	
IDEA Part B	2017	84.027		1,315,762	
Subtotal IDEA Part B				<u>1,383,045</u>	
Preschool Disability Grant	2016	84.173		21,299	
Preschool Disability Grant	2017	84.173		36,234	
Subtotal Preschool Disability Grant				<u>57,533</u>	
Total Special Education Cluster				1,440,578	
Title III LEP	2016	84.365		4,129	
Title III LEP	2017	84.365		25,028	
Total Title III				<u>29,157</u>	
Improving Teacher Quality, Title II-A	2016	84.367		19,772	
Improving Teacher Quality, Title II-A	2017	84.367		117,776	
Total Improving Teacher Quality, Title II-A				<u>137,548</u>	
Total U.S. Department of Education				<u>2,706,576</u>	
Total Federal Financial Assistance				<u><u>3,702,160</u></u>	<u><u>125,950</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
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017. 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, 2017, 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 28, 2017.

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 report 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 initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

December 28, 2017



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

Report on Compliance for the 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 the Berea City School District's major federal program for the year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

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 program.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program 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 the District's major program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the 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 its major federal program for the year ended June 30, 2017.

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, 2017, 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 28, 2017. 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 28, 2017

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**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2017**

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 weaknesses in internal control 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 weaknesses in internal control 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):	Special Education Cluster: CFDA #84.027 – IDEA, Part B; CFDA #84.173 – Preschool Grants to States
<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 AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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BCSD

Berea City School District

EXCELLENCE • INTEGRITY • PURPOSE

Serving Berea, Brook Park and Middleburg Heights

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017



Adalia Moreno • 5th Grade, Ford Intermediate School



Berea, Ohio



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

Issued by: Treasurer's Office
Ryan C. Ghizzoni, Treasurer/CFO

Berea, Cuyahoga County, Ohio

390 Fair Street, Berea, Ohio 44017

www.berea.k12.oh.us

Introductory Section



Niseern Abdulla • 9th Grade, Middleburg Heights Junior High School

Berea City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017
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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 28, 2017

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, 2017. 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 2017, 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 6,373 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 maintains the operation of twelve buildings, including 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 Cincinnati USA Chamber of Commerce 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 a portion of the 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 started 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 2020. 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 2022).

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 (2017) of 6,373 to 5,514 by 2022, with the 1.86 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 2017 were as follows:

Finances:

1. Balanced annual budget for next two fiscal years.
2. Established adequate minimum cash balance metric for the School District to maintain through next two fiscal years.
3. Awarded 2016 – 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-third consecutive years for the district’s Comprehensive Annual Financial Report.
4. Awarded 2016 – ASBO Meritorious Budget Award

Technology:

1. Converted the School District from analog phone system to VOIP
2. Completed initial phase of the staff computers replacement plan and expanded student technology.

Academics:

1. Ranked for the 17th consecutive year as one of the top school districts for music education in the nation by the NAMM Foundation.
2. Continued to offer elementary self-contained gifted classes
3. Continued the offering of rigorous pre-engineering and pre-biomedical programs in the high school;
4. Offered 10 Dual Credit College Courses on our campus where students receive both high school and college credit.
5. Between 2012-2017, the School District has had 5 finalists, 10 semi-finalists and 24 commended scholars in the National Merit Scholarship Program.

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. Implemented transportation and maintenance vehicle replacement plan, which commenced with initial purchases of vehicles in 2017.
2. Successfully passed a new construction and building renovation bond issue in November 2016 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. The general obligation bonds in the amount of \$112,500,000 were issued on March 2, 2017.

Specific goals/action steps for 2018 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.
- Identify and promote highly effective educational practices to support all employees
- Cultivate a cohesive, School District-wide community identity, *Titans*, that unites and inspires our students, staff, parents, and school programs,
- Establish consistency throughout the School District and its buildings in terms of the channels used to communicate with parents.
- Expand the District Financial Advisory Committee to include a complete representation of the overall community and foster transparent financial practices.

Service to the Community

For the 20th 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.

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, 2016.

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 2016 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, 2016.

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

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

Respectfully submitted,



Ryan Ghizzoni
Treasurer/CFO



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, 2016

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Berea City School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE
Executive Director

Berea City School District
Principal Officials
For the Fiscal Year Ended June 30, 2017

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

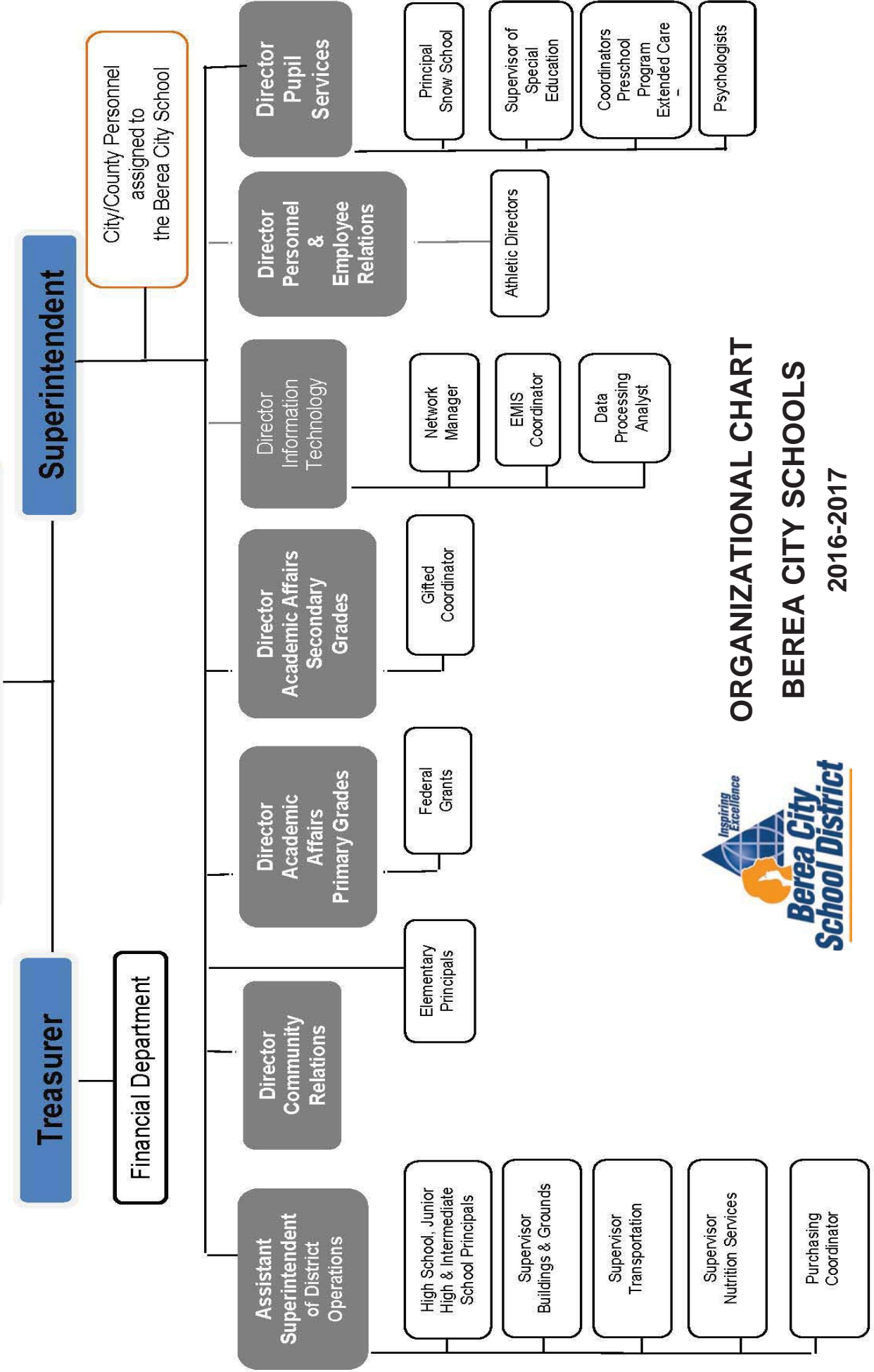
Mr. Ryan C. Ghizzoni

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

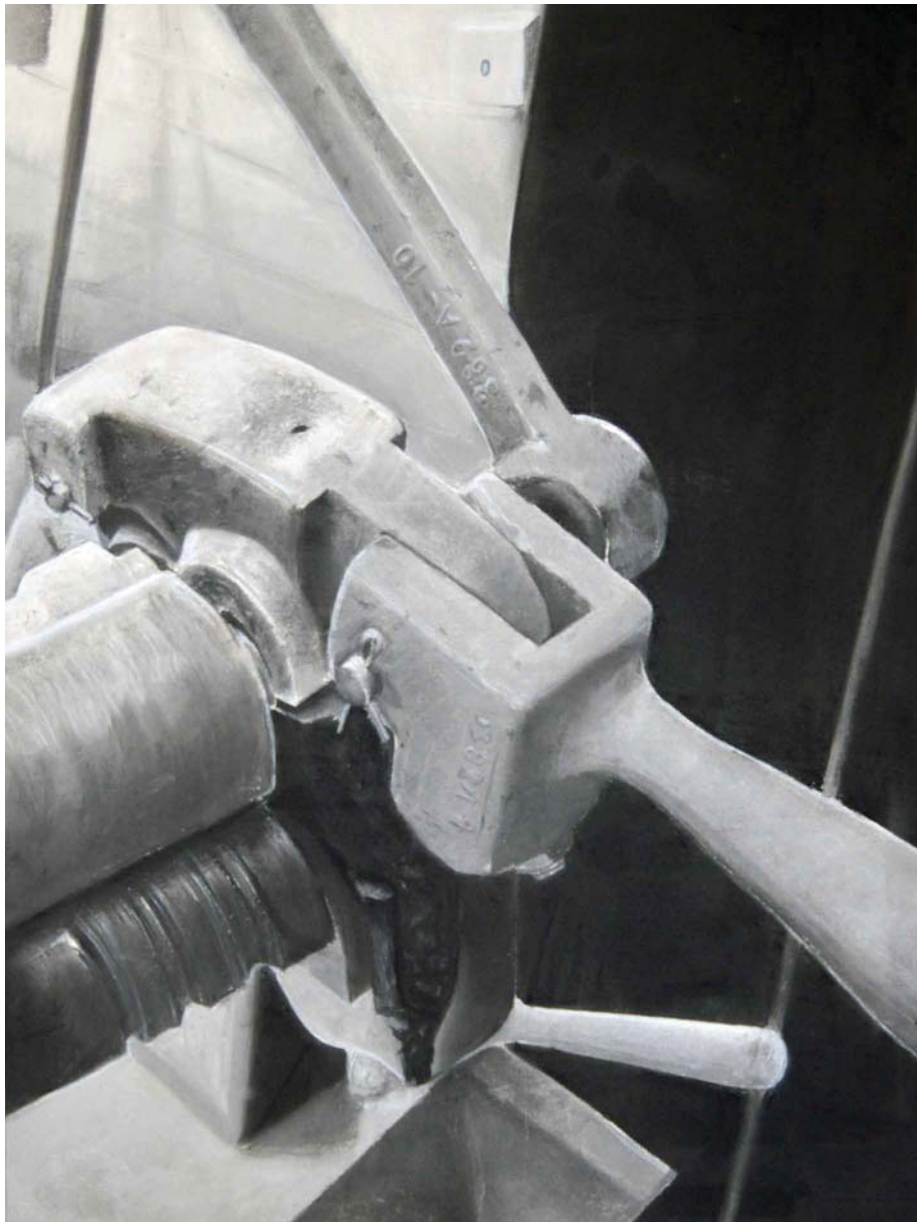
BOARD OF EDUCATION



**ORGANIZATIONAL CHART
BEREA CITY SCHOOLS
2016-2017**

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Financial Section



Lydia Guan • 12th Grade, Berea-Midpark High School



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, 2017, 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 such 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, 2017, 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 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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2017, 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 style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

December 28, 2017

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Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

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, 2017. 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 2017 are as follows:

- The net position of the School District decreased \$302,744 and revenues decreased \$143,874 from fiscal year 2016 levels.
- Total program expenses were \$93,173,315, a \$9,718,839 increase from fiscal year 2016 expenses of \$83,454,476.
- 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 capital improvements district-wide. Two new buildings will be built as well as renovations and updates to existing buildings. The general obligation bonds in the amount of \$112,500,000 were issued on March 2, 2017.

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 2017?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include *all assets and deferred outflows of resources* and *all 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, 2017
Unaudited

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 and building capital projects fund.

Governmental Funds Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net 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 2017 compared to 2016.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

Table 1
Net Position

	2017	2016	Change
Assets			
Current and Other Assets	\$205,821,442	\$77,625,608	\$128,195,834
Capital Assets	45,983,375	45,991,798	(8,423)
Total Assets	<u>251,804,817</u>	<u>123,617,406</u>	<u>128,187,411</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding Pension	1,327,620	1,439,346	(111,726)
	<u>25,182,898</u>	<u>11,300,365</u>	<u>13,882,533</u>
Total Deferred Outflows of Resources	<u>26,510,518</u>	<u>12,739,711</u>	<u>13,770,807</u>
Liabilities			
Current and Other Liabilities	12,250,638	11,698,670	551,968
Long-term Liabilities:			
Due Within One Year	4,559,396	2,608,927	1,950,469
Due in More Than One year:			
Net Pension Liability	140,677,549	116,923,967	23,753,582
Other Amounts	<u>141,660,154</u>	<u>31,650,921</u>	<u>110,009,233</u>
Total Liabilities	<u>299,147,737</u>	<u>162,882,485</u>	<u>136,265,252</u>
Deferred Inflows of Resources			
Property Taxes	49,978,718	36,468,336	13,510,382
Pension	6,718,918	14,224,842	(7,505,924)
Deferred Gain on Refunding	<u>6,574</u>	<u>15,322</u>	<u>(8,748)</u>
Total Deferred Inflows of Resources	<u>56,704,210</u>	<u>50,708,500</u>	<u>5,995,710</u>
Net Position			
Net Investment in Capital Assets	16,438,747	14,073,293	2,365,454
Restricted	6,839,369	5,921,327	918,042
Unrestricted (Deficit)	<u>(100,814,728)</u>	<u>(97,228,488)</u>	<u>(3,586,240)</u>
Total Net Position	<u><u>(\$77,536,612)</u></u>	<u><u>(\$77,233,868)</u></u>	<u><u>(\$302,744)</u></u>

The net pension liability (NPL) is one of the largest liabilities reported by the School District at June 30, 2017 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, 2017
Unaudited

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.

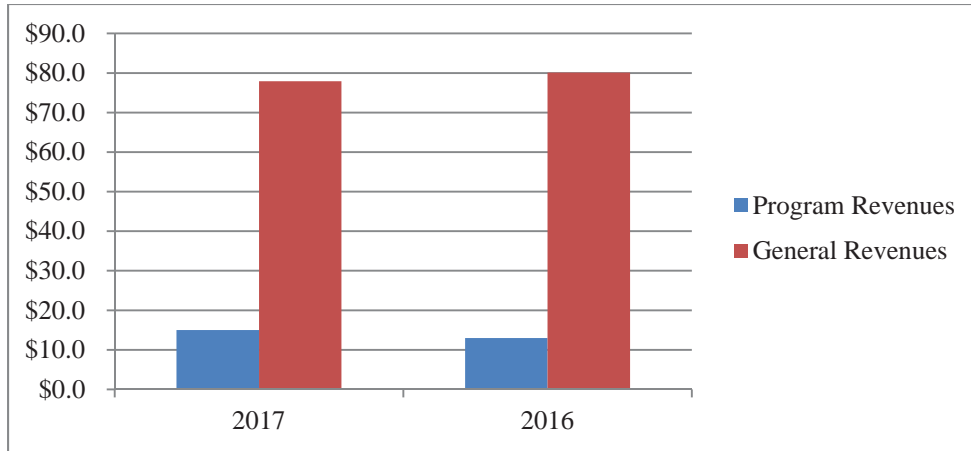
Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution 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.

Graph 1
Revenues
(In Millions)

	2017	2016
Program Revenues	\$15.0	\$13.0
General Revenues	77.9	80.1

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited



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 59.9 percent of revenues for governmental activities for Berea City School District in fiscal year 2017. The decrease in property tax revenue was due a decrease in the amount available as an advance from the County at fiscal year end. The School District passed a 4.2 mill bond levy in the fall of 2016. The School District will see an increase in property tax revenues in fiscal year 2018 when they receive a full year of collections from this new levy.

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 2017 and 2016.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

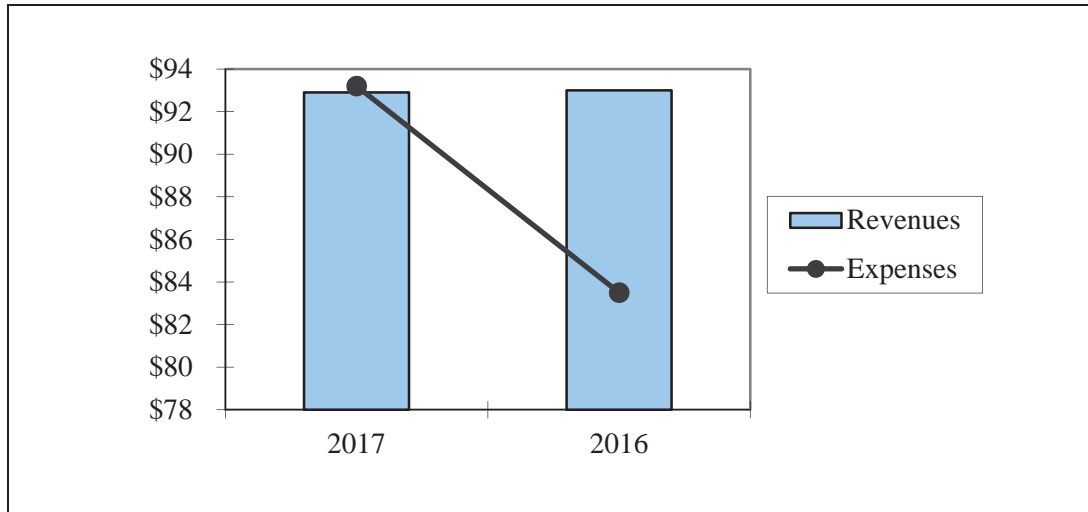
Table 2
Changes in Net Position

	2017	2016	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$6,831,859	\$5,367,397	\$1,464,462
Operating Grants, Contributions and Interest	7,500,793	7,572,434	(71,641)
Capital Grants and Contributions and Interest	624,573	12,600	611,973
<i>Total Program Revenues</i>	<u>14,957,225</u>	<u>12,952,431</u>	<u>2,004,794</u>
<i>General Revenues</i>			
Property Taxes	55,620,633	57,344,335	(1,723,702)
Grants and Entitlements	21,679,782	22,430,197	(750,415)
Interest	146,467	37,954	108,513
Other	466,464	249,528	216,936
<i>Total General Revenues</i>	<u>77,913,346</u>	<u>80,062,014</u>	<u>(2,148,668)</u>
<i>Total Revenues</i>	<u>92,870,571</u>	<u>93,014,445</u>	<u>(143,874)</u>
Program Expenses			
Instruction	53,971,708	49,326,871	4,644,837
Support Services:			
Pupils and Instructional Staff	7,964,201	7,053,999	910,202
Board of Education, Administration, Fiscal, and Business	8,393,130	7,853,248	539,882
Operation and Maintenance of Plant	6,288,109	5,570,470	717,639
Pupil Transportation	6,281,638	5,877,604	404,034
Central	2,673,824	1,949,975	723,849
Operation of Non-Instructional Services	3,458,007	3,207,160	250,847
Extracurricular Activities	1,368,948	1,404,707	(35,759)
Interest and Fiscal Charges	2,773,750	1,210,442	1,563,308
<i>Total Expenses</i>	<u>93,173,315</u>	<u>83,454,476</u>	<u>9,718,839</u>
<i>Change in Net Position</i>	(302,744)	9,559,969	(9,862,713)
Net Position Beginning of Year	<u>(77,233,868)</u>	<u>(86,793,837)</u>	<u>9,559,969</u>
Net Position End of Year	<u>(\$77,536,612)</u>	<u>(\$77,233,868)</u>	<u>(\$302,744)</u>

Graph 2
Revenues and Expenses
(In Millions)

	2017	2016
Revenues	\$92.9	\$93.0
Expenses	93.2	83.5

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited



Total program revenues increased \$2,004,794 mainly due to an increase in tuition and fees as well as an increase in capital contributions and interest. The increase is due to the large receivable at year end for Regular and Special Education Tuition that comes over from the State through foundation. This increase is offset by a decrease 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 2017's interest revenue is \$108,513 more than 2016'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 57.9 percent of expenses. When combined with pupil and instructional support these categories make up 66.5 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.

Overall total governmental expenses increased \$9,718,839 due to negotiated increases in salary and increases in interest and fiscal charges due to the new bond issued. 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.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

Table 3
 Total and Cost of Program Services
 Governmental Activities

	2017		2016	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$53,971,708	\$44,946,759	\$49,326,871	\$41,961,471
Support Services:				
Pupil and Instructional Staff	7,964,201	7,117,063	7,053,999	6,341,887
Board of Education, Administration, Fiscal and Business	8,393,130	7,949,147	7,853,248	7,470,709
Operation and Maintenance of Plant	6,288,109	6,196,773	5,570,470	5,495,227
Pupil Transportation	6,281,638	6,094,676	5,877,604	5,669,291
Central	2,673,824	2,121,934	1,949,975	1,605,046
Operation of Non-Instructional Services	3,458,007	143,991	3,207,160	(117,720)
Extracurricular Activities	1,368,948	871,997	1,404,707	865,692
Interest and Fiscal Charges	2,773,750	2,773,750	1,210,442	1,210,442
Total	\$93,173,315	\$78,216,090	\$83,454,476	\$70,502,045

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 \$91,724,271 and expenditures of \$91,726,108. The net change in the governmental funds fund balance for the year was most significant in the building capital projects fund, where the fund balance increased from a fund balance of zero to a fund balance of \$112,850,142. This increase is due to the issuance of the general obligation bonds during the year.

There was a decrease in fund balance for the year in the general fund of \$612,407. The decrease in the general fund is due to a decrease in the amount of property tax revenue available from the County at fiscal year end. This was offset by a decrease in the amount of transfers to supplement programs in other funds compared to the prior year.

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 2017 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.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

For the general fund, final budget basis revenue was \$83,097,712, which was an increase from the original budget estimates of \$82,132,793. Actual revenue received was \$83,052,961, due to lower than estimated Tuition and fees revenues.

Total final estimated expenditures on the budget basis (cash outlays plus encumbrances) were \$80,877,912, \$2,219,800 below budget basis revenues. Actual expenditures were only \$80,587,763, \$290,149 below the final budgeted appropriations.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2017 balances compared to the prior fiscal year:

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

	2017	2016
Land	\$893,217	\$893,217
Construction in Progress	1,146,680	0
Land Improvements	826,187	900,334
Buildings and Improvements	40,845,808	41,916,563
Furniture and Equipment	439,854	396,694
Vehicles	1,831,629	1,884,990
Total	\$45,983,375	\$45,991,798

The decrease in capital assets in fiscal year 2017 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.

Ohio law requires school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2017 this amounted to \$1,093,986 for the set aside. The School District had qualifying disbursements or offsets exceeding this requirement. See Note 17 for additional information regarding set asides.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

Debt

Table 5 summarizes bonds, certificate of participation, and notes outstanding for fiscal year 2017 and fiscal year 2016:

Table 5
 Outstanding Debt at June 30
 Governmental Activities

	2017	2016
2003 School Improvement Refunding Bonds	\$960,000	\$1,850,000
2007 Energy Conservation Bonds	3,067,407	3,501,035
Certificates of Participation	24,814,405	25,639,899
2008 Tax Anticipation Notes	336,900	660,656
2013 Tax Anticipation Notes	1,870,000	2,160,000
2017 School Improvement Bonds	114,050,319	0
Total	\$145,099,031	\$33,811,590

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 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. On March 2, 2017, the School District issued \$112,500,000 million in School Improvement Bonds.

At June 30, 2017 the School District's overall legal debt margin was \$5,458,731 with an unvoted debt margin of \$1,296,827. 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.

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.

Minimal new construction in Class I or Class II property and restrictions on inflationary growth in tax revenue due to limitations set forth in House Bill 920 further challenges this plan. Recent legislation has reinstated the phase out of the personal property tax reimbursement from the State of Ohio. This will eventually lead to a twelve percent reduction in current revenue levels. Furthermore, based on the current State budget, the School District's growth in unrestricted State aid is limited to 3% annually. 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
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

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.

Berea City School District*Statement of Net Position**June 30, 2017*

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$137,784,515
Accounts Receivable	92,518
Intergovernmental Receivable	4,181,207
Prepaid Items	5,168
Inventory Held for Resale	16,783
Materials and Supplies Inventory	98,778
Taxes Receivable	63,000,711
Unamortized Bond Insurance Premium	641,762
Non-depreciable Capital Assets	2,039,897
Depreciable Capital Assets, Net	43,943,478
<i>Total Assets</i>	<u>251,804,817</u>
Deferred Outflows of Resources	
Deferred Charge on Refunding	1,327,620
Pension	25,182,898
<i>Total Deferred Outflows of Resources</i>	<u>26,510,518</u>
Liabilities	
Accounts Payable	1,337,650
Accrued Wages	5,447,489
Matured Compensated Absences Payable	231,240
Intergovernmental Payable	1,565,780
Accrued Interest Payable	624,305
Notes Payable	2,206,900
Claims Payable	837,274
Long-Term Liabilities:	
Due Within One Year	4,559,396
Due In More Than One Year:	
Net Pension Liability (See Note 13)	140,677,549
Other Amounts	141,660,154
<i>Total Liabilities</i>	<u>299,147,737</u>
Deferred Inflows of Resources	
Property Taxes	49,978,718
Pension	6,718,918
Deferred Gain on Refunding	6,574
<i>Total Deferred Inflows of Resources</i>	<u>56,704,210</u>
Net Position	
Net Investment in Capital Assets	16,438,747
Restricted for:	
Capital Projects	1,470,269
Debt Service	2,266,997
District Managed Student Activity	81,923
Locally Funded Programs	601,645
State Funded Programs	82,332
Federal Funded Programs	2,314,060
Unclaimed Monies	22,143
Unrestricted (Deficit)	(100,814,728)
<i>Total Net Position</i>	<u>(\$77,536,612)</u>

See accompanying notes to the basic financial statements

Berea City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2017

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest		Capital Grants and Contributions Interest
Governmental Activities				Governmental Activities	
Instruction:					
Regular	\$35,334,382	\$2,217,870	\$223,091	\$373,090	(\$32,520,331)
Special	14,924,379	2,179,966	3,996,264	0	(8,748,149)
Vocational	304,519	0	34,668	0	(269,851)
Student Intervention	3,408,428	0	0	0	(3,408,428)
Support Services:					
Pupil	5,753,491	0	591,930	0	(5,161,561)
Instructional Staff	2,210,710	0	8,208	247,000	(1,955,502)
Board of Education	28,976	0	0	0	(28,976)
Administration	5,516,878	0	308,439	0	(5,208,439)
Fiscal	2,343,485	10,398	119,384	0	(2,213,703)
Business	503,791	4,446	1,316	0	(498,029)
Operation and Maintenance of Plant	6,288,109	91,336	0	0	(6,196,773)
Pupil Transportation	6,281,638	186,044	918	0	(6,094,676)
Central	2,673,824	0	547,407	4,483	(2,121,934)
Operation of Non-Instructional Services:					
Food Service Operations	1,767,968	622,957	987,925	0	(157,086)
Other Non-Instructional Services	1,690,039	1,051,704	651,430	0	13,095
Extracurricular Activities	1,368,948	467,138	29,813	0	(871,997)
Interest and Fiscal Charges	2,773,750	0	0	0	(2,773,750)
Totals	<u>\$93,173,315</u>	<u>\$6,831,859</u>	<u>\$7,500,793</u>	<u>\$624,573</u>	<u>(78,216,090)</u>

General Revenues

Property Taxes Levied for:	
General Purposes	50,318,517
Debt Service	4,109,314
Capital Outlay	1,192,802
Grants and Entitlements not Restricted to Specific Programs	21,679,782
Investment Earnings	146,467
Miscellaneous	466,464
Total General Revenues	<u>77,913,346</u>
Change in Net Position	(302,744)
Net Position Beginning of Year	<u>(77,233,868)</u>
Net Position End of Year	<u>(\$77,536,612)</u>

See accompanying notes to the basic financial statements

Berea City School District

Balance Sheet

Governmental Funds

June 30, 2017

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$17,522,112	\$112,850,142	\$7,071,483	\$137,443,737
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	22,143	0	0	22,143
Accounts Receivable	80,547	0	11,971	92,518
Intergovernmental Receivable	2,885,219	0	1,168,539	4,053,758
Interfund Receivable	629,402	0	0	629,402
Prepaid Items	5,168	0	0	5,168
Inventory Held for Resale	6,426	0	10,357	16,783
Materials and Supplies Inventory	89,323	0	9,455	98,778
Property Taxes Receivable	56,381,286	0	6,619,425	63,000,711
<i>Total Assets</i>	<u>\$77,621,626</u>	<u>\$112,850,142</u>	<u>\$14,891,230</u>	<u>\$205,362,998</u>
Liabilities				
Accounts Payable	\$582,612	\$0	\$753,518	\$1,336,130
Accrued Wages	5,216,424	0	231,065	5,447,489
Matured Compensated Absences Payable	231,240	0	0	231,240
Interfund Payable	0	0	254,738	254,738
Intergovernmental Payable	1,432,053	0	109,251	1,541,304
Accrued Interest Payable	0	0	4,428	4,428
Notes Payable	0	0	2,206,900	2,206,900
<i>Total Liabilities</i>	<u>7,462,329</u>	<u>0</u>	<u>3,559,900</u>	<u>11,022,229</u>
Deferred Inflows of Resources				
Unavailable Revenue	3,506,137	0	912,357	4,418,494
Property Taxes	44,670,799	0	5,307,919	49,978,718
<i>Total Deferred Inflows of Resources</i>	<u>48,176,936</u>	<u>0</u>	<u>6,220,276</u>	<u>54,397,212</u>
Fund Balances				
Nonspendable	116,634	0	9,455	126,089
Restricted	0	112,850,142	6,816,864	119,667,006
Assigned	708,842	0	0	708,842
Unassigned (Deficit)	21,156,885	0	(1,715,265)	19,441,620
<i>Total Fund Balances</i>	<u>21,982,361</u>	<u>112,850,142</u>	<u>5,111,054</u>	<u>139,943,557</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$77,621,626</u>	<u>\$112,850,142</u>	<u>\$14,891,230</u>	<u>\$205,362,998</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, 2017*

Total Governmental Fund Balances	\$139,943,557
 <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.	45,983,375
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	2,119,209
Intergovernmental	838,904
Tuition and Fees	1,458,649
Miscellaneous	<u>1,732</u>
Total	4,418,494
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.	(791,850)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(619,877)
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.	1,327,620
Deferred inflows of resources represent deferred gains on refundings, which are not reported in the funds.	(6,574)
Unamortized bond insurance premiums do not provide current financial resources and, therefore, are not reported in the funds.	641,762
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Certificates of Participation	(24,814,405)
General Obligation Bonds	(118,077,726)
Compensated Absences	<u>(3,327,419)</u>
Total	(146,219,550)
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	25,182,898
Deferred Inflows - Pension	(6,718,918)
Net Pension Liability	<u>(140,677,549)</u>
Total	<u>(122,213,569)</u>
<i>Net Position of Governmental Activities</i>	<u><u>(\$77,536,612)</u></u>

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, 2017

	General	Building	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$50,090,604	\$0	\$5,203,334	\$55,293,938
Intergovernmental	24,005,098	0	4,610,695	28,615,793
Interest	146,353	364,973	9,712	521,038
Tuition and Fees	4,409,990	0	1,050,498	5,460,488
Extracurricular Activities	200,128	0	232,978	433,106
Rentals	91,336	0	33,130	124,466
Charges for Services	0	0	633,355	633,355
Contributions and Donations	21,756	0	345,712	367,468
Miscellaneous	255,454	0	19,165	274,619
<i>Total Revenues</i>	<u>79,220,719</u>	<u>364,973</u>	<u>12,138,579</u>	<u>91,724,271</u>
Expenditures				
Current:				
Instruction:				
Regular	32,524,837	0	192,058	32,716,895
Special	13,060,654	0	1,225,849	14,286,503
Vocational	285,446	0	0	285,446
Student Intervention	3,357,362	0	0	3,357,362
Support Services:				
Pupil	4,852,163	0	534,775	5,386,938
Instructional Staff	2,036,698	0	24,016	2,060,714
Board of Education	28,575	0	0	28,575
Administration	4,805,790	0	268,758	5,074,548
Fiscal	2,041,409	0	183,162	2,224,571
Business	469,412	0	0	469,412
Operation and Maintenance of Plant	5,677,993	0	5,980	5,683,973
Pupil Transportation	5,466,899	0	7,662	5,474,561
Central	1,926,059	0	488,889	2,414,948
Operation of Non-Instructional Services	6,726	0	1,610,431	1,617,157
Operation of Food Service	0	0	1,619,880	1,619,880
Extracurricular Activities	1,039,272	0	288,636	1,327,908
Capital Outlay	70,000	15,715	1,810,801	1,896,516
Debt Service:				
Principal Retirement	835,000	0	1,315,000	2,150,000
Interest and Fiscal Charges	884,673	0	1,412,290	2,296,963
General Obligation Bond Issuance Costs	0	1,353,238	0	1,353,238
<i>Total Expenditures</i>	<u>79,368,968</u>	<u>1,368,953</u>	<u>10,988,187</u>	<u>91,726,108</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(148,249)</u>	<u>(1,003,980)</u>	<u>1,150,392</u>	<u>(1,837)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	112,500,000	0	112,500,000
Premium on General Obligation Bonds	0	1,354,122	210,197	1,564,319
Transfers In	0	0	464,158	464,158
Transfers Out	(464,158)	0	0	(464,158)
<i>Total Other Financing Sources (Uses)</i>	<u>(464,158)</u>	<u>113,854,122</u>	<u>674,355</u>	<u>114,064,319</u>
<i>Net Change in Fund Balances</i>	(612,407)	112,850,142	1,824,747	114,062,482
<i>Fund Balances Beginning of Year</i>	<u>22,594,768</u>	<u>0</u>	<u>3,286,307</u>	<u>25,881,075</u>
<i>Fund Balances End of Year</i>	<u>\$21,982,361</u>	<u>\$112,850,142</u>	<u>\$5,111,054</u>	<u>\$139,943,557</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, 2017*

Net Change in Fund Balances - Total Governmental Funds	\$114,062,482
<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	1,721,382
Depreciation	<u>(1,729,805)</u>
Total	(8,423)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Delinquent Property Taxes	326,695
Intergovernmental	447,316
Tuition and Fees	180,444
Miscellaneous	<u>1,732</u>
Total	956,187
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	835,000
General Obligation Bonds	<u>1,315,000</u>
Total	2,150,000
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.	
	524,391
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	(375,747)
Amortization of Accounting Loss	(111,726)
Amortization of Accounting Gain	8,748
Amortization of Unamortized Bond Insurance Premium	(11,184)
Amortization of Certificates of Participation Discount	(18,569)
Amortization of Bond Premium	<u>31,691</u>
Total	(476,787)
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.	
	(58,505)
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.	
	(1,022,645)
Other financing sources in the governmental funds increased long-term liabilities in the statement of net position.	
General Obligation Bonds Issued	(112,500,000)
Premium on General Obligation Bonds Issued	<u>(1,564,319)</u>
Total	(114,064,319)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
	6,668,840
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>(9,033,965)</u>
<i>Change in Net Position of Governmental Activities</i>	<u><u>(\$302,744)</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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$57,515,052	\$55,408,525	\$55,408,525	\$0
Intergovernmental	20,978,471	23,886,548	23,899,018	12,470
Interest	52,453	146,185	146,185	0
Tuition and Fees	3,117,732	3,092,675	3,035,462	(57,213)
Extracurricular Activities	192,230	200,081	200,072	(9)
Rentals	65,780	87,126	87,126	0
Contributions and Donations	20,400	21,756	21,756	0
Miscellaneous	190,675	254,816	254,817	1
<i>Total Revenues</i>	<u>82,132,793</u>	<u>83,097,712</u>	<u>83,052,961</u>	<u>(44,751)</u>
Expenditures				
Current:				
Instruction:				
Regular	33,122,265	32,789,848	32,735,672	54,176
Special	13,430,929	13,227,898	13,226,896	1,002
Vocational	321,745	334,718	333,950	768
Student Intervention	3,370,126	3,413,426	3,413,411	15
Support Services:				
Pupil	4,691,907	4,903,053	4,899,955	3,098
Instructional Staff	2,533,991	2,230,392	2,100,966	129,426
Board of Education	38,302	38,302	34,121	4,181
Administration	4,845,977	4,889,753	4,885,020	4,733
Fiscal	2,055,369	2,110,069	2,110,051	18
Business	539,635	500,192	495,647	4,545
Operation and Maintenance of Plant	5,770,870	5,872,107	5,862,298	9,809
Pupil Transportation	5,574,518	5,577,833	5,548,386	29,447
Central	1,825,832	2,136,753	2,130,165	6,588
Operation of Non-Instructional Services	26,465	26,465	6,776	19,689
Extracurricular Activities	1,004,363	1,033,843	1,011,189	22,654
Capital Outlay	73,587	73,587	73,587	0
Debt Service:				
Principal Retirement	835,000	835,000	835,000	0
Interest and Fiscal Charges	884,673	884,673	884,673	0
<i>Total Expenditures</i>	<u>80,945,554</u>	<u>80,877,912</u>	<u>80,587,763</u>	<u>290,149</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>\$1,187,239</u>	<u>\$2,219,800</u>	<u>\$2,465,198</u>	<u>\$245,398</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Sources (Uses)				
Advances In	\$86,152	\$86,152	\$86,152	\$0
Advances Out	0	0	(482,762)	(482,762)
Transfers Out	(510,000)	(505,368)	(464,158)	41,210
<i>Total Other Financing Sources (Uses)</i>	<u>(423,848)</u>	<u>(419,216)</u>	<u>(860,768)</u>	<u>(441,552)</u>
<i>Net Change in Fund Balance</i>	763,391	1,800,584	1,604,430	(196,154)
<i>Fund Balance Beginning of Year</i>	13,552,528	13,552,528	13,552,528	0
Prior Year Encumbrances Appropriated	<u>1,236,352</u>	<u>1,236,352</u>	<u>1,236,352</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,552,271</u></u>	<u><u>\$16,589,464</u></u>	<u><u>\$16,393,310</u></u>	<u><u>(\$196,154)</u></u>

See accompanying notes to the basic financial statements

Berea City School District
Statement of Fund Net Position
Internal Service Funds
June 30, 2017

	<u>Internal Service</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$318,635
Intergovernmental Receivable	<u>127,449</u>
<i>Total Assets</i>	<u>446,084</u>
Liabilities	
Accounts Payable	\$1,520
Intergovernmental Payable	24,476
Interfund Payable	374,664
Claims Payable	<u>837,274</u>
<i>Total Liabilities</i>	<u>1,237,934</u>
Net Position	
Unrestricted (Deficit)	<u><u>(\$791,850)</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, 2017*

	Internal Service
Operating Revenues	
Charges for Services	\$9,560,414
Other	190,113
	<u>9,750,527</u>
<i>Total Operating Revenues</i>	<i>9,750,527</i>
Operating Expenses	
Purchased Services	1,557,268
Claims	9,215,904
	<u>10,773,172</u>
<i>Total Operating Expenses</i>	<i>10,773,172</i>
<i>Change in Net Position</i>	<i>(1,022,645)</i>
<i>Net Position Beginning of Year</i>	<i>230,795</i>
	<u>230,795</u>
<i>Net Position End of Year</i>	<i>(\$791,850)</i>
	<u>(\$791,850)</u>

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, 2017

	Internal Service
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services	\$9,560,414
Other Cash Receipts	62,664
Cash Payments for Goods and Services	(1,552,749)
Cash Payments for Claims	(9,053,057)
	(982,728)
<i>Net Cash Used for Operating Activities</i>	
Cash Flows from Noncapital Financing Activities	
Advance In	374,664
	(608,064)
<i>Net Decrease in Cash and Cash Equivalents</i>	
<i>Cash and Cash Equivalents Beginning of Year</i>	926,699
	\$318,635
	\$318,635
 Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
<i>Operating Loss</i>	(\$1,022,645)
Increase in Intergovernmental Receivable	(127,449)
Increase (Decrease) in Liabilities	
Accounts Payable	(16,280)
Intergovernmental Payable	20,799
Claims Payable	162,847
	(\$982,728)
<i>Net Cash Used for Operating Activities</i>	(\$982,728)

See accompanying notes to the basic financial statements

Berea City School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Private Purpose Trust Fund	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$13,511	\$396,167
Liabilities		
Undistributed Monies	0	\$288,541
Due to Students	0	107,626
<i>Total Liabilities</i>	0	\$396,167
Net Position		
Held in Trust for Scholarships:	\$13,511	

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, 2017

	Scholarship
Additions	
Interest	\$66
Deductions	0
<i>Change in Net Position</i>	66
<i>Net Position Beginning of Year</i>	13,445
<i>Net Position End of Year</i>	\$13,511

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, 2017

Note 1 - Description of the School District and Reporting Entity

Berea City School District (the "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 thirteen instructional/support facilities staffed by 389 classified employees, 437 certificated full-time personnel, and 44 administrators who provide services to 6,373 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.

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.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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:

Cincinnati USA Chamber of Commerce 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.

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

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.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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.

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 in a single column 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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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.

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.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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, 2017, but which were levied to finance fiscal year 2018 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 miscellaneous 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. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. 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.

During fiscal year 2017, 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, commercial paper, money markets, mutual funds, negotiable certificates of deposit and STAR Ohio. Investments are reported at fair value which is based on quoted market prices. The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

During fiscal year 2017, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office which allowed 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 Standard's 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.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

For the fiscal year 2017, 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 2017 amounted to \$146,353 which includes \$79,855 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, 2017, 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.

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. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent. On the fund financial statements, bond insurance premiums and discounts and premiums on bonds and COPs are receipted 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.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

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.

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.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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.

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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.

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 funds. 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.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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 – Changes in Accounting Principles

For fiscal year 2017, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. GASB Statement No. 77 requires disclosures of information about the nature and magnitude of tax abatements. These changes were incorporated in the School District's 2017 financial statements; however, there were no material abatements.

The School District also implemented GASB's *Implementation Guide No. 2016-1*. These changes were incorporated in the School District's fiscal year 2017 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Accountability

The following funds had deficit fund balances at June 30, 2017:

Special Revenue Funds	
Title I	\$46,539
Preschool at Risk	4,419
Preschool	1,894
Title IIA	3,051
Title III	1,278
Capital Projects Fund	
Permanent Improvement	1,658,084

Berea City School District
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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).
6. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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	(\$612,407)
Net Adjustment for Revenue Accruals	3,836,796
Advances In	86,152
Ending Unrecorded Cash End of Year	(6,229)
Ending Fair Value Adjustment for Investments	1,675
Net Adjustment for Expenditure Accruals	74,236
Advances Out	(482,762)
Adjustment for Encumbrances	(1,293,031)
	(1,293,031)
Budget Basis	\$1,604,430

Berea City School District
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For the Fiscal Year Ended June 30, 2017

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	Building	Other Governmental Funds	Total
Nonspendable				
Prepays	\$5,168	\$0	\$0	\$5,168
Inventory	89,323	0	9,455	98,778
Unclaimed Monies	22,143	0	0	22,143
<i>Total Nonspendable</i>	<u>116,634</u>	<u>0</u>	<u>9,455</u>	<u>126,089</u>
Restricted for				
Non-Public Schools	0	0	76,542	76,542
Athletics and Music	0	0	80,191	80,191
Professional Development	0	0	77,701	77,701
Special Education	0	0	1,103	1,103
Food Service Operations	0	0	1,632,071	1,632,071
Adult Education	0	0	539,986	539,986
Debt Service Payments	0	0	4,409,270	4,409,270
Capital Improvements	0	112,850,142	0	112,850,142
<i>Total Restricted</i>	<u>0</u>	<u>112,850,142</u>	<u>6,816,864</u>	<u>119,667,006</u>
Assigned to				
Purchases on Order:				
Instruction	197,514	0	0	197,514
Support Services	506,894	0	0	506,894
Athletics and Music	847	0	0	847
Capital Improvements	3,587	0	0	3,587
<i>Total Assigned</i>	<u>708,842</u>	<u>0</u>	<u>0</u>	<u>708,842</u>
Unassigned (Deficit)	<u>21,156,885</u>	<u>0</u>	<u>(1,715,265)</u>	<u>19,441,620</u>
<i>Total Fund Balances</i>	<u>\$21,982,361</u>	<u>\$112,850,142</u>	<u>\$5,111,054</u>	<u>\$139,943,557</u>

Note 7 – Property Taxes

Property taxes are levied and assessed on a calendar year basis, while the School District's fiscal year runs from July through June. First-half tax 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 2017 represent the collection of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed values as of January 1, 2016, 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

Berea City School District
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For the Fiscal Year Ended June 30, 2017

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 2017 represent the collection of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 became a lien on December 31, 2015, were levied after April 1, 2016, 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, 2017, are available to finance fiscal year 2017 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, 2017 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, 2017, was \$9,731,788 in the general fund, \$941,408 in the bond retirement debt service fund, and \$229,587 in the permanent improvement capital projects fund. 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.

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.

The assessed values upon which fiscal year 2017 taxes were collected are:

	2016 Second Half Collections		2017 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,275,009,230	97.21%	\$1,256,415,050	96.88%
Public Utility Personal	36,528,700	2.79	40,412,290	3.12
Total	\$1,311,537,930	100.00%	\$1,296,827,340	100.00%
Full Tax Rate per \$1,000 of assessed valuation	\$78.00		\$82.20	

On November 8, 2016, the residents of the School District approved a 4.2 mill bond levy. Tax revenue from this levy was received beginning January 1, 2017.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 8 - Interfund Transactions

Interfund Balances

Interfund balances at June 30, 2017, consist of the following individual fund receivables and payables:

	Interfund Receivable
Interfund Payable	General
Other Governmental Funds:	
Title VI-B	\$101,417
Title I	123,245
District Managed Student Activities	29
Preschool at Risk	8,688
Preschool	4,509
Title IIA	15,218
Title III	1,632
Total Governmental Funds	254,738
Internal Service Fund:	
Self Insurance	374,664
Total	\$629,402

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. The interfund payable in the self insurance fund are advances for charges for services that were not received by fiscal year end and were used pay claims. Interfund balances will be repaid within one year.

Interfund Transfers

The transfers of \$4,158 and \$460,000 from the general fund to the district managed student activities special revenue fund and the permanent improvement capital projects fund, respectively, were made to move unrestricted balances to support programs and projects accounted for in the fund.

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.

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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. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. 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;
6. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
7. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$3,166,107 of the School District's bank balance of \$3,668,542 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

Berea City School District
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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. Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions can elect to participate in the OPCS and will collateralize at 102 percent or a rate set by the Treasurer of State. Financial institution opting not to participate in OPCS will collateralize utilizing the specific pledge method at 105 percent.

Investments

As of June 30, 2017, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value - Level One Inputs				
Money Market Mutual Fund	\$75,243	1 Day	AAAm	0.06 %
Fair Value - Level Two Inputs				
Federal Farm Credit Bank Notes	39,066,360	Less than three years	AA+	29.03
Federal Home Loan Bank Bonds	27,489,216	Less than four years	AA+	20.43
Federal Home Loan Mortgage Corporation Notes	1,083,706	Less than five years	AA+	0.81
Federal National Mortgage Association Notes	1,528,700	Less than four years	AA+	1.14
Negotiable Certificates of Deposit	496,134	Less than two years	NA	0.37
Amortized Cost				
Commercial Paper	56,343,571	Less than one year	A-1/A-1+	41.87
Net Asset Value Per Share:				
STAR Ohio	<u>8,468,891</u>	45.5 Days	AAAm	N/A
Total Investments	<u><u>\$134,551,821</u></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 preceding chart identifies the School District's recurring fair value measurements as of June 30, 2017. The money market mutual funds are measured at fair value using quoted market prices (Level 1 inputs). The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year. The remainder of the School District's investments that are measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 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
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Credit Risk The Standard's and Poors 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, 2017, 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:

	Amount
Governmental Funds	
Excess Cost	\$932,445
Special Instruction Tuition	740,938
Regular Instruction Tuition	671,950
Title I	614,880
State of Ohio	468,986
Title VI-B	459,295
State Employees Retirement System	70,900
Titla II-A	49,975
Preschool at Risk	24,540
Preschool	11,129
Title III	8,720
<i>Total Governmental Funds</i>	\$4,053,758
Internal Service Fund	
Workers' Compensation Rebate	\$127,449

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	Balance 6/30/16	Additions	Deductions	Balance 6/30/17
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$893,217	\$0	\$0	\$893,217
Construction in Progress	0	1,146,680	0	1,146,680
<i>Total Capital Assets, not Being Depreciated</i>	893,217	1,146,680	0	2,039,897
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	2,704,145	12,710	0	2,716,855
Buildings and Improvements	72,107,430	59,563	0	72,166,993
Furniture and Equipment	2,816,066	153,315	0	2,969,381
Vehicles	6,096,274	349,114	(288,994)	6,156,394
<i>Total Capital Assets, Being Depreciated</i>	83,723,915	574,702	(288,994)	84,009,623
Less Accumulated Depreciation:				
Land Improvements	(1,803,811)	(86,857)	0	(1,890,668)
Buildings and Improvements	(30,190,867)	(1,130,318)	0	(31,321,185)
Furniture and Equipment	(2,419,372)	(110,155)	0	(2,529,527)
Vehicles	(4,211,284)	(402,475)	288,994	(4,324,765)
<i>Total Accumulated Depreciation</i>	(38,625,334)	(1,729,805)	288,994	(40,066,145)
Total Capital Assets, Being Depreciated, Net	45,098,581	(1,155,103)	0	43,943,478
Governmental Activities Capital Assets, Net	\$45,991,798	(\$8,423)	\$0	\$45,983,375

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$498,597
Special	267,495
Vocational	5,815
Support Services	
Pupil	46,521
Instructional Staff	25,314
Administration	79,076
Fiscal	15,582
Business	4,149
Operation and Maintenance of Plant	146,540
Pupil Transportation	523,661
Central	36,274
Operation of Food Service	78,001
Extracurricular Activities	2,780
Total Depreciation Expense	<u>\$1,729,805</u>

Berea City School District
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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 2017, 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 2017, the School District participated in Cincinnati USA Chamber of Commerce retrospective 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 UniComp 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 \$150,000 per employee, per year. The claims liability of \$837,274 reported in the self-insurance internal service fund at June 30, 2017, 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 2016 and 2017 were:

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	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2016	\$942,441	\$7,837,886	\$8,105,900	\$674,427
2017	674,427	9,215,904	9,053,057	837,274

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.

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For the Fiscal Year Ended June 30, 2017

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 under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

Benefit	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 years 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, 2017, 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 \$1,596,681 for fiscal year 2017. Of this amount \$30,467 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 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, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

Berea City School District
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For the Fiscal Year Ended June 30, 2017

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 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied 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 service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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 to 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, 2017, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The statutory member contribution rate was increased one percent to 14 percent on July 1, 2016. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$5,072,159 for fiscal year 2017. Of this amount \$732,182 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, 2016, 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	0.41362290%	0.33767048%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.39983420%</u>	<u>0.33284536%</u>	
Change in Proportionate Share	<u>-0.01378870%</u>	<u>-0.00482512%</u>	
Proportionate Share of the Net Pension Liability	\$29,264,174	\$111,413,375	\$140,677,549
Pension Expense	\$2,508,012	\$6,525,953	\$9,033,965

At June 30, 2017, 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>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$394,706	\$4,501,636	\$4,896,342
Changes of assumptions	1,953,544	0	1,953,544
Net difference between projected and actual earnings on pension plan investments	2,413,869	9,250,303	11,664,172
School District contributions subsequent to the measurement date	<u>1,596,681</u>	<u>5,072,159</u>	<u>6,668,840</u>
Total Deferred Outflows of Resources	<u>\$6,358,800</u>	<u>\$18,824,098</u>	<u>\$25,182,898</u>
Deferred Inflows of Resources			
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>\$1,268,025</u>	<u>\$5,450,893</u>	<u>\$6,718,918</u>

\$6,668,840 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, 2018. 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
2018	\$656,147	\$456,442	\$1,112,589
2019	654,407	456,442	1,110,849
2020	1,489,652	4,006,041	5,495,693
2021	693,888	3,382,121	4,076,009
Total	<u>\$3,494,094</u>	<u>\$8,301,046</u>	<u>\$11,795,140</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, 2016, compared with June 30, 2015, are presented as follows:

Method	June 30, 2016	June 30, 2015
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	3 percent	3 percent
Actuarial Cost Method	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation
	Entry Age Normal	Entry Age Normal

For 2016, the mortality assumptions are that mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. For 2015, the mortality assumptions were based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

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The long-term return expectation for the Pension Plan Investments has been determined by 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 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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. A discount rate of 7.75 percent was used in the prior measurement period. 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 (7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$38,743,943	\$29,264,174	\$21,329,213

Actuarial Assumptions – STRS

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Berea City School District
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For the Fiscal Year Ended June 30, 2017

Inflation	2.75 percent
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, including inflation
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.

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, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

STRS’ investment consultant develops an estimate range 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	Long-Term Expected 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 %	7.61 %

* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.5 percent, and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. 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 previously. 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 of future plan members, are excluded. 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, 2016. 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, 2016.

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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	\$148,059,322	\$111,413,375	\$80,500,358

Changes Between Measurement Date and Report Date

In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to School District's NPL is expected to be significant.

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 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 2017, 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 2017, this amount was \$23,500. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered

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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 2017, the School District's surcharge obligation was \$209,277.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, is the total amount assigned to the Health Care Fund. The School District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$209,277, \$191,471, and \$372,693, respectively. The full amount has been contributed for fiscal years 2016 and 2015.

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 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 premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the fiscal years ended June 30, 2017, June 30, 2016 and June 30, 2015, STRS Ohio did not allocate any employer contributions to post-employment health care.

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, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2017, if applicable, cannot be determined at this time.

Berea City School District
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School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional 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.

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, 2016	\$0
Current Year Set-Aside Requirement	1,093,986
Current Year Offset	(1,457,362)
Qualifying Disbursements	(148,812)
Total	(\$512,188)
Set-Aside Balance Carried Forward to Future Fiscal Year	\$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.

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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.

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 2017, the School District did not make any payments 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.

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Public Entity Risk Pool

The School District participates in the Cincinnati USA Chamber of Commerce Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. 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.

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

	Principal Outstanding 6/30/2016	Additions	Deductions	Principal Outstanding 6/30/2017
Permanent Improvement				
2008 Capital Projects 4.0%				
Tax Anticipation Notes	\$655,000	\$0	\$320,000	\$335,000
Premium on Notes	5,656	0	3,756	1,900
2013 School Improvement 2.08%				
Tax Anticipation Notes	2,160,000	0	290,000	1,870,000
Total Notes	<u>\$2,820,656</u>	<u>\$0</u>	<u>\$613,756</u>	<u>\$2,206,900</u>

Principal and interest requirements to retire the notes outstanding at June 30, 2017 are as follows:

Fiscal Year Ending June 30	2008 Notes		2013 Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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>\$335,000</u>	<u>\$7,119</u>	<u>\$1,870,000</u>	<u>\$119,184</u>	<u>\$2,205,000</u>	<u>\$126,303</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
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Note 20 – Long – Term Liabilities

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

	Principal Outstanding 6/30/2016	Additions	Reductions	Principal Outstanding 6/30/2017	Amounts Due in One Year
Certificates of Participation:					
Certificates of Participation - 2010					
Serial Certificates	\$3,165,000	\$0	\$590,000	\$2,575,000	\$610,000
Discount on Certificate of Participation	(45,861)	0	(8,549)	(37,312)	0
Premium on Certificate of Participation	14,342	0	2,674	11,668	0
2014 Certificates of Participation Refunding					
Serial Certificates	13,060,000	0	0	13,060,000	0
Term Certificates	515,000	0	30,000	485,000	30,000
Discount on Certificate of Participation	(233,055)	0	(10,020)	(223,035)	0
2016 Certificates of Participation Refunding					
Serial Certificates	8,900,000	0	215,000	8,685,000	105,000
Premium on Certificate of Participation	264,473	0	6,389	258,084	0
Total Certificates of Participation	25,639,899	0	825,494	24,814,405	745,000
General Obligation Bonds:					
2003 School Improvement Refunding	1,850,000	0	890,000	960,000	960,000
2007 Energy Conservation Bonds	3,445,000	0	425,000	3,020,000	450,000
Premium on Bonds	56,035	0	8,628	47,407	0
2017 School Improvement Bonds					
Serial Bonds	0	21,480,000	0	21,480,000	1,880,000
Term Bonds	0	91,020,000	0	91,020,000	0
Premium on Bonds	0	1,564,319	14,000	1,550,319	0
Total General Obligation Bonds	5,351,035	114,064,319	1,337,628	118,077,726	3,290,000
Net Pension Liability					
SERS	23,601,723	5,662,451	0	29,264,174	0
STRS	93,322,244	18,091,131	0	111,413,375	0
Total Net Pension Liability	116,923,967	23,753,582	0	140,677,549	0
Compensated Absences	3,268,914	517,432	458,927	3,327,419	524,396
Total Governmental Activities					
Long-Term Liabilities	\$151,183,815	\$138,335,333	\$2,622,049	\$286,897,099	\$4,559,396

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, 2017

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, 2017, \$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
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	\$30,000	\$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 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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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, 2017, \$7,810,000 of the defeased bonds are still outstanding.

Annual base rent requirements to retire COPs outstanding at June 30, 2017 are as follows:

	Certificates of Participation			
	Serial		Term	
	Principal	Interest	Principal	Interest
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	820,000	730,484	35,000	27,661
2023 - 2027	4,355,000	3,374,376	190,000	121,378
2028 - 2032	5,125,000	2,722,191	130,000	55,919
2033 - 2037	6,470,000	1,612,557	0	0
2038 - 2040	4,550,000	286,685	0	0
Total	\$24,320,000	\$11,897,758	\$485,000	\$324,901

On March 1, 2003, the School District issued \$9,205,000 in general obligation bonds with interest rates varying from 2.00 percent to 4.70 percent. Proceeds were used to refund \$9,205,000 of the outstanding 1993 School Improvement Bonds 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, 2017, \$995,000 of the defeased bonds are still outstanding.

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

On March 2, 2017, the School District issued \$112,500,000 in general obligation bonds, which included \$21,480,000 in serial bonds and \$91,020,000 in term bonds with interest rates varying from 3.84 percent to 5.00 percent. These bonds were issued for the purpose of constructing, renovating, remodeling, rehabilitating, adding to, furnishing, equipping and otherwise improving buildings and facilities. The bonds were issued at a premium of \$1,564,319, which is amortized over the life of the bonds, and issuance costs of \$1,353,238. The bonds were issued for a 36 year period with final maturity during fiscal year 2054. The School District had \$112,500,000 in unspent proceeds as of June 30, 2017.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

The term bonds maturing on December 1, 2034, 2037, 2040, 2042, 2047 and 2053 are subject to mandatory sinking fund redemption at a price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	2017 General Obligation Bonds					
	\$4,585,000	\$8,065,000	\$9,800,000	\$7,685,000	\$23,525,000	\$37,360,000
2033	\$2,220,000	\$0	\$0	\$0	\$0	\$0
2035	0	2,515,000	0	0	0	0
2036	0	2,685,000	0	0	0	0
2038	0	0	3,050,000	0	0	0
2039	0	0	3,265,000	0	0	0
2041	0	0	0	3,720,000	0	0
2043	0	0	0	0	4,225,000	0
2044	0	0	0	0	4,455,000	0
2045	0	0	0	0	4,695,000	0
2046	0	0	0	0	4,945,000	0
2048	0	0	0	0	0	5,475,000
2049	0	0	0	0	0	5,760,000
2050	0	0	0	0	0	6,055,000
2051	0	0	0	0	0	6,365,000
2052	0	0	0	0	0	6,685,000
Total	\$2,220,000	\$5,200,000	\$6,315,000	\$3,720,000	\$18,320,000	\$30,340,000
<i>Stated Maturity</i>	<i>12/1/2034</i>	<i>12/1/2037</i>	<i>12/1/2040</i>	<i>12/1/2042</i>	<i>12/1/2047</i>	<i>12/1/2053</i>

The remaining principal amount of the term bonds (\$2,365,000, \$2,865,000, \$3,485,000, 3,965,000, \$5,205,000 and \$7,020,000) will mature at the stated maturity.

At June 30, 2017 the School District's overall legal debt margin was \$5,458,731 with an unvoted debt margin of \$1,296,827. Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2017 are as follows:

Fiscal Year Ending June 30	General Obligation Bonds			
	Serial Bonds		Term Bonds	
	Principal	Interest	Principal	Interest
2018	\$3,290,000	\$903,060	\$0	\$3,855,975
2019	1,205,000	819,475	0	3,855,975
2020	1,255,000	773,925	0	3,855,975
2021	1,300,000	730,725	0	3,855,975
2022	1,340,000	685,825	0	3,855,975
2023 - 2027	6,425,000	2,697,612	0	19,279,875
2028 - 2032	8,565,000	1,282,275	0	19,279,875
2033 - 2037	2,080,000	41,601	9,785,000	18,502,400
2038 - 2042	0	0	16,385,000	15,316,463
2043 - 2047	0	0	22,285,000	10,858,525
2048 - 2052	0	0	28,860,000	5,743,000
2053 - 2054	0	0	13,705,000	554,900
Total	\$25,460,000	\$7,934,498	\$91,020,000	\$108,814,913

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the following funds: the general fund, the food service fund and the adult and community education funds. For additional information related to the net pension liability see Note 13. 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 – Significant Commitments

Contractual Commitments

At June 30, 2017, the School District’s significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining Contract
Softball Fields	\$1,187,627	\$330,333	\$857,294

The amount paid above as of June 30, 2017, as well as accounts payable totaling \$633,730 have been capitalized. The remaining commitments amounts were encumbered at fiscal year end.

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:

Major Funds:	
General	\$1,293,031
Building	34,285
Other Governmental Funds	1,456,150
Total	\$2,783,466

Note 22 – Subsequent Event

On November 6, 2017, the Board of Education passed a resolution authorizing the Treasurer to exercise the School District’s early redemption of the 2007 energy conservation loans. This debt was scheduled to be paid off in 2022. The School District will use cash carryover from the general fund to pay off the outstanding principal and in return save approximately \$316,400 that it would have paid in interest if this debt was outstanding until full maturity. This transaction took place on December 18, 2017.

On December 27, 2017, the School District issued \$14,279,000 in Refunding Certificates of Participation to advance refund a portion of the 2014 refunding Certificates of Participation. The COPs were issued with an average interest rate of 3.43 percent and final maturity date of October 1, 2039.

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 Four Fiscal Years (1) **

	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.3998342%	0.4136229%	0.4361750%	0.4361750%
School District's Proportionate Share of the Net Pension Liability	\$29,264,174	\$23,601,723	\$22,074,568	\$25,937,927
School District's Covered Payroll	\$12,442,300	\$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 Payroll	235.20%	189.46%	174.18%	275.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	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 Four Fiscal Years (1) **

	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.33284536%	0.33767048%	0.36280548%	0.36280548%
School District's Proportionate Share of the Net Pension Liability	\$111,413,375	\$93,322,244	\$88,246,848	\$105,119,069
School District's Covered Payroll	\$35,172,107	\$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 Payroll	316.77%	271.12%	246.07%	265.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$1,596,681	\$1,741,922	\$1,641,892	\$1,756,564
Contributions in Relation to the Contractually Required Contribution	<u>(1,596,681)</u>	<u>(1,741,922)</u>	<u>(1,641,892)</u>	<u>(1,756,564)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$11,404,864	\$12,442,300	\$12,457,449	\$12,673,622
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.18%	13.86%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$1,301,304	\$1,770,542	\$1,849,827	\$1,981,450	\$1,465,171	\$1,360,444
<u>(1,301,304)</u>	<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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,402,489	\$13,163,882	\$14,716,207	\$14,634,045	\$14,889,945	\$13,853,810
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$5,072,159	\$4,924,095	\$4,818,985	\$4,662,204
Contributions in Relation to the Contractually Required Contribution	<u>(5,072,159)</u>	<u>(4,924,095)</u>	<u>(4,818,985)</u>	<u>(4,662,204)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$36,229,707	\$35,172,107	\$34,421,322	\$35,863,107
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$5,150,597	\$5,093,110	\$5,120,193	\$5,195,903	\$4,996,303	\$4,793,547
<u>(5,150,597)</u>	<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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$39,619,977	\$39,177,769	\$39,386,100	\$39,968,485	\$38,433,100	\$36,873,438
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Berea City School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2017

Changes in Assumptions – SERS

Amounts reported for fiscal year 2017 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Amounts reported for fiscal year 2017 use mortality assumptions with mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

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.

Community Education Fund This fund accounts for and reports tuition and fees charged for the community education program that are restricted for the costs of running the community 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.

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 Debt Service Fund

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

Debt Service Fund This 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.

Nonmajor Capital Projects Funds

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

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

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, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,567,943	\$3,467,861	\$1,035,679	\$7,071,483
Accounts Receivable	11,971		0	11,971
Intergovernmental Receivable	1,168,539	0	0	1,168,539
Inventory Held for Resale	10,357	0	0	10,357
Materials and Supplies Inventory	9,455	0	0	9,455
Property Taxes Receivable	0	5,273,687	1,345,738	6,619,425
<i>Total Assets</i>	<u>\$3,768,265</u>	<u>\$8,741,548</u>	<u>\$2,381,417</u>	<u>\$14,891,230</u>
Liabilities				
Accounts Payable	\$41,496	\$0	\$712,022	\$753,518
Accrued Wages	231,065	0	0	231,065
Interfund Payable	254,738	0	0	254,738
Intergovernmental Payable	109,251	0	0	109,251
Accrued Interest Payable	0	0	4,428	4,428
Notes Payable	0	0	2,206,900	2,206,900
<i>Total Liabilities</i>	<u>636,550</u>	<u>0</u>	<u>2,923,350</u>	<u>3,559,900</u>
Deferred Inflows of Resources				
Unavailable Revenue	771,847	93,326	47,184	912,357
Property Taxes	0	4,238,952	1,068,967	5,307,919
<i>Total Deferred Inflows of Resources</i>	<u>771,847</u>	<u>4,332,278</u>	<u>1,116,151</u>	<u>6,220,276</u>
Fund Balances				
Nonspendable	9,455	0	0	9,455
Restricted	2,407,594	4,409,270	0	6,816,864
Unassigned (Deficit)	(57,181)	0	(1,658,084)	(1,715,265)
<i>Total Fund Balances (Deficit)</i>	<u>2,359,868</u>	<u>4,409,270</u>	<u>(1,658,084)</u>	<u>5,111,054</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$3,768,265</u>	<u>\$8,741,548</u>	<u>\$2,381,417</u>	<u>\$14,891,230</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, 2017

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$4,015,988	\$1,187,346	\$5,203,334
Intergovernmental	4,366,027	87,519	157,149	4,610,695
Interest	9,712	0	0	9,712
Tuition and Fees	1,050,498	0	0	1,050,498
Extracurricular Activities	232,978	0	0	232,978
Rentals	33,130	0	0	33,130
Charges for Services	633,355	0	0	633,355
Contributions and Donations	98,712	0	247,000	345,712
Miscellaneous	13,065	0	6,100	19,165
<i>Total Revenues</i>	<u>6,437,477</u>	<u>4,103,507</u>	<u>1,597,595</u>	<u>12,138,579</u>
Expenditures				
Current:				
Instruction:				
Regular	192,058	0	0	192,058
Special	1,225,849	0	0	1,225,849
Support Services:				
Pupil	534,775	0	0	534,775
Instructional Staff	24,016	0	0	24,016
Administration	268,758	0	0	268,758
Fiscal	140,628	42,534	0	183,162
Operation and Maintenance of Plant	5,980	0	0	5,980
Pupil Transportation	7,662	0	0	7,662
Central	488,889	0	0	488,889
Operation of Non-Instructional Services	1,610,431	0	0	1,610,431
Operation of Food Service	1,619,880	0	0	1,619,880
Extracurricular Activities	288,636	0	0	288,636
Capital Outlay	0	0	1,810,801	1,810,801
Debt Service:				
Principal Retirement	0	890,000	425,000	1,315,000
Interest and Fiscal Charges	0	1,215,494	196,796	1,412,290
<i>Total Expenditures</i>	<u>6,407,562</u>	<u>2,148,028</u>	<u>2,432,597</u>	<u>10,988,187</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>29,915</u>	<u>1,955,479</u>	<u>(835,002)</u>	<u>1,150,392</u>
Other Financing Sources (Uses)				
Premium on General Obligation Bonds	0	210,197	0	210,197
Transfers In	4,158	0	460,000	464,158
<i>Total Other Financing Sources (Uses)</i>	<u>4,158</u>	<u>210,197</u>	<u>460,000</u>	<u>674,355</u>
<i>Net Change in Fund Balances</i>	34,073	2,165,676	(375,002)	1,824,747
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>2,325,795</u>	<u>2,243,594</u>	<u>(1,283,082)</u>	<u>3,286,307</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,359,868</u>	<u>\$4,409,270</u>	<u>(\$1,658,084)</u>	<u>\$5,111,054</u>

Berea City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2017

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$0	\$100,020	\$0	\$76,497
Accounts Receivable	0	0	0	6,569
Intergovernmental Receivable	459,295	0	614,880	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$459,295</u>	<u>\$100,020</u>	<u>\$614,880</u>	<u>\$83,066</u>
Liabilities				
Accounts Payable	\$0	\$23,478	\$762	\$1,114
Accrued Wages	17,552	0	116,625	0
Interfund Payable	101,417	0	123,245	29
Intergovernmental Payable	16,423	0	18,427	0
<i>Total Liabilities</i>	<u>135,392</u>	<u>23,478</u>	<u>259,059</u>	<u>1,143</u>
Deferred Inflows of Resources				
Unavailable Revenue	322,800	0	402,360	1,732
Fund Balances				
Nonspendable	0	0	0	0
Restricted	1,103	76,542	0	80,191
Unassigned (Deficit)	0	0	(46,539)	0
<i>Total Fund Balances (Deficit)</i>	<u>1,103</u>	<u>76,542</u>	<u>(46,539)</u>	<u>80,191</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$459,295</u>	<u>\$100,020</u>	<u>\$614,880</u>	<u>\$83,066</u>

(continued)

Berea City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2017

	<u>Preschool at Risk</u>	<u>Local Grants</u>	<u>Preschool</u>	<u>Food Service</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$0	\$77,701	\$0	\$1,702,625
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	24,540	0	11,129	0
Inventory Held for Resale	0	0	0	10,357
Materials and Supplies Inventory	0	0	0	9,455
<i>Total Assets</i>	<u>\$24,540</u>	<u>\$77,701</u>	<u>\$11,129</u>	<u>\$1,722,437</u>
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$4,077
Accrued Wages	8,716	0	4,717	34,794
Interfund Payable	8,688	0	4,509	0
Intergovernmental Payable	1,346	0	759	42,040
<i>Total Liabilities</i>	<u>18,750</u>	<u>0</u>	<u>9,985</u>	<u>80,911</u>
Deferred Inflows of Resources				
Unavailable Revenue	10,209	0	3,038	0
Fund Balances				
Nonspendable	0	0	0	9,455
Restricted	0	77,701	0	1,632,071
Unassigned (Deficit)	(4,419)	0	(1,894)	0
<i>Total Fund Balances (Deficit)</i>	<u>(4,419)</u>	<u>77,701</u>	<u>(1,894)</u>	<u>1,641,526</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$24,540</u>	<u>\$77,701</u>	<u>\$11,129</u>	<u>\$1,722,437</u>

Community Education	Title IIA	Title III	Total Nonmajor Special Revenue Funds
\$611,100	\$0	\$0	\$2,567,943
5,402	0	0	11,971
0	49,975	8,720	1,168,539
0	0	0	10,357
0	0	0	9,455
<u>\$616,502</u>	<u>\$49,975</u>	<u>\$8,720</u>	<u>\$3,768,265</u>
\$12,065	\$0	\$0	\$41,496
34,831	10,729	3,101	231,065
0	15,218	1,632	254,738
27,509	2,258	489	109,251
<u>74,405</u>	<u>28,205</u>	<u>5,222</u>	<u>636,550</u>
2,111	24,821	4,776	771,847
0	0	0	9,455
539,986	0	0	2,407,594
0	(3,051)	(1,278)	(57,181)
<u>539,986</u>	<u>(3,051)</u>	<u>(1,278)</u>	<u>2,359,868</u>
<u>\$616,502</u>	<u>\$49,975</u>	<u>\$8,720</u>	<u>\$3,768,265</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, 2017*

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities
Revenues				
Intergovernmental	\$1,379,279	\$550,297	\$1,085,687	\$0
Interest	0	1,316	0	0
Tuition and Fees	0	0	0	905
Extracurricular Activities	0	0	0	232,975
Rentals	0	0	0	33,130
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	21,843
Miscellaneous	0	0	0	9,201
<i>Total Revenues</i>	<u>1,379,279</u>	<u>551,613</u>	<u>1,085,687</u>	<u>298,054</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	0
Special	508,189	0	689,139	0
Support Services:				
Pupil	477,744	0	0	0
Instructional Staff	0	0	0	0
Administration	268,758	0	0	0
Fiscal	56,763	0	28,884	0
Operation and Maintenance of Plant	0	0	0	5,980
Pupil Transportation	800	0	0	6,362
Central	5,064	0	361,559	0
Operation of Non-Instructional Services	58,168	581,944	19,802	346
Operation of Food Service	0	0	0	0
Extracurricular Activities	0	0	0	288,636
<i>Total Expenditures</i>	<u>1,375,486</u>	<u>581,944</u>	<u>1,099,384</u>	<u>301,324</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,793	(30,331)	(13,697)	(3,270)
Other Financing Sources (Uses)				
Transfers In	0	0	0	4,158
<i>Net Change in Fund Balances</i>	3,793	(30,331)	(13,697)	888
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(2,690)</u>	<u>106,873</u>	<u>(32,842)</u>	<u>79,303</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,103</u>	<u>\$76,542</u>	<u>(\$46,539)</u>	<u>\$80,191</u>

Preschool at Risk	Local Grants	Preschool	Food Service	Community Education	Educational Management Information System
\$145,099	\$0	\$43,095	\$995,583	\$0	\$0
0	114	0	8,282	0	0
0	0	0	0	1,049,593	0
0	3	0	0	0	0
0	0	0	0	0	0
0	0	0	633,355	0	0
0	76,319	0	550	0	0
0	0	0	3,864	0	0
<u>145,099</u>	<u>76,436</u>	<u>43,095</u>	<u>1,641,634</u>	<u>1,049,593</u>	<u>0</u>
145,656	46,402	0	0	0	0
0	363	0	0	0	0
0	0	57,031	0	0	0
0	24,016	0	0	0	0
0	0	0	0	0	0
0	0	983	27,087	22,476	0
0	0	0	0	0	0
0	500	0	0	0	0
0	0	0	0	0	50
0	0	0	0	940,560	0
0	0	0	1,619,880	0	0
0	0	0	0	0	0
<u>145,656</u>	<u>71,281</u>	<u>58,014</u>	<u>1,646,967</u>	<u>963,036</u>	<u>50</u>
(557)	5,155	(14,919)	(5,333)	86,557	(50)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(557)	5,155	(14,919)	(5,333)	86,557	(50)
<u>(3,862)</u>	<u>72,546</u>	<u>13,025</u>	<u>1,646,859</u>	<u>453,429</u>	<u>50</u>
<u>(\$4,419)</u>	<u>\$77,701</u>	<u>(\$1,894)</u>	<u>\$1,641,526</u>	<u>\$539,986</u>	<u>\$0</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, 2017*

	Title II A	Title III	Total Nonmajor Special Revenue Funds
Revenues			
Intergovernmental	\$137,620	\$29,367	\$4,366,027
Interest	0	0	9,712
Tuition and Fees	0	0	1,050,498
Extracurricular Activities	0	0	232,978
Rentals	0	0	33,130
Charges for Services	0	0	633,355
Contributions and Donations	0	0	98,712
Miscellaneous	0	0	13,065
<i>Total Revenues</i>	<u>137,620</u>	<u>29,367</u>	<u>6,437,477</u>
Expenditures			
Current:			
Instruction:			
Regular	0	0	192,058
Special	0	28,158	1,225,849
Support Services:			
Pupil	0	0	534,775
Instructional Staff	0	0	24,016
Administration	0	0	268,758
Fiscal	3,776	659	140,628
Operation and Maintenance of Plant	0	0	5,980
Pupil Transportation	0	0	7,662
Central	121,450	766	488,889
Operation of Non-Instructional Services	9,611	0	1,610,431
Operation of Food Service	0	0	1,619,880
Extracurricular Activities	0	0	288,636
<i>Total Expenditures</i>	<u>134,837</u>	<u>29,583</u>	<u>6,407,562</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,783	(216)	29,915
Other Financing Sources (Uses)			
Transfers In	0	0	4,158
<i>Net Change in Fund Balances</i>	2,783	(216)	34,073
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(5,834)</u>	<u>(1,062)</u>	<u>2,325,795</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$3,051)</u></u>	<u><u>(\$1,278)</u></u>	<u><u>\$2,359,868</u></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, 2017*

	Permanent Improvement	Network Connectivity	Total Nonmajor Capital Projects Funds
Revenues			
Property Taxes	\$1,187,346	\$0	\$1,187,346
Intergovernmental	144,549	12,600	157,149
Contributions and Donations	247,000	0	247,000
Miscellaneous	6,100	0	6,100
<i>Total Revenues</i>	<u>1,584,995</u>	<u>12,600</u>	<u>1,597,595</u>
Expenditures			
Current:			
Capital Outlay	1,792,051	18,750	1,810,801
Debt Service:			
Principal Retirement	425,000	0	425,000
Interest and Fiscal Charges	196,796	0	196,796
<i>Total Expenditures</i>	<u>2,413,847</u>	<u>18,750</u>	<u>2,432,597</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(828,852)	(6,150)	(835,002)
Other Financing Sources (Uses)			
Transfers In	460,000	0	460,000
<i>Net Change in Fund Balances</i>	(368,852)	(6,150)	(375,002)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(1,289,232)</u>	<u>6,150</u>	<u>(1,283,082)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$1,658,084)</u></u>	<u><u>\$0</u></u>	<u><u>(\$1,658,084)</u></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, 2017

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$0	\$318,635	\$318,635
Intergovernmental Receivable	<u>0</u>	<u>127,449</u>	<u>127,449</u>
<i>Total Assets</i>	<u>0</u>	<u>446,084</u>	<u>446,084</u>
Liabilities			
Accounts Payable	\$1,520	\$0	\$1,520
Intergovernmental Payable	2,842	21,634	24,476
Interfund Payable	374,664	0	374,664
Claims Payable	<u>837,274</u>	<u>0</u>	<u>837,274</u>
<i>Total Liabilities</i>	<u>1,216,300</u>	<u>21,634</u>	<u>1,237,934</u>
Net Position			
Unrestricted (Deficit)	<u>(\$1,216,300)</u>	<u>\$424,450</u>	<u>(\$791,850)</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, 2017*

	Self Insurance	Workers' Compensation	Total Internal Service Funds
Operating Revenues			
Charges for Services	\$9,317,565	\$242,849	\$9,560,414
Other	5,180	184,933	190,113
<i>Total Operating Revenues</i>	<u>9,322,745</u>	<u>427,782</u>	<u>9,750,527</u>
Operating Expenses			
Purchased Services	1,343,789	213,479	1,557,268
Claims	9,215,904	0	9,215,904
<i>Total Operating Expenses</i>	<u>10,559,693</u>	<u>213,479</u>	<u>10,773,172</u>
<i>Change in Net Position</i>	(1,236,948)	214,303	(1,022,645)
<i>Net Position Beginning of Year</i>	<u>20,648</u>	<u>210,147</u>	<u>230,795</u>
<i>Net Position End of Year</i>	<u><u>(\$1,216,300)</u></u>	<u><u>\$424,450</u></u>	<u><u>(\$791,850)</u></u>

Berea City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2017

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Interfund Services	\$9,317,565	\$242,849	\$9,560,414
Other Cash Receipts	5,180	57,484	62,664
Cash Payments for Goods and Services	(1,360,904)	(191,845)	(1,552,749)
Cash Payments for Claims	(9,053,057)	0	(9,053,057)
<i>Net Cash Used for Operating Activities</i>	(1,091,216)	108,488	(982,728)
Cash Flows from Noncapital Financing Activities			
Advance In	374,664	0	374,664
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(716,552)	108,488	(608,064)
<i>Cash and Cash Equivalents Beginning of Year</i>	716,552	210,147	926,699
<i>Cash and Cash Equivalents End of Year</i>	<u>\$0</u>	<u>\$318,635</u>	<u>\$318,635</u>
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</i>			
<i>Operating Income (Loss)</i>	(\$1,236,948)	\$214,303	(\$1,022,645)
Increase in Intergovernmental Receivable	0	(127,449)	(127,449)
Increase (Decrease) in Liabilities			
Accounts Payable	(16,280)	0	(16,280)
Intergovernmental Payable	(835)	21,634	20,799
Claims Payable	162,847	0	162,847
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$1,091,216)</u>	<u>\$108,488</u>	<u>(\$982,728)</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, 2017

	Balance 06/30/16	Additions	Deductions	Balance 06/30/17
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$84,616	\$139,598	\$116,588	\$107,626
Liabilities				
Due to Students	\$84,616	\$139,598	\$116,588	\$107,626
<i>Employee Benefits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$64,878	\$393,169	\$424,629	\$33,418
Liabilities				
Undistributed Monies	\$64,878	\$393,169	\$424,629	\$33,418
<i>Staff Services</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$28,528	\$26,849	\$29,061	\$26,316
Liabilities				
Undistributed Monies	\$28,528	\$26,849	\$29,061	\$26,316
<i>Payroll</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$641,409	\$14,033,207	\$14,445,809	\$228,807
Liabilities				
Undistributed Monies	\$641,409	\$14,033,207	\$14,445,809	\$228,807
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$819,431	\$14,592,823	\$15,016,087	\$396,167
Liabilities				
Undistributed Monies	\$734,815	\$14,453,225	\$14,899,499	\$288,541
Due to Students	84,616	139,598	116,588	107,626
Total Liabilities	\$819,431	\$14,592,823	\$15,016,087	\$396,167

**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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$57,515,052	\$55,408,525	\$55,408,525	\$0
Intergovernmental	20,978,471	23,886,548	23,899,018	12,470
Interest	52,453	146,185	146,185	0
Tuition and Fees	3,117,732	3,092,675	3,035,462	(57,213)
Extracurricular Activities	192,230	200,081	200,072	(9)
Rentals	65,780	87,126	87,126	0
Contributions and Donations	20,400	21,756	21,756	0
Miscellaneous	190,675	254,816	254,817	1
<i>Total Revenues</i>	82,132,793	83,097,712	83,052,961	(44,751)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	21,261,538	20,968,897	20,968,897	0
Fringe Benefits	9,607,782	9,405,379	9,405,379	0
Purchased Services	984,835	1,255,360	1,247,002	8,358
Materials and Supplies	994,462	882,651	860,800	21,851
Capital Outlay	225,386	230,626	220,498	10,128
Other	48,262	46,935	33,096	13,839
Total Regular	33,122,265	32,789,848	32,735,672	54,176
Special:				
Salaries and Wages	7,988,489	7,890,380	7,890,380	0
Fringe Benefits	3,704,645	3,571,393	3,571,393	0
Purchased Services	1,714,603	1,744,496	1,744,496	0
Materials and Supplies	20,851	20,249	20,160	89
Other	2,341	1,380	467	913
Total Special	13,430,929	13,227,898	13,226,896	1,002
Vocational:				
Salaries and Wages	188,652	216,244	216,244	0
Fringe Benefits	79,760	66,205	66,205	0
Purchased Services	600	6,402	6,329	73
Materials and Supplies	2,625	8,159	7,464	695
Capital Outlay	49,568	37,438	37,438	0
Other	540	270	270	0
Total Vocational	321,745	334,718	333,950	768
Student Intervention:				
Salaries and Wages	44,443	56,165	56,165	0
Fringe Benefits	12,116	14,090	14,090	0
Purchased Services	3,208,182	3,204,048	3,204,048	0
Materials and Supplies	835	387	372	15
Other	104,550	138,736	138,736	0
Total Student Intervention	3,370,126	3,413,426	3,413,411	15
Total Instruction	\$50,245,065	\$49,765,890	\$49,709,929	\$55,961

(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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Support Services:				
Pupil:				
Salaries and Wages	\$2,150,590	\$2,316,817	\$2,316,817	\$0
Fringe Benefits	944,458	960,849	960,849	0
Purchased Services	1,558,779	1,588,225	1,587,670	555
Materials and Supplies	38,080	37,162	34,619	2,543
Total Pupil	4,691,907	4,903,053	4,899,955	3,098
Instructional Staff:				
Salaries and Wages	1,175,639	1,034,253	1,034,253	0
Fringe Benefits	492,292	446,824	446,824	0
Purchased Services	640,222	557,808	498,334	59,474
Materials and Supplies	140,506	114,644	79,807	34,837
Capital Outlay	29,656	29,651	16,776	12,875
Other	55,676	47,212	24,972	22,240
Total Instructional Staff	2,533,991	2,230,392	2,100,966	129,426
Board of Education:				
Salaries and Wages	7,500	7,500	7,500	0
Fringe Benefits	1,199	1,199	1,112	87
Purchased Services	14,603	14,603	10,613	3,990
Other	15,000	15,000	14,896	104
Total Board of Education	38,302	38,302	34,121	4,181
Administration:				
Salaries and Wages	3,130,840	3,130,625	3,130,625	0
Fringe Benefits	1,339,771	1,400,623	1,400,623	0
Purchased Services	311,116	312,973	312,973	0
Materials and Supplies	58,444	33,233	28,534	4,699
Capital Outlay	2,944	6,301	6,301	0
Other	2,862	5,998	5,964	34
Total Administration	4,845,977	4,889,753	4,885,020	4,733
Fiscal:				
Salaries and Wages	595,816	599,606	599,606	0
Fringe Benefits	255,599	276,152	276,152	0
Purchased Services	220,474	267,342	267,342	0
Materials and Supplies	11,891	7,324	7,324	0
Capital Outlay	10,480	6,563	6,545	18
Other	961,109	953,082	953,082	0
Total Fiscal	\$2,055,369	\$2,110,069	\$2,110,051	\$18

(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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$120,676	\$111,401	\$111,401	\$0
Fringe Benefits	42,253	37,940	37,940	0
Purchased Services	249,843	234,889	234,889	0
Materials and Supplies	16,568	12,556	8,011	4,545
Capital Outlay	21,475	16,729	16,729	0
Other	88,820	86,677	86,677	0
Total Business	539,635	500,192	495,647	4,545
Operation and Maintenance of Plant:				
Salaries and Wages	2,589,458	2,748,180	2,748,180	0
Fringe Benefits	976,006	1,041,639	1,041,639	0
Purchased Services	1,776,110	1,643,811	1,636,460	7,351
Materials and Supplies	332,946	340,368	340,218	150
Capital Outlay	75,520	80,280	79,859	421
Other	20,830	17,829	15,942	1,887
Total Operation and Maintenance of Plant	5,770,870	5,872,107	5,862,298	9,809
Pupil Transportation:				
Salaries and Wages	3,098,792	3,076,314	3,076,314	0
Fringe Benefits	1,168,455	1,270,010	1,270,010	0
Purchased Services	169,378	159,319	159,319	0
Materials and Supplies	523,745	494,234	464,850	29,384
Capital Outlay	614,148	577,956	577,893	63
Total Pupil Transportation	5,574,518	5,577,833	5,548,386	29,447
Central:				
Salaries and Wages	885,838	910,590	910,590	0
Fringe Benefits	404,303	429,431	429,431	0
Purchased Services	449,926	381,875	381,875	0
Materials and Supplies	27,890	18,794	15,269	3,525
Capital Outlay	55,813	394,013	392,075	1,938
Other	2,062	2,050	925	1,125
Total Central	1,825,832	2,136,753	2,130,165	6,588
Total Support Services	27,876,401	28,258,454	28,066,609	191,845
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	4,655	4,655	1,010	3,645
Materials and Supplies	1,485	1,485	1,249	236
Other	20,325	20,325	4,517	15,808
Total Operation of Non-Instructional Services	\$26,465	\$26,465	\$6,776	\$19,689

(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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	\$74,100	\$106,480	\$106,480	\$0
Fringe Benefits	21,335	21,335	21,335	0
Materials and Supplies	2,738	2,738	1,103	1,635
Capital Outlay	6,000	6,500	5,620	880
Other	1,400	900	263	637
Total Academic and Subject Oriented Activities	105,573	137,953	134,801	3,152
Sports Oriented Activities:				
Salaries and Wages	556,023	571,962	571,962	0
Fringe Benefits	210,806	166,296	166,296	0
Purchased Services	27,289	11,104	6,435	4,669
Materials and Supplies	500	256	0	256
Total Sports Oriented Activities	794,618	749,618	744,693	4,925
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	19,500	25,026	24,968	58
Fringe Benefits	5,614	7,188	7,188	0
Purchased Services	10,000	10,000	4,669	5,331
Materials and Supplies	8,000	8,000	4,954	3,046
Capital Outlay	5,000	5,000	2,667	2,333
Other	56,058	91,058	87,249	3,809
Total School and Public Service Co-Curricular Activities	104,172	146,272	131,695	14,577
Total Extracurricular Activities	1,004,363	1,033,843	1,011,189	22,654
Capital Outlay:				
Building Acquisition and Construction				
Capital Outlay	73,587	73,587	73,587	0
Debt Service:				
Principal Retirement	835,000	835,000	835,000	0
Interest and Fiscal Charges	884,673	884,673	884,673	0
Total Debt Service	1,719,673	1,719,673	1,719,673	0
Total Expenditures	80,945,554	80,877,912	80,587,763	290,149
Excess of Revenues Over (Under) Expenditures	\$1,187,239	\$2,219,800	\$2,465,198	\$245,398

(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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Advances In	\$86,152	\$86,152	\$86,152	\$0
Advances Out	0	0	(482,762)	(482,762)
Transfers Out	(510,000)	(505,368)	(464,158)	41,210
<i>Total Other Financing Sources (Uses)</i>	<u>(423,848)</u>	<u>(419,216)</u>	<u>(860,768)</u>	<u>(441,552)</u>
<i>Net Change in Fund Balance</i>	763,391	1,800,584	1,604,430	(196,154)
<i>Fund Balance Beginning of Year</i>	13,552,528	13,552,528	13,552,528	0
Prior Year Encumbrances Appropriated	<u>1,236,352</u>	<u>1,236,352</u>	<u>1,236,352</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,552,271</u></u>	<u><u>\$16,589,464</u></u>	<u><u>\$16,393,310</u></u>	<u><u>(\$196,154)</u></u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$24,584	\$24,584	\$0
Expenditures				
Capital Outlay:				
Architecture and Engineering Services				
Purchased Services	0	1,100,000	50,000	1,050,000
Building Improvement Services:				
Capital Outlay	0	19,000	0	19,000
Other Facilities Acquisition and Construction Services:				
Capital Outlay	0	13,742,540	0	13,742,540
Total Capital Outlay	0	14,861,540	50,000	14,811,540
Debt Service:				
Bond Issuance Cost		1,354,122	1,353,238	884
<i>Total Expenditures</i>	0	16,215,662	1,403,238	14,812,424
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(16,191,078)	(1,378,654)	14,812,424
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	112,500,000	112,500,000	0
Premium on General Obligation Bonds	0	1,354,122	1,354,122	0
<i>Total Other Financing Sources (Uses)</i>	0	113,854,122	113,854,122	0
<i>Net Change in Fund Balance</i>	0	97,663,044	112,475,468	14,812,424
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$97,663,044	\$112,475,468	\$14,812,424

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$1,824,110	\$1,473,014	\$1,367,160	(\$105,854)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	239,852	208,457	208,457	0
Fringe Benefits	175,842	158,579	158,579	0
Purchased Services	69,113	94,600	94,600	0
Materials and Supplies	36,977	53,242	53,242	0
Total Instruction	521,784	514,878	514,878	0
Support Services:				
Pupil:				
Purchased Services	652,336	568,946	568,946	0
Administration:				
Salaries and Wages	175,217	179,485	179,485	0
Fringe Benefits	79,972	83,096	83,096	0
Total Administration	255,189	262,581	262,581	0
Fiscal:				
Other	77,005	56,763	56,763	0
Pupil Transportation:				
Purchased Services	955	800	800	0
Central:				
Purchased Services	25,521	7,411	7,411	0
Total Support Services	\$1,011,006	\$896,501	\$896,501	\$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, 2017

	<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	\$205,146	\$60,857	\$60,857	\$0
<i>Total Expenditures</i>	<u>1,737,936</u>	<u>1,472,236</u>	<u>1,472,236</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>86,174</u>	<u>778</u>	<u>(105,076)</u>	<u>(105,854)</u>
Other Financing Sources (Uses)				
Advances In	0	89,190	89,190	0
Advances Out	0	0	(44,855)	(44,855)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>89,190</u>	<u>44,335</u>	<u>(44,855)</u>
<i>Net Change in Fund Balance</i>	86,174	89,968	(60,741)	(150,709)
<i>Fund Deficit Beginning of Year</i>	(87,876)	(87,876)	(87,876)	0
Prior Year Encumbrances Appropriated	<u>47,200</u>	<u>47,200</u>	<u>47,200</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$45,498</u></u>	<u><u>\$49,292</u></u>	<u><u>(\$101,417)</u></u>	<u><u>(\$150,709)</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$616,928	\$550,297	\$550,297	\$0
Interest	0	1,316	1,316	0
<i>Total Revenues</i>	<u>616,928</u>	<u>551,613</u>	<u>551,613</u>	<u>0</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	396,174	409,386	409,386	0
Materials and Supplies	205,601	184,499	184,499	0
Capital Outlay	72,725	96,666	96,666	0
<i>Total Expenditures</i>	<u>674,500</u>	<u>690,551</u>	<u>690,551</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(57,572)	(138,938)	(138,938)	0
<i>Fund Balance Beginning of Year</i>	49,831	49,831	49,831	0
Prior Year Encumbrances Appropriated	<u>89,107</u>	<u>89,107</u>	<u>89,107</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$81,366</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
Title I Fund
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,696,642	\$1,198,441	\$1,074,307	(\$124,134)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	465,160	439,808	439,808	0
Fringe Benefits	316,486	224,392	224,392	0
Materials and Supplies	19,827	5,353	5,353	0
Capital Outlay	85,936	31,056	31,056	0
Total Instruction	887,409	700,609	700,609	0
Support Services:				
Fiscal:				
Other	47,767	28,884	28,884	0
Central:				
Salaries and Wages	282,445	217,330	217,330	0
Fringe Benefits	140,229	103,436	103,436	0
Purchased Services	166,827	25,863	25,863	0
Capital Outlay	17,113	7,838	7,838	0
Total Central	606,614	354,467	354,467	0
Total Support Services	654,381	383,351	383,351	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	36,077	23,782	23,782	0
Materials and Supplies	16,368	7,540	7,540	0
Total Operation of Non-Instructional Services	52,445	31,322	31,322	0
<i>Total Expenditures</i>	1,594,235	1,115,282	1,115,282	0
<i>Excess of Revenues Over (Under) Expenditures</i>	\$102,407	\$83,159	(\$40,975)	(\$124,134)

(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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Sources (Uses)				
Advances In	\$0	\$16,107	\$16,107	\$0
Advances Out	0	0	(39,308)	(39,308)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>16,107</u>	<u>(23,201)</u>	<u>(39,308)</u>
<i>Net Change in Fund Balance</i>	102,407	99,266	(64,176)	(163,442)
<i>Fund Deficit Beginning of Year</i>	(100,798)	(100,798)	(100,798)	0
Prior Year Encumbrances Appropriated	<u>41,729</u>	<u>41,729</u>	<u>41,729</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$43,338</u></u>	<u><u>\$40,197</u></u>	<u><u>(\$123,245)</u></u>	<u><u>(\$163,442)</u></u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
District Managed Student Activities Fund
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$3,000	\$905	\$905	\$0
Extracurricular Activities	267,423	232,360	232,360	0
Rentals	0	29,130	29,130	0
Contributions and Donations	20,050	21,843	21,843	0
Miscellaneous	5,983	9,129	9,129	0
<i>Total Revenues</i>	296,456	293,367	293,367	0
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	250	5,980	5,980	0
Pupil Transportation:				
Purchased Services	6,800	6,362	6,362	0
Total Support Services	7,050	12,342	12,342	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	1,374	1,374	346	1,028
Capital Outlay	2,200	2,200	0	2,200
Total Operation of Non-Instructional Services	3,574	3,574	346	3,228
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	30,846	26,390	17,245	9,145
Materials and Supplies	35,529	33,833	9,381	24,452
Capital Outlay	6,543	5,300	4,191	1,109
Other	26,240	25,236	11,783	13,453
Total Academic and Subject Oriented Activities	99,158	90,759	42,600	48,159
Sports Oriented Activities:				
Salaries and Wages	3,038	7,266	7,266	0
Fringe Benefits	938	2,411	2,411	0
Purchased Services	139,987	150,820	150,820	0
Materials and Supplies	18,654	32,205	32,205	0
Capital Outlay	34,484	34,433	34,433	0
Other	32,911	30,620	30,620	0
Total Sports Oriented Activities	\$230,012	\$257,755	\$257,755	\$0

(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, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
School and Public Service				
Co-Curricular Activities:				
Other	\$2,800	\$2,800	\$824	\$1,976
Total Extracurricular Activities	331,970	351,314	301,179	50,135
<i>Total Expenditures</i>	342,594	367,230	313,867	53,363
<i>Excess of Revenues Over (Under) Expenditures</i>	(46,138)	(73,863)	(20,500)	53,363
Other Financing Sources (Uses)				
Advances In	0	29	29	0
Transfers In	0	4,158	4,158	0
<i>Total Other Financing Sources (Uses)</i>	0	4,187	4,187	0
<i>Net Change in Fund Balance</i>	(46,138)	(69,676)	(16,313)	53,363
<i>Fund Balance Beginning of Year</i>	69,969	69,969	69,969	0
Prior Year Encumbrances Appropriated	13,068	13,068	13,068	0
<i>Fund Balance End of Year</i>	<u>\$36,899</u>	<u>\$13,361</u>	<u>\$66,724</u>	<u>\$53,363</u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Preschool at Risk Fund
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$175,797	\$159,944	\$151,257	(\$8,687)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	100,203	89,026	89,026	0
Fringe Benefits	63,100	58,425	58,425	0
<i>Total Expenditures</i>	163,303	147,451	147,451	0
<i>Excess of Revenues Over (Under) Expenditures</i>	12,494	12,493	3,806	(8,687)
Other Financing Sources (Uses)				
Advances Out	0	0	(1,989)	(1,989)
<i>Net Change in Fund Balance</i>	12,494	12,493	1,817	(10,676)
<i>Fund Deficit Beginning of Year</i>	(10,505)	(10,505)	(10,505)	0
<i>Fund Balance (Deficit) End of Year</i>	\$1,989	\$1,988	(\$8,688)	(\$10,676)

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$15	\$114	\$114	\$0
Extracurricular Activities	1,400	3	3	0
Contributions and Donations	52,973	76,319	76,319	0
<i>Total Revenues</i>	54,388	76,436	76,436	0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	4,597	2,245	1,345	900
Materials and Supplies	80,116	85,865	43,189	42,676
Capital Outlay	895	5,889	3,187	2,702
Total Regular	85,608	93,999	47,721	46,278
Special:				
Materials and Supplies	2,069	826	363	463
Vocational:				
Materials and Supplies	817	817	0	817
Total Instruction	88,494	95,642	48,084	47,558
Support Services:				
Pupil:				
Materials and Supplies	0	200	0	200
Capital Outlay	28	28	0	28
Total Pupil	28	228	0	228
Instructional Staff:				
Purchased Services	1,510	1,510	1,510	0
Materials and Supplies	472	472	7	465
Capital Outlay	22,573	22,573	22,499	74
Total Instructional Staff	24,555	24,555	24,016	539
Administration:				
Materials and Supplies	\$0	\$10,000	\$0	\$10,000

(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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Pupil Transportation:				
Purchased Services	\$200	\$200	\$500	(\$300)
Total Support Services	24,783	34,983	24,516	10,467
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	667	667	0	667
Capital Outlay	171	171	0	171
Total Operation of Non-Instructional Services	838	838	0	838
Extracurricular Activities:				
Sports Oriented Activities:				
Materials and Supplies	1,511	1,511	0	1,511
<i>Total Expenditures</i>	115,626	132,974	72,600	60,374
<i>Net Change in Fund Balance</i>	(61,238)	(56,538)	3,836	60,374
<i>Fund Balance Beginning of Year</i>	71,668	71,668	71,668	0
Prior Year Encumbrances Appropriated	2,048	2,048	2,048	0
<i>Fund Balance End of Year</i>	<u>\$12,478</u>	<u>\$17,178</u>	<u>\$77,552</u>	<u>\$60,374</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$66,123	\$57,836	\$53,303	(\$4,533)
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	41,945	37,827	37,827	0
Fringe Benefits	20,911	18,723	18,723	0
Total Pupil	62,856	56,550	56,550	0
Fiscal:				
Other	1,272	983	983	0
<i>Total Expenditures</i>	64,128	57,533	57,533	0
<i>Excess of Revenues Over (Under) Expenditures</i>	1,995	303	(4,230)	(4,533)
Other Financing Sources (Uses)				
Advances Out	0	0	0	0
<i>Net Change in Fund Balance</i>	1,995	303	(4,230)	(4,533)
<i>Fund Deficit Beginning of Year</i>	(279)	(279)	(279)	0
<i>Fund Balance (Deficit) End of Year</i>	\$1,716	\$24	(\$4,509)	(\$4,533)

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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$950,000	\$995,584	\$995,583	(\$1)
Interest	80	8,282	8,282	0
Charges for Services	793,000	633,355	633,355	0
Contributions and Donations	250	550	550	0
Miscellaneous	5,200	3,864	3,864	0
<i>Total Revenues</i>	<u>1,748,530</u>	<u>1,641,635</u>	<u>1,641,634</u>	<u>(1)</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	50,000	47,429	27,087	20,342
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	623,590	636,154	636,154	0
Fringe Benefits	187,940	315,720	315,720	0
Purchased Services	126,927	156,927	93,245	63,682
Materials and Supplies	864,461	864,461	627,480	236,981
Capital Outlay	888,449	718,105	183,913	534,192
Total Operation of Non-Instructional Services	<u>2,691,367</u>	<u>2,691,367</u>	<u>1,856,512</u>	<u>834,855</u>
<i>Total Expenditures</i>	<u>2,741,367</u>	<u>2,738,796</u>	<u>1,883,599</u>	<u>855,197</u>
<i>Net Change in Fund Balance</i>	(992,837)	(1,097,161)	(241,965)	855,196
<i>Fund Balance Beginning of Year</i>	1,584,466	1,584,466	1,584,466	0
Prior Year Encumbrances Appropriated	<u>148,477</u>	<u>148,477</u>	<u>148,477</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$740,106</u>	<u>\$635,782</u>	<u>\$1,490,978</u>	<u>\$855,196</u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Community Education Fund
For the Fiscal Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Tuition and Fees	\$989,100	\$1,043,012	\$1,043,012	\$0
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	33,816	32,683	22,476	10,207
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	512,150	593,893	576,710	17,183
Fringe Benefits	323,025	313,525	279,653	33,872
Purchased Services	49,156	45,756	43,874	1,882
Materials and Supplies	18,751	20,851	16,442	4,409
Capital Outlay	3,000	15,000	14,431	569
Other	11,000	9,800	7,191	2,609
Total Operation of Non-Instructional Services	917,082	998,825	938,301	60,524
<i>Total Expenditures</i>	950,898	1,031,508	960,777	70,731
<i>Net Change in Fund Balance</i>	38,202	11,504	82,235	70,731
<i>Fund Balance Beginning of Year</i>	506,929	506,929	506,929	0
Prior Year Encumbrances Appropriated	4,917	4,917	4,917	0
<i>Fund Balance End of Year</i>	<u>\$550,048</u>	<u>\$523,350</u>	<u>\$594,081</u>	<u>\$70,731</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, 2017*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	<u>50</u>	<u>50</u>	<u>50</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(50)	(50)	(50)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>50</u>	<u>50</u>	<u>50</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
Title IIA Fund
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$170,017	\$134,582	\$119,254	(\$15,328)
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	7,859	3,776	3,776	0
Central:				
Salaries and Wages	91,881	86,020	86,020	0
Fringe Benefits	37,506	31,247	31,247	0
Purchased Services	10,282	7,033	7,033	0
Total Central	139,669	124,300	124,300	0
Total Support Services	147,528	128,076	128,076	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	23,867	12,244	12,244	0
<i>Total Expenditures</i>	171,395	140,320	140,320	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,378)	(5,738)	(21,066)	(15,328)
Other Financing Sources (Uses)				
Advances In	0	2,772	2,772	0
<i>Net Change in Fund Balance</i>	(1,378)	(2,966)	(18,294)	(15,328)
<i>Fund Deficit Beginning of Year</i>	(1,859)	(1,859)	(1,859)	0
Prior Year Encumbrances Appropriated	4,935	4,935	4,935	0
<i>Fund Balance (Deficit) End of Year</i>	\$1,698	\$110	(\$15,218)	(\$15,328)

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$39,371	\$32,368	\$30,651	(\$1,717)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	21,002	18,480	18,480	0
Fringe Benefits	9,453	8,773	8,773	0
Materials and Supplies	3,876	479	479	0
Total Instruction	34,331	27,732	27,732	0
Support Services:				
Fiscal:				
Other	780	659	659	0
Central:				
Purchased Services	1,120	766	766	0
Total Support Services	1,900	1,425	1,425	0
<i>Total Expenditures</i>	36,231	29,157	29,157	0
<i>Net Change in Fund Balance</i>	3,140	3,211	1,494	(1,717)
<i>Fund Deficit Beginning of Year</i>	(3,126)	(3,126)	(3,126)	0
<i>Fund Balance (Deficit) End of Year</i>	\$14	\$85	(\$1,632)	(\$1,717)

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, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$682,949	\$3,747,529	\$3,747,529	\$0
Intergovernmental	0	87,519	87,519	0
<i>Total Revenues</i>	<u>682,949</u>	<u>3,835,048</u>	<u>3,835,048</u>	<u>0</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	0	49,940	42,534	7,406
Debt Service:				
Principal Retirement	1,500,000	1,500,000	1,500,000	0
Interest and Fiscal Charges	128,924	1,278,444	1,278,444	0
<i>Total Debt Service</i>	<u>1,628,924</u>	<u>2,778,444</u>	<u>2,778,444</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,628,924</u>	<u>2,828,384</u>	<u>2,820,978</u>	<u>7,406</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(945,975)	1,006,664	1,014,070	7,406
Other Financing Sources (Uses)				
Premium on General Obligation Bonds	0	210,197	210,197	0
<i>Net Change in Fund Balance</i>	(945,975)	1,216,861	1,224,267	7,406
<i>Fund Balance Beginning of Year</i>	<u>2,243,594</u>	<u>2,243,594</u>	<u>2,243,594</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,297,619</u></u>	<u><u>\$3,460,455</u></u>	<u><u>\$3,467,861</u></u>	<u><u>\$7,406</u></u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$539,552	\$639,864	\$639,864	\$0
Intergovernmental	185,756	379,814	144,549	(235,265)
Contributions and Donations	0	247,000	247,000	0
Miscellaneous	0	6,100	6,100	0
<i>Total Revenues</i>	<u>725,308</u>	<u>1,272,778</u>	<u>1,037,513</u>	<u>(235,265)</u>
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	60,182	60,182	60,002	180
Capital Outlay	328,444	432,780	419,661	13,119
Total Instructional Staff	<u>388,626</u>	<u>492,962</u>	<u>479,663</u>	<u>13,299</u>
Fiscal:				
Other	21,000	21,798	21,798	0
Operation and Maintenance of Plant:				
Capital Outlay	0	5,591	5,107	484
Central:				
Capital Outlay	0	4,716	4,715	1
Total Support Services	<u>409,626</u>	<u>525,067</u>	<u>511,283</u>	<u>13,784</u>
Capital Outlay:				
Building Improvement Services:				
Capital Outlay	949,190	1,617,883	1,594,348	23,535
Debt Service:				
Principal Retirement	425,000	425,000	425,000	0
Interest and Fiscal Charges	139,238	139,238	139,238	0
Total Debt Service	<u>564,238</u>	<u>564,238</u>	<u>564,238</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,923,054</u>	<u>2,707,188</u>	<u>2,669,869</u>	<u>37,319</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,197,746)	(1,434,410)	(1,632,356)	(197,946)
Other Financing Sources (Uses)				
Transfers In	510,000	460,000	460,000	0
<i>Net Change in Fund Balance</i>	(687,746)	(974,410)	(1,172,356)	(197,946)
<i>Fund Balance Beginning of Year</i>	1,120,412	1,120,412	1,120,412	0
Prior Year Encumbrances Appropriated	89,817	89,817	89,817	0
<i>Fund Balance End of Year</i>	<u>\$522,483</u>	<u>\$235,819</u>	<u>\$37,873</u>	<u>(\$197,946)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$12,600	\$12,600	\$12,600	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	18,750	18,750	18,750	0
<i>Net Change in Fund Balance</i>	(6,150)	(6,150)	(6,150)	0
<i>Fund Balance Beginning of Year</i>	6,150	6,150	6,150	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, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$8,870,848	\$9,317,565	\$9,317,565	\$0
Other	14,891	5,180	5,180	0
<i>Total Revenues</i>	<u>8,885,739</u>	<u>9,322,745</u>	<u>9,322,745</u>	<u>0</u>
Expenses				
Purchased Services	1,253,392	1,360,904	1,360,904	0
Claims	7,710,000	9,053,057	9,053,057	0
<i>Total Expenses</i>	<u>8,963,392</u>	<u>10,413,961</u>	<u>10,413,961</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenses Before Advances</i>	(77,653)	(1,091,216)	(1,091,216)	0
Advances In	<u>0</u>	<u>374,664</u>	<u>374,664</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(77,653)	(716,552)	(716,552)	0
<i>Fund Equity Beginning of Year</i>	689,160	689,160	689,160	0
Prior Year Encumbrances Appropriated	<u>27,392</u>	<u>27,392</u>	<u>27,392</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$638,899</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$406,000	\$242,849	\$242,849	\$0
Other	0	57,484	57,484	0
<i>Total Revenues</i>	406,000	300,333	300,333	0
Expenses				
Purchased Services	200,000	200,000	191,845	8,155
<i>Net Change in Fund Equity</i>	206,000	100,333	108,488	8,155
<i>Fund Equity Beginning of Year</i>	210,147	210,147	210,147	0
<i>Fund Equity End of Year</i>	<u>\$416,147</u>	<u>\$310,480</u>	<u>\$318,635</u>	<u>\$8,155</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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$66	\$66	\$0
Expenses	0	0	0	0
<i>Net Change in Fund Equity</i>	0	66	66	0
<i>Fund Equity Beginning of Year</i>	13,445	13,445	13,445	0
<i>Fund Equity End of Year</i>	\$13,445	\$13,511	\$13,511	\$0

Statistical Section



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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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2 - S11
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S12 - S22
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue debt in the future.	S23 - S26
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's activities take place.	S27 - S28
Operating Information These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S29 - S41

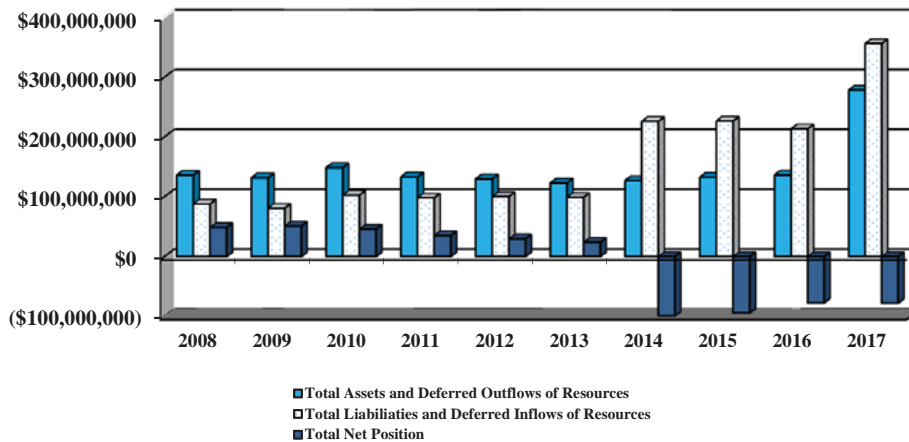
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	2008	2009	2010	2011
Governmental Activities:				
Net Investment in Capital Assets	\$10,053,655	\$10,836,395	\$17,647,068	\$14,326,886
Restricted for:				
Capital Projects	0	0	0	1,467,073
Debt Service	5,636,961	5,624,696	2,850,111	2,994,724
Set Asides	32,292	389,213	229,621	193,440
Other Purposes	1,959,363	2,354,730	2,010,455	2,934,178
Unrestricted (Deficit)	30,822,355	31,675,782	23,173,431	13,141,808
<i>Total Net Position of Governmental Activities</i>	<u>\$48,504,626</u>	<u>\$50,880,816</u>	<u>\$45,910,686</u>	<u>\$35,058,109</u>

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

Net Position



2012	2013	2014 (1)	2015 (1)	2016 (1)	2017 (1)
\$12,126,538	\$13,489,578	\$14,028,113	\$13,782,338	\$14,073,293	\$16,438,747
2,853,456	1,325,817	614,126	191,417	1,585,366	1,470,269
3,125,971	3,337,903	2,956,126	3,736,492	1,652,894	2,266,997
99,686	0	28,983	0	0	0
2,982,140	2,644,355	2,344,096	2,614,592	2,683,067	3,102,103
8,405,570	3,063,523	(118,758,867)	(107,118,676)	(97,228,488)	(100,814,728)
<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>	<u>(\$77,536,612)</u>

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

	2008	2009	2010	2011
Expenses				
Governmental Activities:				
Regular Instruction	\$39,358,016	\$36,391,830	\$45,065,039	\$48,818,126
Special Instruction	11,074,764	11,547,898	10,038,403	8,879,849
Vocational Instruction	700,317	809,220	825,472	747,511
Adult/Continuing Instruction	182,990	217,180	227,267	167
Student Intervention	0	0	0	0
Pupil Support	4,756,650	5,062,514	5,264,854	5,233,024
Instructional Staff Support	5,788,567	7,184,673	7,503,450	5,898,656
Board of Education	42,261	39,173	40,655	40,279
Administration	4,148,412	4,979,545	4,847,968	4,481,530
Fiscal	2,524,738	1,767,988	1,644,105	1,713,498
Business	743,284	839,474	732,957	836,727
Operation and Maintenance of Plant	7,790,941	8,874,736	7,582,239	7,697,334
Pupil Transportation	4,128,443	4,092,193	4,039,473	3,577,492
Central	2,380,593	2,415,876	2,203,808	2,750,598
Operation of Non-Instructional Services	3,908,876	3,876,038	3,409,255	2,561,931
Extracurricular Activities	1,679,646	1,707,738	1,793,990	1,711,255
Interest and Fiscal Charges	794,393	772,958	1,721,024	2,190,396
<i>Total Governmental Activities Expenses</i>	<u>90,002,891</u>	<u>90,579,034</u>	<u>96,939,959</u>	<u>97,138,373</u>
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
Regular Instruction	3,234,041	1,070,598	1,094,550	1,359,352
Special Instruction	388,876	813,165	1,549,202	1,736,219
Adult/Continuing	178,586	200,570	232,937	170
Pupil Support	4,256	3,750	2,999	2,207
Instructional Staff Support	152,390	142,636	184,976	0
Fiscal	0	0	0	0
Business	18,574	136,431	107,659	101,338
Operation and Maintenance of Plant	156,563	26,854	122,319	33,459
Pupil Transportation	53,840	65,579	74,205	95,206
Central	0	0	0	0
Operation of Non-Instructional Services	2,395,120	2,303,752	2,172,752	2,157,619
Extracurricular Activities	407,496	270,131	270,030	524,532
Operating Grants and Contributions				
Regular Instruction	345,357	353,705	809,913	766,495
Special Instruction	1,333,987	1,499,683	1,537,002	2,064,492
Vocational Instruction	0	0	0	0
Pupil Support	725,207	760,077	968,944	1,087,625
Instructional Staff Support	526,799	557,453	859,369	1,157,931
Administration	81,625	100,509	89,783	179,389
Fiscal	0	0	0	0
Business	0	0	5,803	0
Operation and Maintenance of Plant	0	367	4,082	478
Pupil Transportation	16,473	15,131	189,203	40,381
Central	26,573	21,474	12,959	5,000
Operation of Non-Instructional Services	1,539,691	1,643,553	1,626,109	1,838,840
Extracurricular Activities	41,460	83,779	149,800	46,262
Capital Grants and Contributions				
Regular Instruction	0	0	0	0
Instructional Staff Support	1,249	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	90,477	36,000	25,149	25,025
Extracurricular Activities	0	0	0	0
Interest and Fiscal Charges	0	0	0	326,576
<i>Total Governmental Activities Program Revenues</i>	<u>\$11,718,640</u>	<u>\$10,105,197</u>	<u>\$12,089,853</u>	<u>\$13,548,596</u>

2012	2013	2014	2015 (1)	2016 (1)	2017 (1)
\$41,353,215	\$39,608,990	\$36,199,890	\$31,189,634	\$31,822,289	\$35,334,382
10,245,263	13,517,350	16,507,159	12,957,488	14,369,441	14,924,379
755,157	557,365	461,608	449,327	281,881	304,519
0	0	0	0	0	0
0	0	0	2,710,357	2,853,260	3,408,428
5,613,451	5,486,171	5,060,741	5,296,091	5,180,499	5,753,491
6,585,844	6,429,274	1,936,743	2,026,693	1,873,500	2,210,710
33,962	29,421	30,936	31,884	40,802	28,976
4,976,072	4,689,371	5,149,936	4,962,719	5,075,784	5,516,878
1,867,747	1,889,015	1,886,716	1,929,973	2,078,462	2,343,485
615,697	908,587	930,614	1,102,810	658,200	503,791
7,484,540	7,089,550	6,640,901	6,907,464	5,570,470	6,288,109
4,737,450	4,589,088	5,703,126	5,719,081	5,877,604	6,281,638
3,169,134	2,974,477	2,497,201	2,058,421	1,949,975	2,673,824
3,466,400	3,323,805	4,208,485	3,257,825	3,207,160	3,458,007
1,733,246	1,980,304	1,498,499	1,018,512	1,404,707	1,368,948
2,124,918	2,645,105	1,721,028	1,152,966	1,210,442	2,773,750
94,762,096	95,717,873	90,433,583	82,771,245	83,454,476	93,173,315
1,037,994	1,254,464	1,764,837	1,790,405	1,446,786	2,217,870
1,274,859	1,823,523	2,565,414	1,681,630	1,470,301	2,179,966
0	0	0	0	0	0
1,769	1,249	0	0	750	0
0	0	0	0	20,319	0
0	0	0	0	22,967	10,398
79,724	96,770	136,140	64,857	24,214	4,446
178,773	69,586	80,579	69,241	74,130	91,336
67,061	77,436	58,826	142,936	207,648	186,044
0	0	0	0	0	0
2,110,236	2,056,037	1,803,214	1,780,337	1,683,701	1,674,661
598,101	656,322	598,546	418,124	416,581	467,138
496,491	118,881	188,555	221,274	193,444	223,091
1,070,960	1,153,964	2,205,144	4,011,352	4,219,640	3,996,264
0	0	0	20,724	27,112	34,668
831,186	713,117	894,215	796,230	673,554	591,930
557,118	315,957	33,821	0	17,489	8,208
125,451	97,373	189,657	227,549	241,772	308,439
0	0	0	5,527	93,586	119,384
7,814	0	0	0	0	1,316
0	965	0	0	1,113	0
168,815	21,150	2,789	1,884	665	918
622,915	361,531	456,851	386,804	340,446	547,407
1,587,131	1,859,766	1,625,303	1,684,954	1,641,179	1,639,355
0	144,556	23,717	30,969	122,434	29,813
250,000	0	3,000	0	8,117	373,090
0	47,379	0	0	0	247,000
0	0	7,000	0	0	0
16,200	0	12,600	14,400	4,483	4,483
0	167,000	0	0	0	0
326,576	0	0	0	0	0
\$11,409,174	\$11,037,026	\$12,650,208	\$13,349,197	\$12,952,431	\$14,957,225

(continued)

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

	2008	2009	2010	2011
Net (Expense)/Revenue	(\$78,284,251)	(\$80,473,837)	(\$84,850,106)	(\$83,589,777)
General Revenues				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	55,730,090	53,974,253	49,940,417	49,482,680
Debt Service	1,289,022	1,133,718	1,068,671	1,030,334
Capital Outlay	1,188,843	1,341,588	1,294,683	934,134
Grants and Entitlements not Restricted to Specific Programs	23,174,392	25,357,616	26,020,444	20,908,683
Unrestricted Contributions	0	0	0	66,896
Gain on Sale of Capital Assets	0	0	0	0
Investment Earnings	1,958,941	692,009	307,078	88,002
Miscellaneous	684,956	350,843	1,248,683	226,471
<i>Total Governmental Activities General Revenue</i>	<u>84,026,244</u>	<u>82,850,027</u>	<u>79,879,976</u>	<u>72,737,200</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$5,741,993</u>	<u>\$2,376,190</u>	<u>(\$4,970,130)</u>	<u>(\$10,852,577)</u>

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

2012	2013	2014	2015 (1)	2016 (1)	2017 (1)
<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>	<u>(\$78,216,090)</u>
50,612,454	52,931,241	54,324,820	54,892,650	55,882,938	50,318,517
1,033,395	1,077,944	928,565	1,410,043	146,897	4,109,314
1,303,640	1,280,245	1,310,611	728,822	1,314,500	1,192,802
23,706,710	22,622,495	22,999,655	23,876,897	22,430,197	21,679,782
0	51,316	51,639	39,419	0	0
243,452	0	0	0	0	0
34,505	20,181	8,164	7,265	37,954	146,467
954,018	965,240	149,550	460,538	249,528	466,464
<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>77,913,346</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>	<u>(\$302,744)</u>

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

	2008	2009	2010 (1)	2011
General Fund				
Nonspendable	NA	NA	\$187,165	\$171,517
Restricted	NA	NA	0	206,582
Assigned	NA	NA	180,745	196,107
Unassigned	NA	NA	29,008,560	14,900,858
Reserved	\$5,309,185	\$6,053,850	NA	NA
Unreserved (Deficit)	24,094,592	25,745,798	NA	NA
<i>Total General Fund</i>	<u>29,403,777</u>	<u>31,799,648</u>	<u>29,376,470</u>	<u>15,475,064</u>
All Other Governmental Funds				
Nonspendable	NA	NA	32,883	11,072
Restricted	NA	NA	22,754,429	9,008,264
Unassigned (Deficit)	NA	NA	(530,612)	(234,765)
Reserved	742,625	965,712	NA	NA
Unreserved, Undesignated, Reported in:				
Special Revenue funds	746,651	907,538	NA	NA
Debt Service funds	2,890,925	3,081,356	NA	NA
Capital Projects funds (Deficit)	(857,848)	(1,448,894)	NA	NA
<i>Total All Other Governmental Funds</i>	<u>3,522,353</u>	<u>3,505,712</u>	<u>22,256,700</u>	<u>8,784,571</u>
<i>Total Governmental Funds</i>	<u>\$32,926,130</u>	<u>\$35,305,360</u>	<u>\$51,633,170</u>	<u>\$24,259,635</u>

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

2012	2013	2014	2015	2016	2017
\$187,478	\$185,814	\$212,861	\$173,388	\$119,475	\$116,634
99,686	0	28,983	0	0	0
1,745,897	1,416,139	285,566	609,623	795,952	708,842
6,907,662	0	4,414,093	14,216,177	21,679,341	21,156,885
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
<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>	<u>21,982,361</u>
10,900	10,809	10,212	9,386	8,906	9,455
7,508,663	7,344,944	5,687,075	6,340,491	4,612,923	119,667,006
(758,626)	(1,100,574)	(2,191,354)	(3,388,561)	(1,335,522)	(1,715,265)
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
<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>117,961,196</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>	<u>\$139,943,557</u>

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

	2008	2009	2010	2011
Revenues				
Property Taxes	\$58,477,685	\$57,002,404	\$52,524,445	\$51,029,228
Intergovernmental	28,062,598	30,097,350	32,323,880	28,419,803
Interest	1,958,941	692,009	307,078	88,002
Tuition and Fees	4,248,130	4,018,410	4,003,556	3,711,286
Extracurricular Activities	623,628	503,326	526,446	580,322
Rentals	126,960	102,356	122,822	31,032
Charges for Services	1,449,228	1,395,370	1,317,925	1,255,224
Contributions and Donations	111,687	192,852	234,725	153,717
Miscellaneous	684,956	350,843	1,248,683	226,471
<i>Total Revenues</i>	<u>95,743,813</u>	<u>94,354,920</u>	<u>92,609,560</u>	<u>85,495,085</u>
Expenditures				
Current:				
Instruction:				
Regular	33,916,940	34,960,310	38,432,683	39,077,887
Special	11,576,938	11,594,623	10,312,422	10,734,786
Vocational	757,472	809,189	843,469	910,458
Adult/Continuing	192,654	218,090	235,330	167
Student Intervention	0	0	0	0
Support Services:				
Pupil	4,944,184	5,056,856	5,372,728	5,743,923
Instructional Staff	6,521,497	7,031,107	8,203,956	8,253,865
Board of Education	42,261	39,173	40,655	40,279
Administration	4,383,314	5,094,343	4,859,059	5,120,714
Fiscal	2,588,737	1,761,506	1,693,464	1,808,492
Business	751,120	828,027	746,207	888,137
Operation and Maintenance of Plant	8,192,643	8,762,671	8,090,494	8,583,494
Pupil Transportation	4,287,855	3,930,569	4,112,181	4,771,895
Central	2,932,731	2,715,901	2,751,609	3,059,261
Operation of Non-Instructional Services	4,182,836	3,840,731	3,741,752	3,670,827
Extracurricular Activities	1,751,459	1,729,082	1,832,564	1,761,982
Capital Outlay	7,312,724	1,587,501	7,643,405	14,970,422
Debt Service:				
Principal Retirement	940,000	1,242,802	1,275,000	1,320,000
Interest and Fiscal Charges	782,942	773,209	1,324,505	2,152,031
Debt Issuance Costs	79,173	0	490,946	0
<i>Total Expenditures</i>	<u>96,137,480</u>	<u>91,975,690</u>	<u>102,002,429</u>	<u>112,868,620</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(393,667)</u>	<u>2,379,230</u>	<u>(9,392,869)</u>	<u>(27,373,535)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	0	0
Certificates of Participation Issued	0	0	26,000,000	0
Premium on General Obligation Bonds	0	0	0	0
Premium on Certificates of Participation	0	0	127,260	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Discount on Certificates of Participation	0	0	(406,581)	0
Transfers In	261,714	605,412	572,338	1,005,734
Transfers Out	(261,714)	(605,412)	(572,338)	(1,005,734)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>25,720,679</u>	<u>0</u>
Special Item				
Sale of CA Thomas Elementary	0	0	0	0
<i>Net Change in Fund Balances</i>	<u>(\$393,667)</u>	<u>\$2,379,230</u>	<u>\$16,327,810</u>	<u>(\$27,373,535)</u>
Debt Service as a Percentage of Noncapital Expenditures	2.0%	2.2%	2.7%	3.7%

2012	2013	2014	2015	2016	2017
\$51,417,177	\$55,022,732	\$57,550,637	\$57,215,966	\$58,226,212	\$55,293,938
29,207,458	28,235,695	29,000,164	31,535,412	29,924,108	28,615,793
34,505	20,181	8,164	7,265	39,318	521,038
3,780,047	3,981,655	4,018,423	5,055,528	3,815,856	5,460,488
708,113	695,598	598,546	409,016	404,938	433,106
174,798	68,650	79,031	70,429	73,197	124,466
1,177,577	1,095,096	1,009,180	855,786	766,205	633,355
354,898	386,584	129,911	147,662	192,101	367,468
954,018	965,240	149,550	460,538	249,528	274,619
87,808,591	90,471,431	92,543,606	95,757,602	93,691,463	91,724,271
38,236,513	37,335,907	35,321,823	31,632,929	32,015,811	32,716,895
10,350,252	13,674,321	16,154,620	13,090,313	14,232,343	14,286,503
768,027	584,269	454,754	489,976	283,808	285,446
0	0	0	0	0	0
0	0	0	2,710,357	2,848,758	3,357,362
5,680,392	5,531,744	5,013,480	5,328,640	5,359,881	5,386,938
6,645,875	6,677,925	1,980,267	2,044,328	1,910,149	2,060,714
33,962	29,421	30,981	31,897	40,738	28,575
4,949,479	4,717,817	5,092,297	5,114,218	5,099,125	5,074,548
2,017,012	1,888,299	1,871,639	1,919,004	2,045,894	2,224,571
780,589	911,931	902,132	1,073,329	658,971	469,412
7,547,015	7,173,156	6,535,277	5,880,086	5,566,073	5,683,973
4,610,385	4,648,162	4,750,302	5,206,133	4,999,087	5,474,561
3,015,167	3,004,102	2,457,830	2,067,684	1,947,997	2,414,948
3,490,834	3,467,797	4,142,443	3,271,791	3,106,638	3,237,037
1,745,513	2,014,019	1,566,036	1,022,526	1,415,283	1,327,908
3,305,605	2,758,857	2,176,308	2,133,519	1,114,388	1,896,516
1,375,000	1,870,000	1,855,000	1,900,000	1,930,000	2,150,000
2,083,398	2,028,232	1,648,113	1,327,804	1,195,949	2,296,963
0	0	356,418	0	222,380	1,353,238
96,635,018	98,315,959	92,309,720	86,244,534	85,993,273	91,726,108
(8,826,427)	(7,844,528)	233,886	9,513,068	7,698,190	(1,837)
0	0	0	0	0	112,500,000
0	0	13,685,000	0	8,900,000	0
0	0	0	0	0	1,564,319
0	0	0	0	264,473	0
0	0	(13,074,651)	0	(8,942,092)	0
0	0	(253,931)	0	0	0
570,437	571,137	0	39,212	2,225,942	464,158
(570,437)	(571,137)	0	(39,212)	(2,225,942)	(464,158)
0	0	356,418	0	222,381	114,064,319
268,452	0	0	0	0	0
(\$8,557,975)	(\$7,844,528)	\$590,304	\$9,513,068	\$7,920,571	\$114,062,482
3.7%	4.0%	3.9%	3.8%	3.7%	4.9%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
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
2017	825,589,220	430,825,830	3,589,757,286	40,412,290	45,923,057

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. 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 has been phased out, and during the phase out period, all business tangible personal property was assessed at 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was 2010).

The tangible personal property values associated with each year were 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 a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

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
\$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	75.00	41.62
0	0	1,321,400,620	3,722,843,399	78.90	47.93
0	0	1,331,386,600	3,746,831,362	78.90	48.07
0	0	1,336,922,810	3,759,428,495	78.70	48.08
0	0	1,311,537,930	3,684,393,401	78.00	48.22
0	0	1,296,827,340	3,635,680,343	82.20	52.43

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

	2008	2009	2010	2011	2012
Unvoted Millage					
Operating	\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
Voted Millage - by levy					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	\$6.35	\$6.35	\$6.87	\$6.88	\$6.88
Commercial/Industrial and Public Utility Real	11.82	11.85	12.26	12.24	12.32
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	2.83	2.83	3.07	3.07	3.07
Commercial/Industrial and Public Utility Real	3.50	3.50	3.63	3.62	3.64
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	3.40	3.69	3.69	3.69
Commercial/Industrial and Public Utility Real	4.03	4.04	4.17	4.17	4.19
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	3.50	3.50	3.79	3.79	3.79
Commercial/Industrial and Public Utility Real	3.86	3.87	4.00	4.00	4.02
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	4.44	4.44	4.80	4.81	4.81
Commercial/Industrial and Public Utility Real	4.31	4.32	4.47	4.47	4.49
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	4.94	4.93	5.34	5.34	5.35
Commercial/Industrial and Public Utility Real	5.31	5.32	5.50	5.50	5.53
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	4.80	4.80	5.19	5.20	5.20
Commercial/Industrial and Public Utility Real	4.85	4.86	5.03	5.03	5.05
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	0.90	0.80	0.90
2016 Bond Levy (debt service)	0.00	0.00	0.00	0.00	0.00

2013	2014	2015	2016	2017
\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
\$7.41	\$7.42	\$7.43	\$7.54	\$7.54
13.04	13.10	13.25	13.91	13.90
31.40	31.40	31.40	31.40	31.40
3.31	3.31	3.31	3.36	3.36
3.85	3.88	3.92	4.11	4.11
6.90	6.90	6.90	6.90	6.90
3.97	3.98	3.99	4.04	4.04
4.44	4.46	4.51	4.74	4.74
6.90	6.90	6.90	6.90	6.90
4.09	4.09	4.09	4.16	4.15
4.26	4.28	4.33	4.54	4.54
5.90	5.90	5.90	5.90	5.90
5.18	5.18	5.19	5.27	5.27
4.76	4.77	4.83	5.07	5.07
5.90	5.90	5.90	5.90	5.90
5.76	5.77	5.78	5.85	5.86
5.86	5.88	5.90	5.90	5.90
5.90	5.90	5.90	5.90	5.90
5.25	5.25	5.25	5.25	5.25
5.25	5.25	5.25	5.25	5.25
5.25	5.25	5.25	5.25	5.25
3.90	3.90	3.90	3.90	3.90
3.90	3.90	3.90	3.90	3.90
3.90	3.90	3.90	3.90	3.90
0.90	0.90	0.70	0.00	0.00
0.00	0.00	0.00	0.00	4.20

(continued)

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

	2008	2009	2010	2011	2012
1976 Permanent Improvement Continuing					
Effective Millage Rates					
Residential/Agricultural Real	\$0.18	\$0.18	\$0.19	\$0.19	\$0.19
Commercial/Industrial and Public Utility Real	0.34	0.34	0.35	0.35	0.35
General Business and Public Utility Personal	0.90	0.90	0.90	0.90	0.90
1996 Permanent Improvement Continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.69	0.69	0.74	0.74	0.74
Commercial/Industrial and Public Utility Real	0.72	0.72	0.74	0.74	0.74
General Business and Public Utility Personal	1.00	1.00	1.00	1.00	1.00
Total voted millage by type of property					
Residential/Agricultural Real	\$31.94	\$31.92	\$34.58	\$34.51	\$34.62
Commercial/Industrial and Public Utility Real	39.54	39.62	41.05	40.92	41.23
General Business and Public Utility Personal	70.85	70.85	70.95	70.85	70.95
Total millage by type of property					
Residential/Agricultural Real	\$35.99	\$35.97	\$38.63	\$38.56	\$38.67
Commercial/Industrial and Public Utility Real	43.59	43.67	45.10	44.97	45.28
General Business and Public Utility Personal	74.90	74.90	75.00	74.90	75.00
Total Weighted Average Tax Rate					
	\$40.40	\$39.84	\$41.51	\$41.41	\$41.62
Overlapping Rates by Taxing District					
Berea City					
Effective Millage Rates					
Residential/Agricultural Real	\$13.00	\$13.00	\$13.03	\$13.13	\$13.13
Commercial/Industrial and Public Utility Real	13.59	13.60	13.63	13.56	13.56
General Business and Public Utility Personal	17.40	18.60	17.20	17.20	17.20
Middleburg Heights City					
Effective Millage Rates					
Residential/Agricultural Real	4.61	4.61	4.65	4.65	4.65
Commercial/Industrial and Public Utility Real	4.79	4.80	4.83	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	4.64	4.64	4.67	4.67	4.67
Commercial/Industrial and Public Utility Real	4.62	4.63	4.68	4.68	4.68
General Business and Public Utility Personal	4.75	4.75	4.75	4.75	4.75
Cleveland City					
Effective Millage Rates					
Residential/Agricultural Real	12.70	12.70	12.70	12.70	12.70
Commercial/Industrial and Public Utility Real	12.70	12.70	12.70	12.70	12.70
General Business and Public Utility Personal	12.70	12.70	12.70	12.70	12.70
Fairview Park City					
Effective Millage Rates					
Residential/Agricultural Real	11.50	11.51	11.57	11.58	11.58
Commercial/Industrial and Public Utility Real	11.71	11.71	11.72	11.73	11.74
General Business and Public Utility Personal	11.80	11.80	11.80	11.80	11.80

2013	2014	2015	2016	2017
\$0.21	\$0.21	\$0.21	\$0.21	\$0.21
0.37	0.38	0.38	0.39	0.40
0.90	0.90	0.90	0.90	0.90
0.80	0.80	0.80	0.81	0.81
0.79	0.79	0.80	0.84	0.84
1.00	1.00	1.00	1.00	1.00
\$40.78	\$40.81	\$40.65	\$40.39	\$44.59
47.42	47.59	47.77	48.65	52.85
74.85	74.85	74.65	73.95	78.15
\$44.83	\$44.86	\$44.70	\$44.44	\$48.64
51.47	51.64	51.82	52.70	56.90
78.90	78.90	78.70	78.00	82.20
\$47.93	\$48.07	\$48.08	\$48.22	\$52.43
\$12.75	\$12.76	\$12.76	\$12.78	\$12.78
13.31	13.31	13.32	13.38	13.38
16.80	16.80	16.80	16.80	16.80
4.71	4.71	4.71	4.71	4.71
4.88	4.88	4.88	4.91	4.91
5.45	5.45	5.45	5.45	5.45
4.73	4.73	4.73	4.74	4.74
4.67	4.67	4.68	4.68	4.68
4.80	4.75	4.75	4.75	4.75
12.70	12.70	12.70	12.70	12.70
12.70	12.70	12.70	12.70	12.70
12.70	12.70	12.70	12.70	12.70
11.61	11.61	11.61	11.56	11.56
11.73	11.73	11.75	11.79	11.79
11.80	11.80	11.80	11.80	11.80

(continued)

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

	2008	2009	2010	2011	2012
Olmsted Falls City					
Effective Millage Rates					
Residential/Agricultural Real	\$9.58	\$10.25	\$10.00	\$11.40	\$11.61
Commercial/Industrial and Public Utility Real	10.92	11.23	9.72	10.97	11.16
General Business and Public Utility Personal	16.50	15.70	14.50	14.25	14.45
Cuyahoga County					
Effective Millage Rates					
Residential/Agricultural Real	17.76	17.76	17.79	18.46	12.78
Commercial/Industrial and Public Utility Real	18.69	18.70	18.73	18.87	13.11
General Business and Public Utility Personal	18.20	20.60	20.60	19.05	13.22
Polaris J.V.S.D.					
Effective Millage Rates					
Residential/Agricultural Real	1.94	1.94	1.97	2.01	2.04
Commercial/Industrial and Public Utility Real	1.94	1.94	1.97	2.18	2.18
General Business and Public Utility Personal	2.40	2.40	2.40	2.40	2.40
Cuyahoga County Public Library					
Effective Millage Rates					
Residential/Agricultural Real	1.81	2.50	2.50	2.50	2.50
Commercial/Industrial and Public Utility Real	1.87	2.50	2.50	2.50	2.50
General Business and Public Utility Personal	2.00	2.50	2.50	2.50	2.50
Cleveland Metroparks					
Effective Millage Rates					
Residential/Agricultural Real	1.67	1.67	1.81	1.81	1.82
Commercial/Industrial and Public Utility Real	1.71	1.72	1.72	1.72	1.74
General Business and Public Utility Personal	1.85	1.85	1.85	1.85	1.85
Cleveland Cuyahoga Port Authority					
Effective Millage Rates					
Residential/Agricultural Real	0.09	0.09	0.10	0.10	0.10
Commercial/Industrial and Public Utility Real	0.10	0.11	0.11	0.11	0.11
General Business and Public Utility Personal	0.13	0.13	0.13	0.13	0.13
Cuyahoga Community College					
Effective Millage Rates					
Residential/Agricultural Real	2.39	2.40	2.60	3.08	3.08
Commercial/Industrial and Public Utility Real	2.56	2.57	2.58	3.02	3.02
General Business and Public Utility Personal	2.80	2.80	2.80	3.10	3.10

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 and Ohio Department of Taxation

Note: Emergency and Debt Service 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.

2013	2014	2015	2016	2017
\$11.69	\$10.60	\$10.60	\$10.50	\$11.56
11.34	10.32	10.56	10.55	11.79
14.45	13.35	13.35	13.35	11.80
13.22	13.94	14.05	14.05	13.88
12.99	14.05	14.01	13.87	14.01
20.80	14.05	14.05	14.05	14.05
2.33	2.33	2.33	2.29	2.98
2.13	2.14	2.17	2.27	2.96
2.40	2.40	2.40	2.40	3.09
2.50	2.50	2.50	2.47	2.47
2.50	2.50	2.50	2.50	2.50
2.50	2.50	2.50	2.50	2.50
2.75	2.75	2.71	2.71	2.71
2.70	2.74	2.75	2.75	2.74
2.75	2.75	2.75	2.75	2.75
0.11	0.14	0.11	0.11	0.11
0.11	0.11	0.11	0.12	0.12
0.13	0.13	0.13	0.13	0.13
3.10	3.10	4.00	3.94	3.95
3.06	3.07	3.99	4.00	3.99
3.10	3.10	4.00	4.00	4.00

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
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
2016	69,358,945	67,268,407	96.99	1,894,592	69,162,999	99.72

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 2017 information cannot be presented because all collections have not been made by June 30, 2017.
- (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**2017 and 2008(1)*

Name of Taxpayer	2017	
	Assessed Value	Percent of Real Property Assessed Value
City of Cleveland	\$48,838,980	3.89 %
The Islander Company, LLC	12,513,130	1.00
Southland Shopping Center, LLC	12,410,790	0.99
M W P Company	8,628,680	0.69
Ford Motor Company	8,190,010	0.65
Middleburg - Legacy Place	5,583,730	0.44
CP Snow Properties, LLC	4,690,500	0.37
Airport Executive Park, LLC	4,000,230	0.32
Brook Park Land Developer	3,959,770	0.31
Techpark Ltd Partnership	3,859,370	0.31
Totals	<u>\$112,675,190</u>	<u>8.97 %</u>
Total Real Property Assessed Valuation	<u>\$1,256,415,050</u>	
Name of Taxpayer	2008	
	Assessed Value	Percent of Real Property Assessed Value
City of Cleveland	\$78,323,030	5.41 %
Ford Motor Company	19,387,250	1.34
Cleveland Electric Illuminating	18,569,300	1.28
Southland Shopping Center, LLC	13,415,400	0.92
M W P Company	8,190,540	0.57
Techpark Ltd Partnership	7,241,740	0.50
Albrecht, Incorporated	5,207,690	0.36
Ozre Lodging LLC	4,982,260	0.34
Middleburg - Legacy Place	4,779,610	0.33
CP Snow Properties, LLC	4,683,210	0.32
Totals	<u>\$164,780,030</u>	<u>11.37 %</u>
Total Real Property Assessed Valuation	<u>\$1,449,053,260</u>	

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

(1) The amounts presented represent the assessed values upon which 2017 and 2008 collections were based.

Berea City School District
Principal Taxpayers
Public Utilities Real Property
2017 and 2008(1)

Name of Taxpayer	2017	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$25,028,950	61.93 %
American Transmission System	9,700,310	24.00
Columbia Gas of Ohio Inc	4,465,530	11.05
Totals	<u>\$39,194,790</u>	<u>96.98 %</u>
Total Public Utility Assessed Valuation	<u>\$40,412,290</u>	
	2008	
Name of Taxpayer	Assessed Value	Percent of Public Utility
Cleveland Electric Illuminating	\$9,251,465	37.65 %
American Transmission System	1,637,160	6.66
Columbia Gas of Ohio	1,123,575	4.57
East Ohio Gas Company	420,350	1.72
Totals	<u>\$12,432,550</u>	<u>50.60 %</u>
Total Public Utility Assessed Valuation	<u>\$24,572,320</u>	

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

(1) The amounts presented represent the assessed values upon which 2017 and 2008 collections were based.

Berea City School District
Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2017

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Berea City School District			
General Obligation Bonds	\$118,077,726	100.00 %	\$118,077,726
Certificates of Participation	24,814,405	100.00	24,814,405
Total Direct	142,892,131		142,892,131
Overlapping:			
Cuyahoga County	1,478,136,554	4.70	69,472,418
Greater Cleveland Regional Transit	140,323,087	4.72	6,623,250
City of Middleburg Heights	8,577,114	100.00	8,577,114
City of Brook Park	9,892,993	94.76	9,374,600
City of Berea	24,982,300	93.42	23,338,465
City of Olmsted Falls	3,704,960	3.25	120,411
City of Fairview Park	21,753,021	0.10	21,753
City of Cleveland	731,138,000	1.20	8,773,656
Total Overlapping	2,418,508,029		126,301,667
Total	\$2,561,400,160		\$269,193,798

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 2017 collection year.

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

	2008	2009	2010	2011
Assessed Valuation	<u>\$1,524,393,269</u>	<u>\$1,507,845,563</u>	<u>\$1,400,269,233</u>	<u>\$1,401,681,428</u>
Debt Limit - 9% of Assessed Value (1)	<u>\$137,195,394</u>	<u>\$135,706,101</u>	<u>\$126,024,231</u>	<u>\$126,151,329</u>
Amount of Debt Applicable to Debt Limit				
Certificates of Participation	0	0	26,000,000	26,000,000
General Obligation Bonds	15,797,802	14,555,000	13,280,000	11,960,000
Notes	2,820,000	2,585,000	2,340,000	2,085,000
Less Amount Available in Debt Service	<u>(2,990,032)</u>	<u>(3,205,289)</u>	<u>(3,486,071)</u>	<u>(3,595,079)</u>
Total	15,627,770	13,934,711	38,133,929	36,449,921
Exemptions:				
Certificates of Participation	0	0	26,000,000	26,000,000
Energy Conservation Bonds	<u>6,547,802</u>	<u>6,205,000</u>	<u>5,845,000</u>	<u>5,470,000</u>
Amount of Debt Subject to Limit	<u>9,079,968</u>	<u>7,729,711</u>	<u>6,288,929</u>	<u>4,979,921</u>
Overall Debt Margin	<u>\$128,115,426</u>	<u>\$127,976,390</u>	<u>\$119,735,302</u>	<u>\$121,171,408</u>
Legal Debt Margin as a Percentage of the Debt Limit	8.40%	8.49%	8.55%	8.64%
Unvoted Debt Limit - 10% of Assessed Value (2)	\$1,524,393	\$1,507,846	\$1,400,269	\$1,401,681
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$1,524,393</u>	<u>\$1,507,846</u>	<u>\$1,400,269</u>	<u>\$1,401,681</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	\$13,719,539	\$13,570,610	\$12,602,423	\$12,615,133
Certificates of Participation	0	0	26,000,000	26,000,000
Energy Conservation Bonds	<u>6,547,802</u>	<u>6,205,000</u>	<u>5,845,000</u>	<u>5,470,000</u>
Additional Unvoted Debt Margin	<u>\$7,171,737</u>	<u>\$7,365,610</u>	<u>(\$19,242,577)</u>	<u>(\$18,854,867)</u>

Source: Cuyahoga Fiscal Officer and School District Financial Records

(1) Ohio Bond Law sets a limit of 9 percent for overall debt and 1/10 of 1 percent for unvoted debt.

2012	2013	2014	2015	2016	2017
<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>\$1,296,827,340</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>	<u>\$116,714,461</u>
26,000,000	25,500,000	25,790,000	25,155,000	25,640,000	24,805,000
10,585,000	9,215,000	7,885,000	6,620,000	5,295,000	116,480,000
1,820,000	4,545,000	3,985,000	3,410,000	2,815,000	2,205,000
<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>	<u>(4,409,270)</u>
34,708,816	35,389,714	34,124,573	31,186,813	31,506,406	139,080,730
26,000,000	25,500,000	25,790,000	25,155,000	25,640,000	24,805,000
<u>5,080,000</u>	<u>4,675,000</u>	<u>4,250,000</u>	<u>3,855,000</u>	<u>3,445,000</u>	<u>3,020,000</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>111,255,730</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>	<u>\$5,458,731</u>
8.74%	8.61%	8.69%	8.84%	8.82%	0.42%
\$1,402,156	\$1,321,401	\$1,331,387	\$1,336,923	\$1,311,538	\$1,296,827
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</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>	<u>\$1,296,827</u>
100%	100%	100%	100%	100%	100%
\$12,619,408	\$11,892,606	\$11,982,479	\$12,032,305	\$11,803,841	\$11,671,446
26,000,000	25,500,000	0	0	0	0
<u>5,080,000</u>	<u>4,675,000</u>	<u>4,250,000</u>	<u>3,855,000</u>	<u>3,445,000</u>	<u>3,020,000</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>	<u>\$8,651,446</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		
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
2017	118,077,726	3.25	2,176.51	24,814,405	142,892,131	10.24	2,633.91

Source: School District Records

- (1) The estimated actual value can be found on S13.
- (2) The population can be found on S27.
- (3) The personal income can be found on S27.
- (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
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
2017	54,251	1,395,455,363	25,722	54,840	38.5	6.6

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	2017	
		Number of Employees	Percentage of Total Employment
Baldwin Wallace University	Higher Education	3,116	5.76%
Southwest General Hospital	Hospital	2,670	4.94
United Parcel Service	Delivery	2,146	3.97
Department of Interior	Government	1,646	3.04
Ford Motor Company	Automobile	1,596	2.95
Berea City School District	Education	913	1.69
Amerimark Direct LLC	Manufacturing	759	1.40
OHNH EMP LLC	Manufacturing	687	1.27
Quadax	Manufacturing	657	1.21
Guidestone	Non-Profit	620	1.15
Total		<u>14,810</u>	
Total Employment within the School District		<u>54,089</u>	

Employer	Nature of Business	2008	
		Number of Employees	Percentage of Total Employment
Southwest General Hospital	Hospital	2,644	4.94%
United Parcel Service	Delivery	2,109	3.94
Ford Motor Company	Automobile	1,651	3.08
Baldwin Wallace University	Higher Education	1,958	3.66
Department of Interior	Government	1,512	2.82
Berea City School District	Education	989	1.85
Thyssenkrupp Materials NA	Manufacturing	675	1.26
Marc Glassman	Warehouse	633	1.18
Berea Children's Home	Treatment Facility	537	1.00
National City Corporation	Bank	499	0.93
Total		<u>13,207</u>	
Total Employment within the School District		<u>53,562</u>	

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

Berea City School District

Per Pupil Cost

Last Ten Fiscal Years

<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>
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
2017	93,173,315	6,373	14,620	14.73	437	14.6	34.6

Source: School District Records
Ohio Department of Education

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

	2008	2009	2010	2011
Big Creek Elementary School				
Constructed in 1954				
Total Building Square Footage	116,620	116,620	116,620	116,620
Enrollment Grades K-6	835	876	764	764
Student Capacity	1,010	1,010	1,010	1,010
Regular Instruction Classrooms	49	49	49	49
Regular Instruction Teachers	42	42	45	35
Special Instruction Teachers	7	8	6	6
Brookpark Elementary School				
Constructed in 1956				
Total Building Square Footage	96,900	96,900	96,900	96,900
Enrollment Grades K-6	695	765	673	661
Student Capacity	836	836	836	836
Regular Instruction Classrooms	56	56	56	56
Regular Instruction Teachers	32	30	31	30
Special Instruction Teachers	15	14	10	11
Brookview Elementary School				
Constructed in 1965				
Total Building Square Footage	53,400	53,400	53,400	53,400
Enrollment Grades K-6	485	489	480	494
Student Capacity	437	437	437	437
Regular Instruction Classrooms	31	31	31	31
Regular Instruction Teachers	26	24	24	25
Special Instruction Teachers	7	5	3	3
Fairwood Elementary School (1)				
Constructed in 1948				
Total Building Square Footage	51,876	51,876	0	0
Enrollment Grades 7-12	354	346	0	0
Student Capacity	419	419	0	0
Regular Instruction Classrooms	26	26	0	0
Regular Instruction Teachers	19	18	0	0
Special Instruction Teachers	6	6	0	0
Parknoll Elementary School				
Constructed in 1961				
Total Building Square Footage	41,746	41,746	41,746	41,746
Enrollment Grades K-5	309	383	350	378
Student Capacity	334	334	334	334
Regular Instruction Classrooms	24	24	24	24
Regular Instruction Teachers	16	18	16	20
Special Instruction Teachers	6	4	3	4
Riveredge Elementary School				
Constructed in 1960				
Total Building Square Footage	44,384	44,384	44,384	44,384
Enrollment Grades K-6	204	196	169	158
Student Capacity	355	355	355	355
Regular Instruction Classrooms	25	25	25	25
Regular Instruction Teachers	15	12	11	10
Special Instruction Teachers	9	8	4	5

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

	2008	2009	2010	2011
Smith Elementary School (1)				
Constructed in 1966				
Total Building Square Footage	42,000	42,000	42,000	42,000
Enrollment Grades K-6	185	180	480	481
Student Capacity	336	336	336	336
Regular Instruction Classrooms	21	21	21	21
Regular Instruction Teachers	10	9	23	24
Special Instruction Teachers	6	7	0	4
Grindstone Elementary School (1)				
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
Ford Middle School				
Constructed in 1961				
Total Building Square Footage	165,800	165,800	165,800	165,800
Enrollment Grades 6-8	1,001	1,021	1,000	1,003
Student Capacity	1,175	1,175	1,175	1,175
Regular Instruction Classrooms	66	66	66	66
Regular Instruction Teachers	52	49	51	48
Special Instruction Teachers	13	13	13	11
Roehm Middle School				
Constructed in 1956				
Total Building Square Footage	133,804	133,804	133,804	133,804
Enrollment Grades 6-8	639	630	627	631
Student Capacity	1,163	1,163	1,163	1,163
Regular Instruction Classrooms	47	47	47	47
Regular Instruction Teachers	34	36	29	32
Special Instruction Teachers	8	7	8	8
Berea High School				
Constructed in 1928				
Total Building Square Footage	264,266	264,266	264,266	264,266
Enrollment Grades 9-12	1,193	1,100	1,065	1,100
Student Capacity	1,582	1,582	1,582	1,582
Regular Instruction Classrooms	67	67	67	67
Regular Instruction Teachers	55	50	42	45
Special Instruction Teachers	17	18	16	13
Midpark High School				
Constructed in 1962				
Total Building Square Footage	236,563	236,563	236,563	236,563
Enrollment Grades 9-12	1,396	1,377	1,430	1,348
Student Capacity	1,418	1,418	1,418	1,418
Regular Instruction Classrooms	55	55	55	55
Regular Instruction Teachers	63	65	72	65
Special Instruction Teachers	18	15	11	12

(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

2012	2013	2014	2015	2016	2017
42,000	42,000	42,000	4,200	4,200	4,200
0	0	0	0	0	0
336	336	336	336	336	336
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
105,000	105,000	105,000	105,000	105,000	105,000
820	901	899	890	831	791
820	820	820	820	820	820
43	43	43	43	43	43
38	40	39	40	40	40
10	16	20	12	14	14
165,800	165,800	165,800	165,800	165,800	165,800
1,038	999	925	905	955	917
1,175	1,175	1,175	1,175	1,185	1,185
66	66	66	66	66	66
42	49	47	39	47	47
14	14	11	12	16	16
133,804	133,804	133,804	133,804	27,290	27,290
777	703	0	0	0	0
1,163	1,163	1,163	1,163	0	0
47	47	47	0	0	0
40	41	0	0	0	0
9	13	0	0	0	0
264,266	264,266	264,266	264,266	264,266	264,266
1,170	1,064	1,672	1,682	1,615	1,549
1,582	1,582	1,582	1,582	1,582	1,582
67	67	67	67	67	67
45	44	88	67	60	60
12	15	16	21	20	20
236,563	236,563	236,563	236,563	236,563	236,563
1,426	1,233	1,471	1,541	1,433	1,405
1,418	1,418	1,418	1,418	1,418	1,418
55	55	55	55	55	55
60	55	73	69	62	62
11	13	21	28	32	32

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

Degree	2008	2009	2010	2011
Bachelor's Degree	66	56	51	42
Bachelor + 15	30	16	14	9
Bachelor + 30	33	43	40	32
Master's Degree	296	309	329	322
Master + 15	55	35	41	40
Master + 30	39	20	16	14
PhD	35	34	37	36
Total	554	513	528	495

Source: School District Records

2012	2013	2014	2015	2016	2017
67	31	36	18	36	20
20	15	7	4	4	2
25	24	23	21	20	25
317	325	296	286	278	264
47	51	54	57	60	63
16	24	21	23	22	27
14	32	42	31	29	36
506	502	479	440	449	437

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

Fiscal Year	Berea Attendance Rate	State Average	Berea Graduation Rate	State Average
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
2017	94.00	93.90	91.70	83.60

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
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
2017	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	2008	2009	2010	2011	2012
Regular Instruction					
Elementary Classroom Teachers	174.00	151.00	154.00	137.00	137.00
Intermediate School Classroom Teachers	100.00	88.00	85.00	82.00	83.00
Junior High Schools Classroom Teachers	NA	NA	NA	NA	NA
High School Classroom Teachers	120.50	118.00	114.00	108.00	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
Special Instruction					
Elementary Classroom Teachers	45.00	47.00	36.00	60.00	47.00
Gifted Education Teachers	4.00	4.00	5.00	5.00	5.00
Intermediate School Classroom Teachers	NA	NA	NA	NA	NA
Junior High Schools Classroom Teachers	29.00	28.50	29.00	28.00	30.00
High School Classroom Teachers	28.50	33.50	28.00	25.00	24.00
(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
Vocational Instruction					
High School Classroom Teachers	4.50	7.00	7.00	5.00	7.00
Pupil Support Services					
Guidance Counselors	16.50	16.50	17.00	18.00	18.00
Librarians	6.00	6.00	7.00	5.50	6.00
Psychologists	4.00	4.00	4.00	4.00	4.00
Speech and Language Pathologists	13.00	12.00	13.00	13.00	16.00
(1) Non-Teaching Support Staff Central	5.00	5.00	5.00	5.00	4.00
Instructional Support Service					
(1) Non-Teaching Support Staff Elementary	86.00	81.50	92.00	75.50	54.00
(1) Non-Teaching Support Staff Middle	35.00	38.00	32.00	33.00	29.00
(1) Non-Teaching Support Staff High	28.00	33.00	33.00	33.00	38.00
(1) Non-Teaching Support Staff Central	6.00	9.00	9.00	9.00	8.00
Administration					
Elementary	10.00	10.00	10.00	8.00	7.00
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	2.00	2.00	2.00	2.00
(1) Non-Teaching Support Staff	27.00	18.00	18.00	18.00	24.00
Business					
Central	3.00	3.00	3.00	3.00	3.00

2013	2014	2015	2016	2017
131.00	120.00	110.00	123.00	125.00
92.00	49.00	39.00	47.00	47.00
NA	74.00	69.00	62.00	59.00
99.00	88.00	67.00	56.00	66.00
NA	24.00	26.00	28.00	28.00
NA	5.00	5.00	5.00	5.00
NA	7.00	5.00	5.00	5.00
NA	6.00	2.00	4.00	4.00
53.00	48.00	53.00	49.00	48.00
5.00	5.00	4.00	4.00	4.00
NA	10.00	11.00	16.00	15.00
28.00	31.50	28.00	32.00	18.00
28.00	16.50	17.00	20.00	29.00
NA	38.00	34.00	31.00	30.00
NA	13.00	8.00	8.00	8.00
NA	6.00	16.00	13.00	13.00
NA	10.00	12.00	12.00	12.00
4.00	4.00	3.00	4.00	4.00
18.00	15.00	15.00	15.00	15.00
6.00	5.00	5.00	5.00	5.00
4.00	2.00	2.00	1.00	1.00
16.00	11.00	11.00	12.00	11.00
4.00	5.00	8.00	9.00	9.00
65.00	NA	NA	NA	NA
28.00	NA	NA	NA	NA
33.00	NA	NA	NA	NA
3.00	NA	NA	NA	NA
7.00	7.00	7.00	7.00	7.00
NA	3.00	2.00	2.00	2.00
6.00	4.00	6.00	6.00	5.00
6.00	5.00	4.00	4.00	6.00
2.00	2.00	4.00	4.00	2.00
26.00	23.00	28.00	28.00	28.00
2.00	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	2008	2009	2010	2011	2012
Fiscal					
Treasurer Department	7.00	7.00	7.00	7.00	7.00
Operation of Plant					
Custodial Dept.	68.00	65.00	65.00	61.00	46.00
Maintenance Dept.	17.00	16.00	16.00	16.00	16.00
Pupil Transportation					
Bus Drivers	60.00	46.50	45.00	45.00	62.00
Bus Aides	6.50	7.00	7.00	12.00	15.00
Mechanics	5.00	5.00	5.00	5.00	5.00
Transportation support staff	4.00	4.00	4.00	3.00	3.00
Central					
Community Relations	2.50	2.50	2.00	2.00	2.00
Technology	16.00	18.00	18.00	16.00	14.00
Personnel	5.00	5.00	5.00	5.00	4.00
Extracurricular					
Athletic Department	2.00	2.00	2.00	4.00	4.00
Food Service Program					
Elementary	34.00	16.50	16.50	14.00	14.00
Intermediate	NA	NA	NA	NA	NA
Junior High School	14.00	16.50	16.50	14.00	14.00
High School	16.00	11.00	11.00	11.00	11.00
Central	2.00	1.00	1.00	1.00	1.00
Adult Education/Community Service					
Preschool	11.00	11.00	11.00	12.00	12.00
Extended Care	31.00	24.00	24.00	18.00	25.00
Adult Education	2.00	2.00	2.00	0.00	0.00
Totals	<u>1,063.00</u>	<u>989.00</u>	<u>975.00</u>	<u>937.00</u>	<u>923.00</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.

2013	2014	2015	2016	2017
7.00	6.00	8.00	9.00	9.00
46.00	46.00	41.00	36.00	52.00
16.00	12.00	13.00	13.00	16.00
62.00	68.00	80.00	80.00	80.00
15.00	12.00	17.00	15.00	15.00
5.00	4.00	4.00	4.00	4.00
4.00	3.00	4.00	4.00	4.00
2.00	2.00	1.00	1.00	1.00
12.00	12.00	12.00	11.00	17.00
4.00	4.00	4.00	4.00	4.00
4.00	2.00	1.00	1.00	3.00
14.00	11.00	11.00	10.00	10.00
NA	5.00	3.00	4.00	4.00
14.00	5.00	4.00	4.00	4.00
11.00	5.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
12.00	11.00	8.00	8.00	11.00
22.00	15.00	14.00	14.00	18.00
0.00	0.00	0.00	0.00	0.00
<u>917.00</u>	<u>863.00</u>	<u>833.00</u>	<u>837.00</u>	<u>870.00</u>

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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 11, 2018**