



Dave Yost • Auditor of State



**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2015**

<b><u>FEDERAL GRANTOR</u></b> <i>Pass Through Grantor</i>		Federal		Non-Cash		Non-Cash
Program Title	Grant Year	CFDA Number	Receipts	Receipts	Expenditures	Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education</i>						
Nutrition Cluster						
School Breakfast Program	2015	10.553	157,385		157,385	
National School Lunch Program	2015	10.555	866,523	92,677	866,523	92,677
Total Nutrition Cluster			<u>1,023,908</u>	<u>92,677</u>	<u>1,023,908</u>	<u>92,677</u>
Total U.S. Department of Agriculture			<u>1,023,908</u>	<u>92,677</u>	<u>1,023,908</u>	<u>92,677</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education</i>						
Title I	2014	84.010	492,399		378,538	
Title I	2015	84.010	821,542		822,577	
Total Title I			<u>1,313,941</u>	<u>-</u>	<u>1,201,115</u>	<u>-</u>
Special Education Cluster						
IDEA Part B	2014	84.027	76,617		80,335	
IDEA Part B	2015	84.027	1,501,616		1,555,546	
Subtotal IDEA Part B			<u>1,578,233</u>	<u>-</u>	<u>1,635,881</u>	<u>-</u>
Preschool Disability Grant	2014	84.173	9,992		5,171	
Preschool Disability Grant	2015	84.173	37,767		38,728	
Subtotal Preschool Disability Grant			<u>47,759</u>	<u>-</u>	<u>43,899</u>	<u>-</u>
Total Special Education Cluster			<u>1,625,992</u>	<u>-</u>	<u>1,679,780</u>	<u>-</u>
Title III LEP	2014	84.365	4,400		2,655	
Title III LEP	2015	84.365	19,128		20,152	
Total Title III			<u>23,528</u>	<u>-</u>	<u>22,807</u>	<u>-</u>
Improving Teacher Quality, Title II-A	2014	84.367	15,662		22,574	
Improving Teacher Quality, Title II-A	2015	84.367	141,750		144,143	
Total Improving Teacher Quality, Title II-A			<u>157,412</u>	<u>-</u>	<u>166,717</u>	<u>-</u>
Race to the Top	2014	84.395	8,686		10,335	
Race to the Top	2015	84.395	-		7,736	
Total Race to the Top			<u>8,686</u>	<u>-</u>	<u>18,071</u>	<u>-</u>
Total U.S. Department of Education			<u>3,129,559</u>	<u>-</u>	<u>3,088,490</u>	<u>-</u>
<b>Total Federal Financial Assistance</b>			<u><u>4,153,467</u></u>	<u><u>92,677</u></u>	<u><u>4,112,398</u></u>	<u><u>92,677</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 RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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



# 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, 2015, 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 23, 2015, wherein we noted the District adopted Government Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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

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

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

December 23, 2015





# 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 OMB CIRCULAR A-133 AND THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

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) *Circular A-133, Compliance Supplement* that could directly and materially affect the Berea City School District's major federal program for the year ended June 30, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 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, 2015.

***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 OMB Circular A-133, 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 OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Federal Awards Receipts and Expenditures Required by OMB Circular A-133**

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, 2015, 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 23, 2015. Our opinion also explained that the District adopted *Governmental Accounting Standards No. 68 and 71* during the year. We conducted our audit to opine on the District's' basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records 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, 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 23, 2015

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**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
JUNE 30, 2015**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster: Special Education Grants to States - CFDA #84.027 and Special Education Pre-School - CFDA # 84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

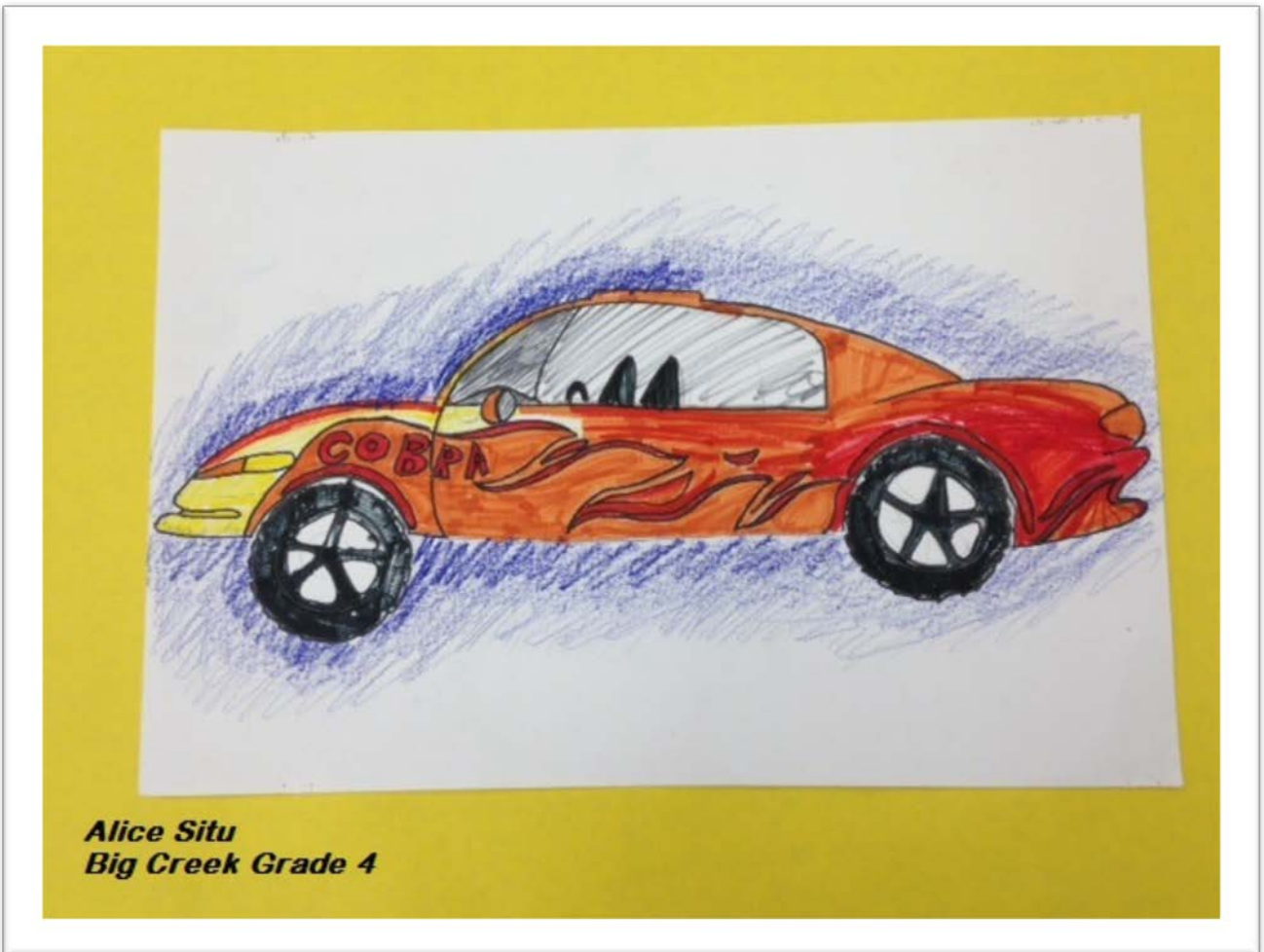
**3. FINDINGS FOR FEDERAL AWARDS**

None

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# Berea City School District

## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2015



**BEREA, OHIO**

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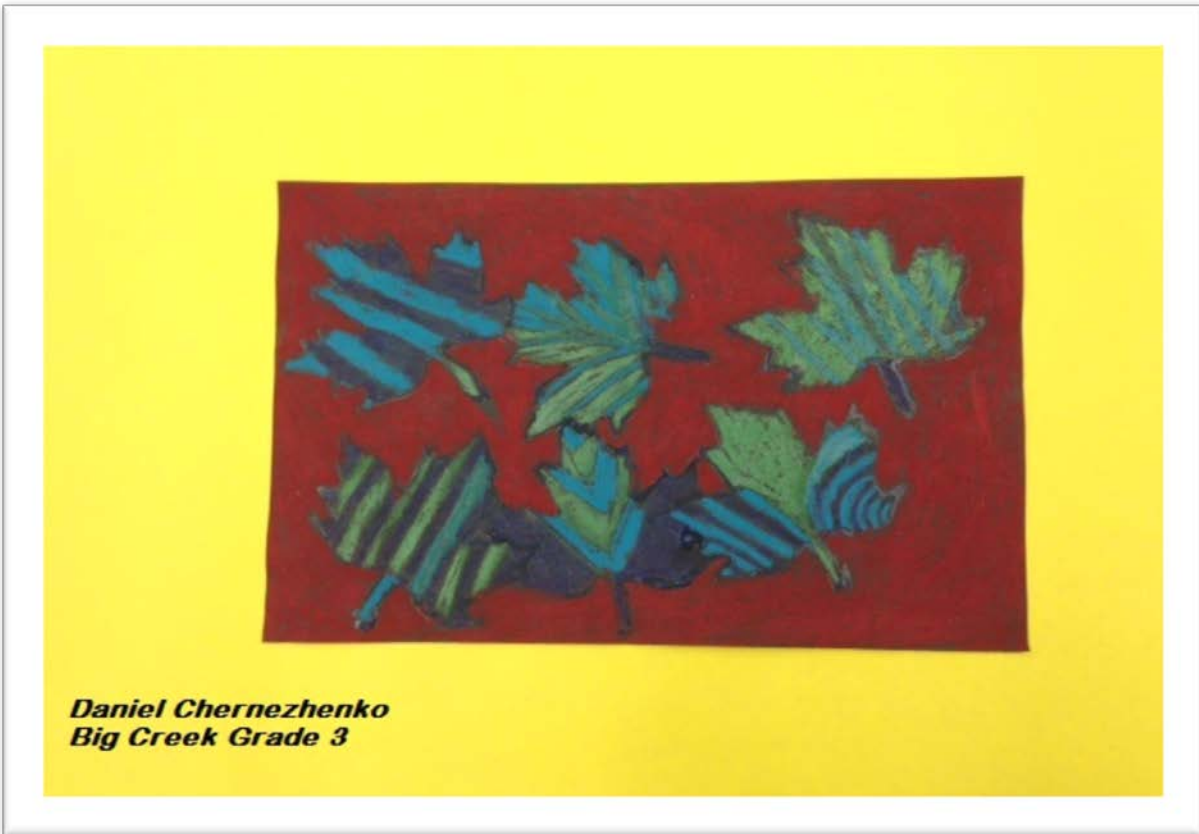


Berea, Ohio

City School District

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015



Issued by:

Treasurer's Office

Ryan C. Ghizzoni Treasurer/CFO

Dale A. Cummins Assistant Treasurer

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# INTRODUCTORY SECTION



**Amani Rodriguez**  
**Big Creek Grade 2**

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**Berea City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2015*  
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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 23, 2015

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, 2015. 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 2015, 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 6,789 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 2 to 80 years of age. Berea City School District is located in northeastern Ohio, approximately twelve miles southwest of downtown Cleveland. Berea City School District includes the cities of Brook Park, Middleburg Heights, most of the City of Berea, and small portions of the cities of Olmsted Falls and Cleveland.

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

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

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

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

### **Reporting Entity**

The School District has reviewed its operating entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14 “The Financial Reporting Entity” and Statement No. 61, “The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34. ” In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the Berea City School District (the primary government) and its potential component units.

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

### **Economic Condition and Outlook**

The portion of the School District containing all of Brook Park and a small portion of the City of Cleveland is a commercial and industrial center, as well as being a residential community. Also located in this section of the School District is Cleveland Hopkins International Airport, which provides international air transportation and delivery services for the County and surrounding areas. Recently, this area of the School District’s property values have been hit hard with the closure of the United Air Terminal at the Airport and the demolition of the Ford Casting Plant.

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

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

For all three communities, residential property values have continued to fall in relation to current home sales. Even with the improvement in the housing market in Northeast Ohio and across the country, the School District’s home sales are outside of the acceptable median ratio established by the Ohio Department of Taxation and are anticipated to drop by an additional 7.5 percent in tax year 2015.

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

The School District developed strategies for the six major areas of operation in the School District. Each strategy was assigned action steps to achieve the goal/objective. The six strategies are:

### **Academics**

To provide the knowledge, care and passion, necessary for every child to aspire to their individual potential and to ensure that the Berea City Schools' academic program is anchored in excellence.

### **Communications**

To promote an environment of open and transparent communication designed to maintain trust and credibility among district staff members internally and parents, community residents and prospective district residents externally.

### **Facilities**

To create a balance among our three communities, between grade levels and between various categories of expense. These categories include infrastructure improvements, the improvement of instructional spaces, the improvement of athletic facilities, the improvement of safety and security issues, and the improvement of staff spaces.

**Finances**

To proactively manage School District resources in a cost efficient manner and to ensure that resources from federal, state, and local levels are aligned with district goals and forecasted for a sustainable future.

**Student Services**

To ensure the success of each student by providing a continuum of services personalized to meet each learner's needs.

**Technology**

To ensure that all students and staff proficiently use information and technology to learn and communicate for success in an ever-changing global society.

***Primary accomplishments for 2015 were as follows:*****Finances:**

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

**Technology:**

1. Replaced out of date Student Computers at Snow School with newer devices to enhance the ability for students at Snow School to utilize web based instructional opportunities.
2. Increased bandwidth capacity in the School District that will handle required "traffic" for additional student technology units.

**Academics:**

1. Honored as a National Green Ribbon School District by the U.S. Department of Education.
2. Ranked for the 15<sup>th</sup> consecutive year as one of the top school districts for music education in the nation by the NAMM Foundation.
3. 98 percent of students taking AP Exam scored a "3" or higher.
4. Offered 10 Dual Credit College Courses on our campus where students receive both high school and college credit.

**Student Services:**

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

**Facilities:**

1. Provide ability for all fall and spring sport teams the ability to have night games by lighting Lou Groza Field through partnership with the City of Berea.
2. Complete demolition of Roehm Middle School and renovation of Roehm Athletic Complex.
3. Replaced both boilers at Brookview Elementary School.

*Specific goals/action steps for 2016 are:*

**Goal: Board of Education**

Recognize employee accomplishments/appointments throughout the School District

**Action Steps**

- Let employees know that their work is valued and appreciated.
- Invite employees to Board of Education meetings to be honored for recent achievements/accomplishments.
- Increase School District and community awareness of staff accomplishments through social media, School District publications and public recognition.

Recognize student accomplishments/achievements throughout the School District

**Action Steps**

- Invite students to Board of Education meetings to be honored for recent achievements/accomplishments.
- Increase School District and community awareness of students' accomplishments through social media, School District publications and public recognition.

Increase Board of Education Member visibility throughout School District buildings

**Action Steps**

- Assign buildings to each member of the Board of Education to visit and engage with students and staff on a monthly basis.
- Report at Board of Education meetings positive interactions and observations obtained while on school visits.
- Attend extracurricular and co-curricular events throughout the School District to show support for staff and students.

Maintain strong and stable School District

**Action Steps**

- Work with School District administration to promote and pass levy.
- Work with administration and staff in the development of strategic plan

**Goal: Academics**

Berea City School District's goal is to narrow the achievement gap for all students to assure annual growth in a pre-K to 12 model, catch-up growth for those students who are behind, increase high school graduation rates, and increase college enrollment to include:

1. Commit that all students will increase their performance in subject area by at least 5 percent each year, and reduce the achievement gap in each subgroup by at least 10 percent each year over the next four years

2. Increase high school graduation rates by 5 percent per year over the next four years
3. Reduce graduation rate gaps by 50 percent
4. Reduce performance gaps by 50 percent
5. Reduce the gap between Berea City School District and the highest performing districts in the State
6. Increase in college and career readiness by 50 percent
7. Increase in college enrollment for 18 and 19 year-old students by 50 percent

**Strategies include:**

1. Cultivate communities of professional learning and practice as educators develop his or her own personal learning network.
2. Develop teacher and principal leaders within our School District to initiate, network and build capacity for 21st century skills and new literacies; to provide multiple paths for professional networking and staff development beyond the traditional school structure locally, regionally, nationally and internationally that is sustainable; to develop curriculum projects that incorporate 21st century skills and instruction.
3. Develop a multiple-tiered approach to provide staff with opportunities to collaborate within the School District both vertically and horizontally; to develop a framework of job-embedded professional development as well as ways for common collaboration for staff that is scheduled throughout the school year in face-to-face meetings and through the utilization of online applications.
4. Provide small focused experiences that have system-wide impact and are conducted in a relatively short period of time; to design professional learning experiences in order to provide a collective “mastery experience,” to develop individual and collective efficacy for the system as well as strengthen classroom practice through the development of teacher-based teams collaborating about curriculum, instruction and assessment focusing on the following:
  - a. *Develop a deeper understanding on instructional practices to support teaching and learning aligned to the Ohio New Learning Standard’s BCSD Consensus Maps.*
  - b. *Design professional development to develop, implement and revise common summative assessments and practices.*
  - c. *Implement common formative assessment practices lesson planning and delivery for measured growth and mastery learning.*
  - d. *Design lessons/units of study that incorporate instructional shifts in Ohio’s New Learning Standards and teaching and learning for 21st Century Technology Integration for all subjects.*

## Action Steps

1. Recommend for development, purchase and implementation to Board of Education curricular material for fine art courses:
  - a. Secondary - Resources to include materials and equipment to address 21<sup>st</sup> Century Graphic Arts course adoption:
  - b. Secondary - Study and review current Photography course to move into 21st century model of digital photography
  - c. School District - promote opportunities of community engagement focusing on Artists in Schools.
  
2. Recommend for purchase and implementation to Board of Education curricular material for English-Language Arts adoption:
  - a. Grades 6-10 - Supplemental resources to address literary and nonliterary text selections aligned to the Ohio New Learning Standards:
  - b. Secondary - Complete an adoption for College Composition and College Prep courses based upon curriculum research and Ohio New Learning Standards for English Language Arts:
  
3. Recommend for purchase and implementation to Board of Education curricular materials to support information technologies and literacies for the School District library programs:
  - a. Purchase of literary and nonliterary text selections to promote reading across disciplines for the School District library collections.
  - b. Purchase of literary and nonliterary digital content and databases to promote reading across disciplines for the School District library collections.
  - c. Conduct a School District-wide study to research and review access to a digital landscape and options involved in technology compatibility, implementation and affordability of a digital solution for Berea City School District. The review needs to address digital content to include the catalog of eBooks and audiobooks – including textbooks and novel sets – in every subject to support curriculum and help meet instructional goals, such as, informational texts and literary nonfiction, entertaining fiction, literature and classroom reads, supplemental curriculum materials, professional development and study guides and test prep for student, staff and community access.
  
4. Recommend for purchase and implementation to Board of Education curricular material for *Mathematics* adoption:
  - a. **Grades K-1** - Complete an adoption for Mathematics based upon curriculum research and Ohio New Learning Standards for Mathematics:
  - b. **Secondary** - Complete an adoption for Statistics and Dual Enrollment Alg 2/Trigonometry courses based upon curriculum research and Ohio New Learning Standards for Mathematics:
  - c. **Secondary** - Supplemental resources to support digital content for the Pre-calculus Honors course
  
5. Recommend for purchase and implementation to Board of Education curricular material for *Music* adoption:
  - a. Establish community based orchestra festival to support performance based student experiences with guest conductors:

6. Recommend for purchase and implementation to Board of Education equipment for ***Physical Education*** adoption:
  - a. Research and study implementation of a physical education program based on a fitness model that focuses on lifelong fitness activities based upon the Ohio New Learning Standards for physical education grades K-12.
7. Recommend for purchase and implementation to Board of Education curricular material for ***Social Studies*** adoption:
  - a. Grades 4, 5, 7, 8 & 9- Supplemental resources to teach content literacy instructional strategies aligned to Ohio New Learning Standards for social studies.
8. Recommend for purchase and implementation to Board of Education curricular material for ***Science*** adoption:
  - a. Grades 6, 7, AP Physics 1 and Astronomy - Complete an adoption for science courses based upon curriculum research and Ohio New Learning Standards for science:
9. Recommend for purchase and implementation to Board of Education curricular material for ***World Language*** adoption:
  - a. Complete an adoption for world language courses based upon curriculum research and Ohio New Learning Standards for Foreign Language:
10. Recommend for purchase curricular software to address critical need and gap analysis areas based upon student learning needs and differentiated instruction.
  - a. Research and study to determine an Instructional Improvement System to move learning forward, i.e. Mastery Connect.
  - b. Research and study to determine web-based tools and digital content for teachers and students that align with Ohio New Learning Standards in core areas: English Language Arts, Mathematics, Science and Social Studies
  - c. Subscriptions include: Edmentum, Compass Learning, Brainpop and Learning A-Z
  - d. Provide web-based tools for teachers and students to align with the Partnership for 21st Century Skills standards.  
*Free Tools include: Google Apps for Education, Edmodo, Moodle, Schoology, Student Blogs, and Teacher Blogs/Wikis*
11. Recommend for purchase and implementation assessment and testing resources to support teaching and learning for college and career readiness:
12. Max staff utilization to ensure effective use of instructional time and human resources.
13. Develop a collaborative schedule for Pre K-12 staff that allows time during the day for departments/grade levels to meet on a daily basis while maximizing PreK -12 staff resources.
14. Provide support services for students that have not passed State assessments or are identified as students that potentially might struggle with such assessments targeting grade 3 and Ohio Graduation Testing.



15. Utilize effective alternate education models and programs to service students on home instruction, in need of credit recovery and potential dropouts.
16. Continue to develop building level instructional teams to promote collaboration, focus on student learning and results.
17. Research and study for intermediate and junior high models of practice

**Goal: Communications**

**Action Steps**

1. Enhance and expand district social media sites to increase audience; continue to build pride and knowledge of the BCSD and its history; and to serve as a “destination” for our followers. The eventual goal for the School District’s social media is to establish a Facebook page for each school and at least one Twitter site for each building. We will continue to offer Twitter classes with our stakeholders, to promote this particular media, as we feel it provides the potential for far more sharing of information.
2. Redesign the School District website.
3. Conduct surveys periodically to measure effectiveness of all communications.
4. Support new high school video production class and provide assistance as needed. Develop plan for online promotion of their projects.
5. Continue to mail hard copy issues of School District newsletter, Inspiring Excellence, to all residents and businesses three times a year.

**Goal: Facilities**

**Action Steps**

1. Develop a facilities review team to produce a School District-wide action plan than will address the School District’s current and future facility needs.
  - a. This plan will explore different building repairs, renovations and replacement models.
  - b. Make all buildings in the School District 100 percent air conditioned in educational building spaces.
  - c. Replace entry way doors to ensure School District is 100 percent security compliant.
2. Installation of generators throughout the School District’s kitchens to ensure walk-in coolers will have continued operation to avoid food spoilage in the event of a power outage.
3. Implement second phase of sustainable transportation bus replacement program.
4. Conduct annual School District-wide paving study to determine sustainable pavement replacement cycle for subsequent fiscal years.
5. Construct new softball field at Roehm Athletic Complex site.

**Goal: Finances****Action Steps**

1. Complete implementation of e-procurement and human resource components of new software system to increase the effectiveness and efficiency of both long range and day to day business related tasks.
2. Use benchmark data to provide Board of Education and administrative team with usable, reliable data to make budgetary and operational decisions.
3. Explore potential to integrate credit card payments for all student related payments once new software integration is complete.
4. Continue rollout and training of board adopted student activity manual with building level staff to ensure established best practices are being followed.
5. Move the School District towards a paperless workflow for all financial, personnel and payroll related procedures.
6. Work with Board of Education and Superintendent to maintain balanced general fund balance for immediate two fiscal years of the five year forecast.

**Goal: Student Services****Action Steps**

1. Increase technology available to gather data and implement 1:1 instructional strategies. Over next three years, pilot Chrome book carts at Junior and High school levels and IPADS within all levels of unit classrooms for student use.
2. Further discussion with Department of Academic Affairs to implement “Foundations” as a Tier 1 “prevention” and Tier 2 (General Education students) strategy to be used with all students in grades K-3. (This program can/should also be used with Special Education students as determined by IEP).

**Goals: Technology****Action Steps**

1. Explore solutions to replace out of warranty servers with either new locally hosted machines or third party web hosted solutions to ensure intra-district network stability.
2. Commence strategy development for the replacement of student and staff computers after evaluating current devices available and collaborating with administrative directors and staff to determine best devices to meet the needs of the students.
3. Replace the School District's critical main distribution switches with faster cloud managed units and Power over Ethernet switches to increase intra-building transmission speeds from 1 gigabit per second to 10 gigabytes per second.
4. Research, develop and implement project based learning to support STEM program models for elementary, intermediate, junior high and high school programs.

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

For the 19<sup>th</sup> consecutive year, the School District has published its Community Resource Directory, a project which began as part of a “needs assessment” by the District’s Volunteer Council, to determine what volunteer resources were available in our communities and what areas were still needed. This year’s Directory features nearly 150 school and community organizations that share contact information, services provided, meeting information, facilities that may be available for public use, volunteer needs, and scholarships that may be offered. In cooperation with the Cuyahoga County Library System, the Directories also include important phone numbers (“Action by Phone”), both regionally and within the three communities served, including governmental entities. Each year the School District publishes approximately 1,500 Directories at no charge to the contributing organization or the users.

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

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

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

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

## **Awards**

***GFOA Certificate of Achievement*** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Berea City School District for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014.

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

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

***ASBO Certificate of Excellence in Financial Reporting*** The Association of School Business Officials International awarded the Berea City School District with the Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014.

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

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


#### **Acknowledgments**

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

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

Respectfully submitted,

  
Ryan Ghizzoni  
Treasurer/CFO

  
Michael Sheppard  
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, 2014**

Executive Director/CEO

# Association of School Business Officials International



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

## Berea City School District

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2014*

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 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
President

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

John D. Musso, CAE, RSBA  
Executive Director

**Berea City School District  
Principal Officials**

**Board of Education**

Dr. Neal Postel ..... President  
Mr. David Tressel.....Vice President  
Mrs. Ana Chapman..... Member  
Mr. Fred Szabo ..... Member  
Mr. David Thurau ..... Member

**Treasurer**

Mr. Ryan C. Ghizzoni

**Assistant Treasurer**

Mrs. Dale A. Cummins

**Administration**

Mr. Michael Sheppard.....Superintendent  
Mr. Jeffrey Grosse ..... Assistant Superintendent  
Mrs. Lisa Bruening.....Director of Pupil Personnel  
Mrs. Nancy Braford ..... Director of Community Relations  
Mrs. Karen Frimel.....Director of Academic Affairs  
Mr. Kevin Jaynes..... Director of Information Technology  
Mr. Michael Slivochka ..... Director of Personnel & Employee Relations

# RESIDENTS OF THE DISTRICT

## BOARD OF EDUCATION

**Treasurer**

Financial Department

**Superintendent**

City/County Personnel assigned to the Berea City School District

**Assistant Superintendent of District Operations**

High School, Junior High & Intermediate School Principals

Supervisor Buildings & Grounds

Supervisor Transportation

Supervisor Nutrition Services

Purchasing Coordinator

Elementary Principals

**Director Community Relations**

**Director Academic Affairs**

Assistant Director Academic Affairs

Curriculum Coordinator

**Director Information Technology**

Network Manager

EMIS Coordinator

Data Processing Analyst

**Director Personnel & Employee Relations**

Athletic Directors


**Director Pupil Services**

Principal Snow School

Supervisor of Special Education

Coordinators Preschool Program Extended Care Program

Psychologists



**ORGANIZATIONAL CHART**  
**BEREA CITY SCHOOLS**  
 2014-2015





# 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, Ohio, as of June 30, 2015, 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.

### ***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the District adopted the provisions of Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

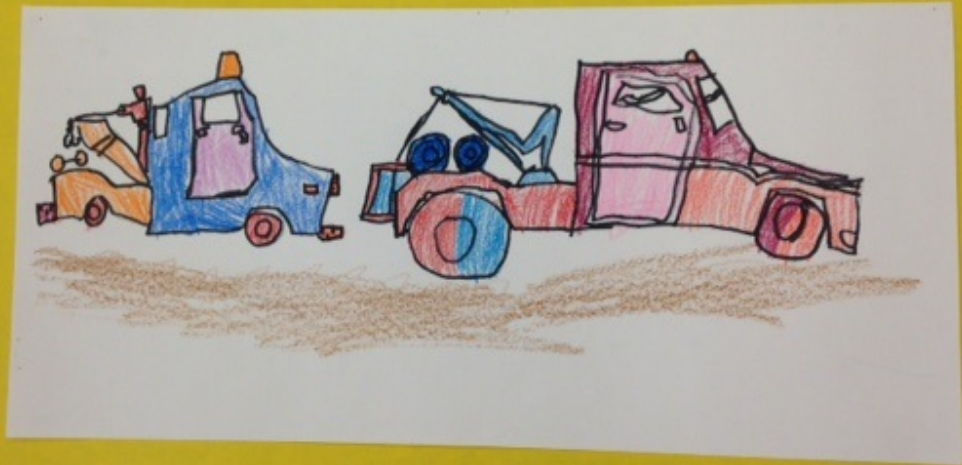
***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2015, 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 23, 2015



***Skailor Knight  
Big Creek Grade 1***

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2015*  
*Unaudited*

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The discussion and analysis of Berea City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. 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 2015 are as follows:

- The net position of the School District increased \$4.9 million and revenues decreased \$4.8 million from fiscal year 2014 levels.
- Total program expenses were \$82.7 million, a \$7.7 million decrease from fiscal year 2014 expenses of \$90.4 million.
- Outstanding debt decreased from \$36.9 million in 2014 to \$34.8 million in 2015.

**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 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets and deferred outflows of resources and liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2015*  
*Unaudited*

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

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

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

***Fund Financial Statements***

The analysis of the School District's major funds begins on page 12. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, debt service fund and the permanent improvement capital projects fund.

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

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2015 compared to 2014.

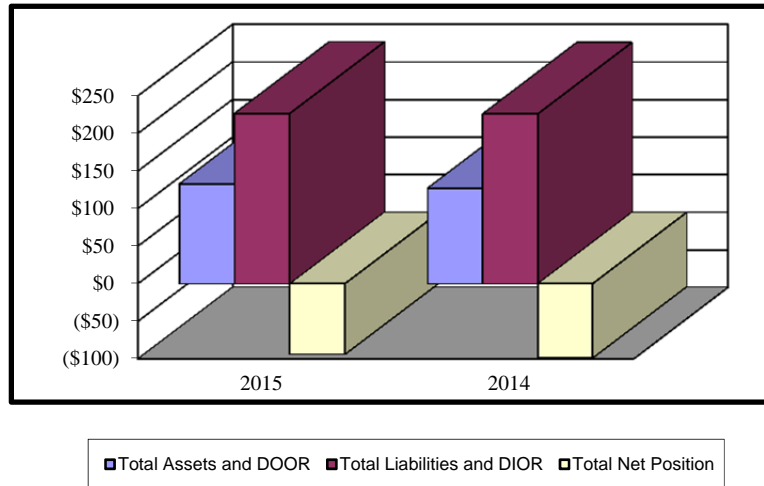
**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2015*  
*Unaudited*

Table 1  
 Net Position  
 (In Millions)

	2015	2014	Change
<b>Assets</b>			
Current and Other Assets	\$76.6	\$71.3	\$5.3
Capital Assets	48.2	49.0	(0.8)
<b>Total Assets</b>	<b>124.8</b>	<b>120.3</b>	<b>4.5</b>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	0.3	0.3	0.0
Pension	7.5	6.4	1.1
<b>Total Deferred Outflows of Resources</b>	<b>7.8</b>	<b>6.7</b>	<b>1.1</b>
<b>Liabilities</b>			
Current and Other Liabilities	(12.0)	(13.4)	1.4
Long-term Liabilities:			
Due Within One Year	(3.1)	(2.4)	(0.7)
Due in More Than One year:			
Net Pension Liability	(110.3)	(131.1)	20.8
Other Amounts	(31.7)	(34.5)	2.8
<b>Total Liabilities</b>	<b>(157.1)</b>	<b>(181.4)</b>	<b>24.3</b>
<b>Deferred Inflows of Resources</b>			
Property Taxes	(49.5)	(44.4)	(5.1)
Pension	(19.9)	0.0	(19.9)
<b>Total Deferred Inflows of Resources</b>	<b>(69.4)</b>	<b>(44.4)</b>	<b>(25.0)</b>
<b>Net Position</b>			
Net Investment in Capital Assets	13.8	14.0	(0.2)
Restricted	6.2	6.0	0.2
Unrestricted (Deficit)	(113.9)	(118.8)	4.9
<b>Total Net Position</b>	<b>(\$93.9)</b>	<b>(\$98.8)</b>	<b>\$4.9</b>

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2015*  
*Unaudited*

**Graph 1**  
**Net Position of Governmental Activities (in millions)**



During 2015, the School District adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27,” which significantly revises accounting for pension costs and liabilities. 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*. 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



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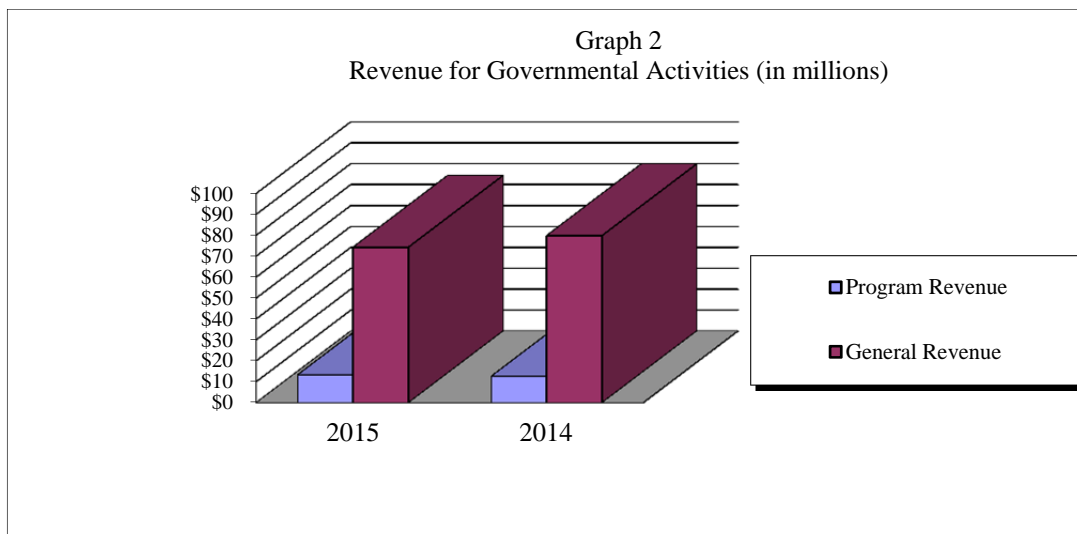
law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral 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.

As a result of implementing GASB 68, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$25,850,805 to (\$98,787,423).

Total net position increased by \$4.9 million. Total liabilities and deferred inflows of resources were \$226.5 million. This amount includes the net pension liability, which decreased \$20.8 million from fiscal year 2014. Other long-term liabilities decreased as the School District made annual debt payments and did not incur additional debt.



Program revenue increased \$.7 million to \$13.3 million, due primarily to an increase in operating grants. The vast majority of revenue supporting governmental activities is general revenue. General revenue decreased in fiscal year 2015 to \$74.3 million from \$79.8 million in fiscal year 2014. This decrease is primarily due to a decrease in property taxes, as the timing of collections by the County Fiscal Officer changed from the prior fiscal year.

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School districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 67.2 percent of general revenues for governmental activities for Berea City School District in fiscal year 2015.

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 2015 and 2014.

Table 2  
 Changes in Net Position  
 (In Millions)

	2015	2014	Change
<b>Revenues</b>			
<i>Program Revenues</i>			
Charges for Services	\$5.9	\$7.0	(\$1.1)
Operating Grants, Contributions and Interest	7.4	5.6	1.8
<i>Total Program Revenues</i>	<u>13.3</u>	<u>12.6</u>	<u>0.7</u>
<i>General Revenues</i>			
Property Taxes	49.9	56.5	(6.6)
Grants and Entitlements	23.9	23.0	0.9
Unrestricted Contributions	0.0	0.1	(0.1)
Other	0.5	0.2	0.3
<i>Total General Revenues</i>	<u>74.3</u>	<u>79.8</u>	<u>(5.5)</u>
<i>Total Revenues</i>	<u>87.6</u>	<u>92.4</u>	<u>(4.8)</u>
<b>Program Expenses</b>			
Instruction	47.3	53.2	(5.9)
Support Services:			
Pupils and Instructional Staff	7.3	7.0	0.3
Board of Education, Administration, Fiscal, and Business	8.0	8.0	0.0
Operation and Maintenance of Plant	6.9	6.6	0.3
Pupil Transportation	5.7	5.7	0.0
Central	2.1	2.5	(0.4)
Operation of Non-Instructional Services	3.3	4.2	(0.9)
Extracurricular Activities	1.0	1.5	(0.5)
Interest and Fiscal Charges	1.1	1.7	(0.6)
<i>Total Expenses</i>	<u>82.7</u>	<u>90.4</u>	<u>(7.7)</u>
<i>Change in Net Position</i>	4.9	2.0	2.9
Net Position Beginning of Year	(98.8)	N/A	
Net Position End of Year	<u>(\$93.9)</u>	<u>(\$98.8)</u>	<u>\$4.9</u>

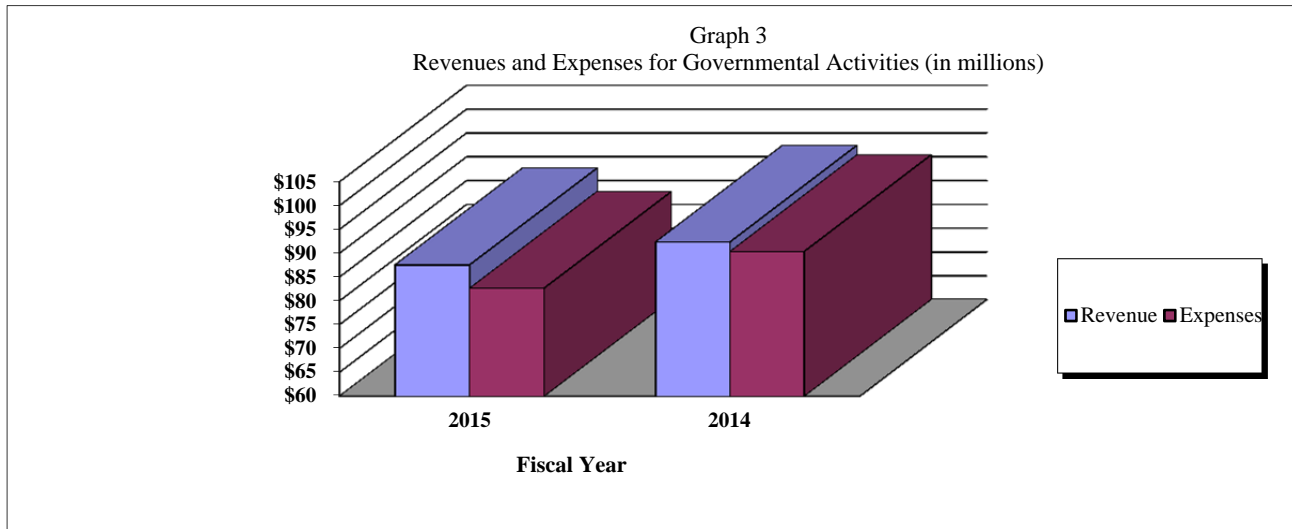
The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$6,418,768 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually

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required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$4,554,509. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$82,771,245
Pension expense under GASB 68	(4,554,509)
2015 contractually required contribution	6,460,877
Adjusted 2015 program expenses	84,677,613
Total 2014 program expenses under GASB 27	90,433,583
Decrease in program expenses not related to pension	(\$5,755,970)

The decrease in program expenses not related to pension is due both to reductions in salary and benefit costs as the overall number of School District employees has been reduced from the prior fiscal year, and changes to the health insurance program offered to employees. The following graph is only impacted by GASB 68 for fiscal year 2015, as information was not available to adjust expenses for prior years.



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.

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

	2015		2014	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$47.3	\$39.6	\$53.2	\$46.4
Support Services:				
Pupil and Instructional Staff	7.3	6.5	7.0	6.1
Board of Education, Administration, Fiscal and Business	8.0	7.7	8.0	7.7
Operation and Maintenance of Plant	6.9	6.8	6.6	6.6
Pupil Transportation	5.7	5.6	5.7	5.6
Central	2.1	1.7	2.5	2.0
Operation of Non-Instructional Services	3.3	(0.2)	4.2	0.8
Extracurricular Activities	1.0	0.6	1.5	0.9
Interest and Fiscal Charges	1.1	1.1	1.7	1.7
<b>Total</b>	<b>\$82.7</b>	<b>\$69.4</b>	<b>\$90.4</b>	<b>\$77.8</b>

The dependence upon general tax revenues for governmental activities is apparent. Over 83.7 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 83.9 percent as shown in Table 3. 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 \$88.7 million and expenditures of \$86.2 million. The net change in the governmental funds fund balance for the year was most significant in the general fund, where the fund balance increased from a fund balance of \$4.9 million to a fund balance of \$8.2 million. The increase in the general fund is due to a decrease in expenditures related to lower numbers of employees than the prior fiscal year and changes to the health insurance program offered to employees. Although revenues decreased as well, expenditures were still well below revenues. The net change in the debt service fund was an increase of \$.5 million as property tax revenue was more than sufficient to cover the annual debt payments made from this fund. The net change in the permanent improvement capital projects fund is a decrease of \$1.7 million. The decrease is due to less property tax allocated to this fund than in 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 2015 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.

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For the general fund, final budget basis revenue was \$81.3 million, which was slightly above original budget estimates of \$80.9 million. Actual revenue received was \$83.3 million, due to higher than estimated property taxes and intergovernmental revenues.

Total final estimated expenditures on the budget basis (cash outlays plus encumbrances) were \$79.2 million, \$2.1 million below budget basis revenues. Actual expenditures were only \$78 million, \$1 million below the final budgeted appropriations.

***Capital Assets and Debt Administration***

**Capital Assets**

Table 4 shows fiscal year 2015 balances compared to the prior fiscal year:

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

	2015	2014
Land and Improvements	\$2.0	\$2.1
Buildings and Improvements	43.8	44.8
Furniture and Equipment	0.5	0.5
Vehicles	1.9	1.5
Total	\$48.2	\$48.9

The decrease of \$.7 million in capital assets in fiscal year 2015 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 2015 this amounted to \$1,119,401 for the set aside. The School District had qualifying disbursements or offsets exceeding this requirement. See Note 17 for additional information regarding set asides.

**Debt**

At June 30, 2015 the School District had \$34.8 million in bonds, certificates of participation, and notes, with \$2.5 million due within one year.

Table 5 summarizes bonds, certificate of participation, and notes outstanding for fiscal year 2015 and fiscal year 2014:

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*Management's Discussion and Analysis*  
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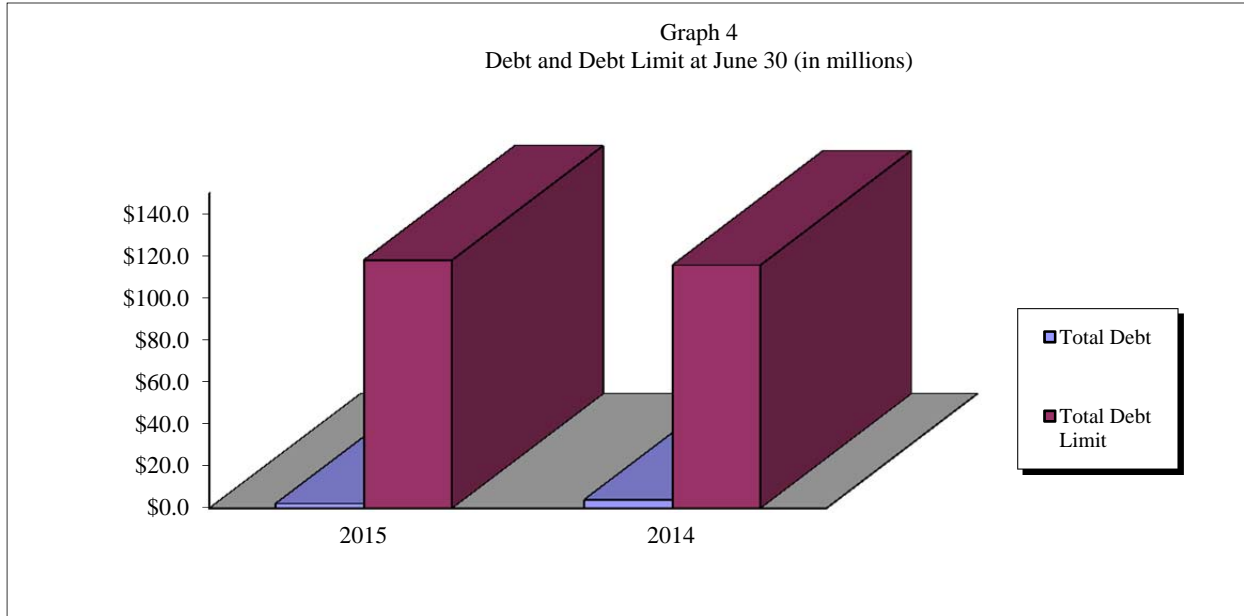
Table 5  
 Outstanding Debt at June 30  
 Governmental Activities  
 (In Millions)

	2015	2014
2003 School Improvement Refunding Bonds	\$2.7	\$3.5
2006 Bus/Motor Vehicle Acquisition Bonds	0.0	0.2
2007 Energy Conservation Bonds	3.9	4.3
Total General Obligation Bonds	6.6	8.0
Certificates of Participation	24.8	25.4
2008 Tax Anticipation Notes	1.0	1.3
2013 Tax Anticipation Notes	2.4	2.7
Total Tax Anticipation Notes	3.4	4.0
Total Bonds, Certificate of Participation and Notes	\$34.8	\$37.4

On March 1, 2003 the School District issued \$9.2 million in general obligation bonds to refund \$9,205,000 of the 1993 School Improvement Bonds. On August 30, 2005 the School District issued \$ .7 million in bus acquisition and motor vehicle acquisition bonds. On June 7, 2007 the School District issued \$6.4 million in energy conservation improvement bonds. On August 29, 2007 the School District issued \$2.9 million in tax anticipation notes for capital improvements. On November 4, 2009 the School District issued Certificates of Participation in the amount of \$26 million at a net interest rate of 4.7 percent for the purpose of building a new elementary building. 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. This lease purchase agreement will mature in October of 2039. On February 6, 2013, the School District issued \$3,000,000 in Tax Anticipation Notes.

At June 30, 2015, the School District's overall legal debt margin was \$118.1 million with an unvoted debt margin of \$1.3 million. The debt is well within permissible limits. The School District maintains an A-1 bond rating. For more information refer to Notes 19 and 20 to the basic financial statements.

**Berea City School District**  
*Management's Discussion and Analysis*  
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**Current Financial Related Activities**

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

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

Berea City School District has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1991, The Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting since 2013 and most recently, the ASBO Meritorious Budget Award for the fiscal year 2015 budget.

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

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

**Berea City School District**  
*Statement of Net Position*  
*June 30, 2015*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$16,580,635
Accounts Receivable	19,306
Intergovernmental Receivable	2,119,765
Prepaid Items	2,554
Inventory Held for Resale	22,967
Materials and Supplies Inventory	159,273
Taxes Receivable	57,614,339
Unamortized Bond Insurance Premium	94,103
Non-depreciable Capital Assets	893,217
Depreciable Capital Assets, Net	47,314,553
	124,820,712
<b>Deferred Outflows of Resources</b>	
Deferred Charge on Refunding	287,432
Pension	7,498,323
	7,785,755
<b>Liabilities</b>	
Accounts Payable	366,623
Contracts Payable	49,953
Accrued Wages	5,031,500
Matured Compensated Absences Payable	866,696
Intergovernmental Payable	944,035
Accrued Interest Payable	291,936
Notes Payable	3,419,412
Claims Payable	942,441
Long-Term Liabilities:	
Due Within One Year	3,089,589
Due In More Than One Year:	
Net Pension Liability (See Note 13)	110,321,416
Other Amounts	31,708,010
	157,031,611
<b>Deferred Inflows of Resources</b>	
Property Taxes	49,536,309
Pension	19,908,767
Deferred Gain on Refunding	24,070
	69,469,146
<b>Net Position</b>	
Net Investment in Capital Assets	13,782,338
Restricted for:	
Capital Projects	31,008
Debt Service	3,625,333
District Managed Student Activity	134,835
Locally Funded Programs	329,333
State Funded Programs	120,649
Federal Funded Programs	2,008,828
Unclaimed Monies	20,947
Unrestricted (Deficit)	(113,947,561)
	(\$93,894,290)

See accompanying notes to the basic financial statements



**Berea City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2015

	Program Revenues			Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
<b>Governmental Activities</b>				
Instruction:				
Regular	\$31,189,634	\$1,790,405	\$221,274	\$0
Special	12,957,488	1,681,630	4,011,352	0
Vocational	449,327	0	20,724	0
Student Intervention	2,710,357	0	0	0
Support Services:				
Pupil	5,296,091	0	796,230	0
Instructional Staff	2,026,693	0	0	0
Board of Education	31,884	0	0	0
Administration	4,962,719	0	227,549	0
Fiscal	1,929,973	0	5,527	0
Business	1,102,810	64,857	0	0
Operation and Maintenance of Plant	6,907,464	69,241	0	0
Pupil Transportation	5,719,081	142,936	1,884	0
Central	2,058,421	0	386,804	14,400
Operation of Non-Instructional Services:				
Food Service Operations	1,680,846	785,689	1,023,908	0
Other Non-Instructional Services	1,576,979	994,648	661,046	0
Extracurricular Activities	1,018,512	418,124	30,969	0
Interest and Fiscal Charges	1,152,966	0	0	0
<b>Totals</b>	<b>\$82,771,245</b>	<b>\$5,947,530</b>	<b>\$7,387,267</b>	<b>\$14,400</b>
				<b>(69,422,048)</b>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes				48,063,765
Debt Service				1,298,884
Capital Outlay				568,413
Grants and Entitlements not Restricted to Specific Programs				23,876,897
Unrestricted Contributions				39,419
Investment Earnings				7,265
Miscellaneous				460,538
<b>Total General Revenues</b>				<b>74,315,181</b>
Change in Net Position				4,893,133
Net Position Beginning of Year - Restated (See Note 3)				(98,787,423)
Net Position End of Year				<b>(\$93,894,290)</b>

See accompanying notes to the basic financial statements

**Berea City School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2015*

	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$8,754,219	\$3,557,700	\$244,528	\$2,707,180	\$15,263,627
Restricted Assets					
Equity in Pooled Cash and Cash Equivalents	20,947	0	0	0	20,947
Receivables:					
Accounts Receivable	18,088	0	0	0	18,088
Intergovernmental Receivable	1,357,535	0	0	762,230	2,119,765
Interfund Receivable	329,410	355,892	0	0	685,302
Prepaid Items	2,554	0	0	0	2,554
Inventory Held for Resale	2,446	0	0	20,521	22,967
Materials and Supplies Inventory	149,887	0	0	9,386	159,273
Property Taxes Receivable	55,462,932	837,990	1,313,417	0	57,614,339
<i>Total Assets</i>	<u>\$66,098,018</u>	<u>\$4,751,582</u>	<u>\$1,557,945</u>	<u>\$3,499,317</u>	<u>\$75,906,862</u>
<b>Liabilities</b>					
Accounts Payable	\$227,374	\$0	\$9,606	\$129,643	\$366,623
Contracts Payable	0	0	49,953	0	49,953
Accrued Wages	4,780,477	0	0	251,023	5,031,500
Matured Compensated Absences Payable	842,900	0	0	23,796	866,696
Interfund Payable	0	0	355,892	329,410	685,302
Intergovernmental Payable	839,997	0	0	104,038	944,035
Accrued Interest Payable	0	0	7,656	0	7,656
Notes Payable	0	0	3,419,412	0	3,419,412
<i>Total Liabilities</i>	<u>6,690,748</u>	<u>0</u>	<u>3,842,519</u>	<u>837,910</u>	<u>11,371,177</u>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue	3,538,419	43,593	63,383	493,930	4,139,325
Property Taxes	47,698,548	709,802	1,127,959	0	49,536,309
<i>Total Deferred Inflows of Resources</i>	<u>51,236,967</u>	<u>753,395</u>	<u>1,191,342</u>	<u>493,930</u>	<u>53,675,634</u>
<b>Fund Balances</b>					
Nonspendable	173,388	0	0	9,386	182,774
Restricted	0	3,998,187	0	2,231,145	6,229,332
Assigned	609,623	0	0	0	609,623
Unassigned (Deficit)	7,387,292	0	(3,475,916)	(73,054)	3,838,322
<i>Total Fund Balances (Deficit)</i>	<u>8,170,303</u>	<u>3,998,187</u>	<u>(3,475,916)</u>	<u>2,167,477</u>	<u>10,860,051</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$66,098,018</u>	<u>\$4,751,582</u>	<u>\$1,557,945</u>	<u>\$3,499,317</u>	<u>\$75,906,862</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, 2015*

<b>Total Governmental Fund Balances</b>	<b>\$10,860,051</b>
 <i>Amounts reported for governmental activities in the statement of    net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	48,207,770
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	2,674,391
Intergovernmental	493,930
Tuition and Fees	970,644
Rentals	360
<b>Total</b>	<b>4,139,325</b>
The internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in the statement of net position in governmental activities in the statement of net position.	354,838
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(284,280)
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.	287,432
Deferred inflows of resources represent deferred gains on refundings, which are not reported in the funds.	(24,070)
Unamortized bond insurance premiums do not provide current financial resources and, therefore, are not reported in the funds.	94,103
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Certificates of Participation	(24,802,630)
General Obligation Bonds	(6,685,366)
Compensated Absences	(3,309,603)
<b>Total</b>	<b>(34,797,599)</b>
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	7,498,323
Deferred Inflows - Pension	(19,908,767)
Net Pension Liability	(110,321,416)
<b>Total</b>	<b>(122,731,860)</b>
 <i>Net Position of Governmental Activities</i>	 <b><u>(\$93,894,290)</u></b>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
For the Fiscal Year Ended June 30, 2015

	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$48,239,868	\$1,305,963	\$569,682	\$0	\$50,115,513
Intergovernmental	26,060,982	109,070	322,421	5,042,939	31,535,412
Interest	7,018	0	0	247	7,265
Tuition and Fees	4,051,772	0	0	1,003,756	5,055,528
Extracurricular Activities	146,111	0	0	262,905	409,016
Rentals	70,429	0	0	0	70,429
Charges for Services	69,103	0	0	786,683	855,786
Contributions and Donations	39,419	0	0	108,243	147,662
Miscellaneous	438,217	0	1,137	21,184	460,538
<i>Total Revenues</i>	<u>79,122,919</u>	<u>1,415,033</u>	<u>893,240</u>	<u>7,225,957</u>	<u>88,657,149</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	31,487,884	0	0	145,045	31,632,929
Special	11,736,093	0	0	1,354,220	13,090,313
Vocational	489,976	0	0	0	489,976
Student Intervention	2,710,357	0	0	0	2,710,357
Support Services:					
Pupil	4,482,931	0	0	845,709	5,328,640
Instructional Staff	2,044,328	0	0	0	2,044,328
Board of Education	31,897	0	0	0	31,897
Administration	4,870,829	0	0	243,389	5,114,218
Fiscal	1,898,266	13,628	0	7,110	1,919,004
Business	1,073,329	0	0	0	1,073,329
Operation and Maintenance of Plant	5,872,722	0	0	7,364	5,880,086
Pupil Transportation	5,193,475	0	0	12,658	5,206,133
Central	1,653,801	0	0	413,883	2,067,684
Operation of Non-Instructional Services	11,295	0	0	1,596,212	1,607,507
Operation of Food Service	0	0	0	1,664,284	1,664,284
Extracurricular Activities	748,880	0	0	273,646	1,022,526
Capital Outlay	7,240	0	2,124,297	1,982	2,133,519
Debt Service:					
Principal Retirement	635,000	795,000	255,467	214,533	1,900,000
Interest and Fiscal Charges	906,604	143,645	277,555	0	1,327,804
<i>Total Expenditures</i>	<u>75,854,907</u>	<u>952,273</u>	<u>2,657,319</u>	<u>6,780,035</u>	<u>86,244,534</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,268,012</u>	<u>462,760</u>	<u>(1,764,079)</u>	<u>445,922</u>	<u>2,412,615</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	35,807	3,405	39,212
Transfers Out	(39,212)	0	0	0	(39,212)
<i>Total Other Financing Sources (Uses)</i>	<u>(39,212)</u>	<u>0</u>	<u>35,807</u>	<u>3,405</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	3,228,800	462,760	(1,728,272)	449,327	2,412,615
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>4,941,503</u>	<u>3,535,427</u>	<u>(1,747,644)</u>	<u>1,718,150</u>	<u>8,447,436</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$8,170,303</u>	<u>\$3,998,187</u>	<u>(\$3,475,916)</u>	<u>\$2,167,477</u>	<u>\$10,860,051</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, 2015*

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**Net Change in Fund Balances - Total Governmental Funds** \$2,412,615

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

Governmental funds report capital outlays as expenditures. However, in the statement of 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	1,055,561	
Depreciation	(1,814,110)	
Total		(758,549)

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

Delinquent Property Taxes	(184,451)	
Intergovernmental	(365,091)	
Tuition and Fees	(442,041)	
Rentals	(1,188)	
Total		(992,771)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Certificate of Participation	635,000	
General Obligation Bonds	1,265,000	
Total		1,900,000

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	205,474	
Amortization of Accounting Loss	(31,068)	
Amortization of Accounting Gain	8,748	
Amortization of Unamortized Bond Insurance Premium	(3,876)	
Amortization of Certificates of Participation Discount	(16,572)	
Amortization of Certificates of Participation Premium	2,088	
Amortization of Bond Premium	10,044	
Total		174,838

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.

222,058

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.

28,574

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

6,460,877

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.

(4,554,509)

*Change in Net Position of Governmental Activities*

\$4,893,133

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, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$51,074,858	\$51,521,860	\$52,769,311	\$1,247,451
Intergovernmental	25,224,149	25,444,908	26,060,982	616,074
Interest	6,793	6,852	7,018	166
Tuition and Fees	3,659,430	3,544,871	3,660,722	115,851
Extracurricular Activities	266,609	170,108	146,111	(23,997)
Rentals	73,119	73,759	75,545	1,786
Charges for Services	100,172	63,480	69,103	5,623
Contributions and Donations	56,236	35,171	39,419	4,248
Miscellaneous	433,129	427,855	438,217	10,362
<i>Total Revenues</i>	<u>80,894,495</u>	<u>81,288,864</u>	<u>83,266,428</u>	<u>1,977,564</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	33,987,214	32,617,093	32,401,919	215,174
Special	12,221,031	11,955,794	11,903,321	52,473
Vocational	457,300	473,483	452,203	21,280
Student Intervention	2,937,084	2,827,696	2,745,119	82,577
Support Services:				
Pupil	4,666,089	4,706,540	4,587,327	119,213
Instructional Staff	2,703,919	2,542,097	2,296,983	245,114
Board of Education	31,316	32,362	31,817	545
Administration	4,947,913	5,033,305	5,007,479	25,826
Fiscal	2,004,960	1,983,107	1,966,677	16,430
Business	845,746	1,136,305	1,103,013	33,292
Operation and Maintenance of Plant	6,713,631	6,197,653	6,063,243	134,410
Pupil Transportation	5,347,334	5,463,888	5,368,942	94,946
Central	1,858,316	1,758,454	1,733,924	24,530
Operation of Non-Instructional Services	3,575	8,800	4,352	4,448
Extracurricular Activities	910,279	797,503	757,526	39,977
Capital Outlay	137	74,590	74,590	0
Debt Service:				
Principal Retirement	647,051	635,000	635,000	0
Interest and Fiscal Charges	990,314	973,109	906,604	66,505
<i>Total Expenditures</i>	<u>81,273,209</u>	<u>79,216,779</u>	<u>78,040,039</u>	<u>1,176,740</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(\$378,714)</u>	<u>\$2,072,085</u>	<u>\$5,226,389</u>	<u>\$3,154,304</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, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources (Uses)</b>				
Advances In	\$344,214	\$344,214	\$344,214	\$0
Advances Out	0	(312,587)	(312,587)	0
Transfers In	17,184	0	0	0
Transfers Out	0	(39,212)	(39,212)	0
<i>Total Other Financing Sources (Uses)</i>	<u>361,398</u>	<u>(7,585)</u>	<u>(7,585)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(17,316)	2,064,500	5,218,804	3,154,304
<i>Fund Balance Beginning of Year</i>	2,047,984	2,047,984	2,047,984	0
Prior Year Encumbrances Appropriated	<u>758,603</u>	<u>758,603</u>	<u>758,603</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,789,271</u></u>	<u><u>\$4,871,087</u></u>	<u><u>\$8,025,391</u></u>	<u><u>\$3,154,304</u></u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Fund Net Position*  
*Internal Service Fund*  
*June 30, 2015*

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	<u>Self Insurance</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$1,296,061
Accounts Receivable	<u>1,218</u>
<i>Total Assets</i>	1,297,279
<b>Liabilities</b>	
Claims Payable	<u>942,441</u>
<b>Net Position</b>	
Unrestricted	<u><u>\$354,838</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 Fund  
For the Fiscal Year Ended June 30, 2015*

	Self Insurance
<hr style="border-top: 3px double #000;"/>	
<b>Operating Revenues</b>	
Charges for Services	\$10,221,945
<b>Operating Expenses</b>	
Fringe Benefits	862,923
Purchased Services	126,309
Claims	9,204,139
<i>Total Operating Expenses</i>	10,193,371
<i>Change in Net Position</i>	28,574
<i>Net Position Beginning of Year</i>	326,264
<i>Net Position End of Year</i>	\$354,838

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Cash Flows*  
*Internal Service Fund*  
For the Fiscal Year Ended June 30, 2015

	Self Insurance
<i><b>Increase (Decrease) in Cash and Cash Equivalents</b></i>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services	\$10,220,727
Cash Payments for Goods and Services	(989,232)
Cash Payments for Claims	(8,354,048)
<i>Net Increase in Cash and Cash Equivalents</i>	877,447
<i>Cash and Cash Equivalents Beginning of Year</i>	418,614
<i>Cash and Cash Equivalents End of Year</i>	\$1,296,061
 <i><b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b></i>	
<i>Operating Income</i>	\$28,574
Increase in Accounts Receivable	(1,218)
Increase in Claims Payable	850,091
<i>Net Cash Provided by Operating Activities</i>	\$877,447

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2015*

	Private Purpose Trust Fund	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$13,436	\$99,700
<b>Liabilities</b>		
Undistributed Monies	0	\$40,304
Due to Students	0	59,396
<i>Total Liabilities</i>	0	\$99,700
<b>Net Position</b>		
Held in Trust for Scholarships:	\$13,436	

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, 2015*

	Scholarship
<b>Additions</b>	
Interest	\$5
<b>Deductions</b>	0
<i>Change in Net Position</i>	5
<i>Net Position Beginning of Year</i>	13,431
<i>Net Position End of Year</i>	\$13,436

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, 2015*

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

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by the State and federal agencies. This Board of Education controls the School District's eleven instructional/support facilities staffed by 349 classified employees, 440 certificated full-time personnel, and 44 administrators who provide services to 6,789 students and other community members.

***Reporting Entity***

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

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The School District has no component units.

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

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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

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

The School District participates in three jointly governed organizations and one public entity risk pool. These organizations are presented in Note 18 to the financial statements. These organizations are:

Jointly Governed Organizations:

Polaris Career Center  
Educational Community Foundation  
Ohio Schools' Council Association

Public Entity Risk Pool:

Ohio School Boards Association Workers' Compensation Group Rating Program

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

The financial statements of Berea City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

***Fund Accounting***

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

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

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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

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

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

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

***Internal Service Fund*** This fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The School District's only internal service fund is a self insurance fund that accounts for medical, prescription drug, dental, and vision claims of School District employees.

***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 and staff services.

***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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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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 on the face of the proprietary fund statements. The fiduciary fund is reported by type.

***Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenditures) 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 fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., 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 activities.

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.



**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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**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.

**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, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, tuition and fees, and other revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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***Cash and Cash Equivalents***

Cash received by the School District is pooled for investment purposes. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

Investments are reported at fair value which is based on quoted market prices.

Berea City School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2015. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share, which is the price the investment could be sold for on June 30, 2015.

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 2015 amounted to \$7,018 which includes \$2,847 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, 2015, 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. On the fund financial statements, bond insurance premiums and discounts and premiums on bonds and COPs are reported as received or expended in the year the debt was issued.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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***Deferred Charge/Gain on Refunding***

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

***Capital Assets***

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

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

All reported capital assets except land 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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

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

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

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

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

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

***Pensions***

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

***Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

***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:

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

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance includes the remaining amount that is not restricted or committed. These assigned balances are established by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

***Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for self-insurance 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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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

***Estimates***

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

***Budgetary Data***

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

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

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

**Note 3 – Change in Accounting Principle and Restatement of Net Position**

For fiscal year 2015, the School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

**Berea City School District**  
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Net Position June 30, 2014	\$25,850,805
Adjustments:	
Net Pension Liability	(131,056,996)
Deferred Outflow - Payments Subsequent to Measurement Date	6,418,768
Restated Net Position June 30, 2014	(\$98,787,423)

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

**Note 4 – Accountability and Compliance**

*Accountability*

The following funds had deficit fund balances at June 30, 2015:

<b>Special Revenue Funds</b>	
Title I	\$55,017
Preschool	10,185
Title IIA	7,852
<b>Capital Projects Fund</b>	
Permanent Improvement	3,475,916

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.

*Compliance*

The Title VI-B, Title I, Preschool, and Title III funds had total final appropriations in excess of estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code, in the amounts of \$123,600, \$217,851, \$387, and \$2,376, respectively.

Management will ensure that appropriations will be closely monitored to prevent future violations.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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**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).

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	\$3,228,800
Net Adjustment for Revenue Accruals	4,143,509
Advances In	344,214
Net Adjustment for Expenditure Accruals	(1,418,534)
Advances Out	(312,587)
Adjustment for Encumbrances	<u>(766,598)</u>
Budget Basis	<u><u>\$5,218,804</u></u>

**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:



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Fund Balances	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total
<b>Nonspendable</b>					
Prepays	\$2,554	\$0	\$0	\$0	\$2,554
Inventory	149,887	0	0	9,386	159,273
Unclaimed Monies	20,947	0	0	0	20,947
<i>Total Nonspendable</i>	<u>173,388</u>	<u>0</u>	<u>0</u>	<u>9,386</u>	<u>182,774</u>
<b>Restricted for</b>					
Non-Public Schools	0	0	0	76,716	76,716
Athletics and Music	0	0	0	134,835	134,835
Preschool Education	0	0	0	4,869	4,869
Education Innovation	0	0	0	19,343	19,343
Professional Development	0	0	0	75,090	75,090
Special Education	0	0	0	8,541	8,541
Technology Improvements	0	0	0	6,390	6,390
Food Service Operations	0	0	0	1,614,219	1,614,219
Adult Education	0	0	0	274,669	274,669
Debt Service Payments	0	3,998,187	0	0	3,998,187
Capital Improvements	0	0	0	16,473	16,473
<i>Total Restricted</i>	<u>0</u>	<u>3,998,187</u>	<u>0</u>	<u>2,231,145</u>	<u>6,229,332</u>
<b>Assigned to</b>					
Purchases on Order:					
Instruction	247,529	0	0	0	247,529
Support Services	293,009	0	0	0	293,009
Non-instructional Services	958	0	0	0	958
Athletics and Music	777	0	0	0	777
Capital Improvements	67,350	0	0	0	67,350
<i>Total Assigned</i>	<u>609,623</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>609,623</u>
<b>Unassigned (Deficit)</b>	<u>7,387,292</u>	<u>0</u>	<u>(3,475,916)</u>	<u>(73,054)</u>	<u>3,838,322</u>
<i>Total Fund Balances (Deficit)</i>	<u>\$8,170,303</u>	<u>\$3,998,187</u>	<u>(\$3,475,916)</u>	<u>\$2,167,477</u>	<u>\$10,860,051</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 2015 represent the collection of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed values as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2015 represent the collection of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien on December 31, 2013, were levied after April 1, 2014, 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.

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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, 2015, are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2015 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 unavailable revenue.

The amount available as an advance at June 30, 2015, was \$5,196,968 in the general fund, \$84,595 in the debt service fund, and \$122,075 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2014, was \$9,726,413 in the general fund, \$203,942 in the debt service fund, and \$228,281 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 2015 taxes were collected are:

	2014 Second Half Collections		2015 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,298,186,320	97.51%	\$1,301,850,930	97.38%
Public Utility Personal	33,200,280	2.49	35,071,880	2.62
Total	\$1,331,386,600	100.00%	\$1,336,922,810	100.00%
Full Tax Rate per \$1,000 of assessed valuation	\$78.00		\$78.00	

**Note 8 – Deposits and Investments**

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

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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

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

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

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

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

### **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, \$16,531,279 of the School District's bank balance of \$17,152,087 was uninsured and uncollateralized. Although the collateral securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

***Investments***

As of June 30, 2015, the School District had \$113,259 invested in STAR Ohio, which had an average maturity of 53.4 days.

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

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

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

**Note 9 - Interfund Transactions**

***Interfund Balances***

Interfund balances at June 30, 2015, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable		
	General	Debt Service	Total
Permanent Improvement	\$0	\$355,892	\$355,892
<b>Other Governmental Funds:</b>			
Title VI-B	68,624	0	68,624
Title I	218,312	0	218,312
Preschool at Risk	9,531	0	9,531
Preschool	9,194	0	9,194
Race to the Top	7,736	0	7,736
Title IIA	11,273	0	11,273
Title III	4,740	0	4,740
Total	\$329,410	\$355,892	\$685,302

**Berea City School District**  
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The interfund payable in the permanent improvement fund is related to property tax revenue owed to the debt service fund. 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. Advances will be repaid within one year.

***Interfund Transfers***

Interfund transfers at June 30, 2015, consist of the following:

Transfers To	Transfers From
	General
Permanent Improvement	\$35,807
District Managed Student Activities	3,405
Total	\$39,212

The transfers from the general fund to the permanent improvement fund and the district managed student activities fund were made to move unrestricted balances to support programs and projects accounted for in other funds.

**Note 10 - Receivables**

Receivables at June 30, 2015, 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
Tuition and Fees	\$1,357,535
Title I	434,152
Title VI-B	174,773
Preschool at Risk	47,074
Title IIA	38,955
Race to the Top	26,965
Title III	22,474
Preschool	17,837
Total Intergovernmental Receivables	\$2,119,765

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

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance 6/30/14	Additions	Deductions	Balance 6/30/15
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$893,217	\$0	\$0	\$893,217
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	2,958,429	21,094	0	2,979,523
Buildings and Improvements	75,430,964	138,551	0	75,569,515
Furniture and Equipment	2,862,991	72,694	(133,868)	2,801,817
Vehicles	5,400,556	823,222	(280,702)	5,943,076
<i>Total Capital Assets, Being Depreciated</i>	<u>86,652,940</u>	<u>1,055,561</u>	<u>(414,570)</u>	<u>87,293,931</u>
Less Accumulated Depreciation:				
Land Improvements	(1,761,942)	(99,317)	0	(1,861,259)
Buildings and Improvements	(30,592,621)	(1,208,321)	0	(31,800,942)
Furniture and Equipment	(2,353,492)	(102,369)	133,868	(2,321,993)
Vehicles	(3,871,783)	(404,103)	280,702	(3,995,184)
<i>Total Accumulated Depreciation</i>	<u>(38,579,838)</u>	<u>(1,814,110)</u>	<u>414,570</u>	<u>(39,979,378)</u>
Total Capital Assets, Being Depreciated, Net	<u>48,073,102</u>	<u>(758,549)</u>	<u>0</u>	<u>47,314,553</u>
Governmental Activities Capital Assets, Net	<u>\$48,966,319</u>	<u>(\$758,549)</u>	<u>\$0</u>	<u>\$48,207,770</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$542,891
Special	284,088
Vocational	4,709
Support Services	
Pupil	48,656
Instructional Staff	38,759
Administration	85,328
Fiscal	15,054
Business	3,909
Operation and Maintenance of Plant	146,890
Pupil Transportation	540,927
Central	27,418
Operation of Food Service	73,115
Extracurricular Activities	2,366
Total Depreciation Expense	<u>\$1,814,110</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 2015, 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 Indiana Insurance carrying the policy with a \$1,000,000 claims made coverage and a \$10,000,000 umbrella extending also over the School District's fleet insurance.

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

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

***Workers' Compensation***

For fiscal year 2015, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley provides administrative, cost control, and actuarial services to the GRP.

***Health and Life Insurance***

The School District offers medical, prescription drug, dental, and vision benefits for all eligible employees and their dependents through a self-insurance internal service fund. The School District used a self-insured program through January 31, 2013, was not self-insured beginning February 1, 2013, and then went back to a self-insured program during fiscal year 2015. The School District is self-insured with Medical Mutual serving as third-party administrator. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$125,000 per employee, per year. The claims liability of \$942,441 reported in the internal service fund at June 30, 2015, 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 2014 and 2015 were:

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	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2014	\$121,266	\$2,214,248	\$2,243,164	\$92,350
2015	92,350	9,204,139	8,354,048	942,441

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

**Note 13 - Defined Benefit Pension Plans**

***Net Pension Liability***

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

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

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

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

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



**Berea City School District**  
*Notes to the Basic Financial Statements*  
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***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$1,641,892 for fiscal year 2015. Of this amount \$53,759 is reported as an intergovernmental payable.

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

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by

**Berea City School District**  
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writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

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

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

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The School District's contractually required contribution to STRS was \$4,818,985 for fiscal year 2015. Of this amount \$677,848 is reported as an intergovernmental payable.

***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, 2014, 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>
Proportionate Share of the Net Pension Liability	\$22,074,568	\$88,246,848	\$110,321,416
Proportion of the Net Pension Liability	0.436175%	0.36280548%	
Pension Expense	\$1,288,092	\$3,266,417	\$4,554,509

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$187,878	\$849,568	\$1,037,446
School District contributions subsequent to the measurement date	<u>1,641,892</u>	<u>4,818,985</u>	<u>6,460,877</u>
Total Deferred Outflows of Resources	<u>\$1,829,770</u>	<u>\$5,668,553</u>	<u>\$7,498,323</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	<u>\$3,582,765</u>	<u>\$16,326,002</u>	<u>\$19,908,767</u>

\$6,460,877 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2016	(\$848,247)	(\$3,869,109)	(\$4,717,356)
2017	(848,247)	(3,869,109)	(4,717,356)
2018	(848,247)	(3,869,109)	(4,717,356)
2019	<u>(850,146)</u>	<u>(3,869,107)</u>	<u>(4,719,253)</u>
Total	<u>(\$3,394,887)</u>	<u>(\$15,476,434)</u>	<u>(\$18,871,321)</u>

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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***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, 2014, are presented below:

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

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

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

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums 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 a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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

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

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

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's proportionate share of the net pension liability	\$31,493,849	\$22,074,568	\$14,152,139

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**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid 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 not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
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	<u>100.00 %</u>	

**Discount Rate** The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. 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, 2014.

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*Notes to the Basic Financial Statements*  
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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	\$126,334,985	\$88,246,848	\$56,037,102

**Note 14 – Postemployment Benefits**

***School Employees Retirement System***

**Health Care Plan Description** - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

**Funding Policy** - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent 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, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the School District's surcharge obligation was \$135,271.

The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$237,422, \$133,290, and \$220,974, respectively. For fiscal year 2015, 90.59 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2014 and 2013.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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***State Teachers Retirement System***

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$372,984, and \$396,200 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

**Note 15 – Compensated Absences**

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

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

**Note 16 - Contingencies**

***Grants***

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2015, if applicable, cannot be determined at this time.

***School Foundation***

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to



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adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015, Foundation funding for the School District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or a liability of the School District.

***Litigation***

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

**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, 2014	\$28,983
Current Year Set-Aside Requirement	1,119,401
Current Year Offset	(1,063,940)
Qualifying Disbursements	(124,004)
Total	(\$39,560)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$0

**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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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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 2015 the School District paid \$15,873 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Boulevard, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Energy USA served as the natural gas supplier and program manager from October 1, 2008 to September 30, 2010. Compass Energy serves as the new supplier and program manager for the period from April 1, 2013 through March 31, 2016. There are currently 143 participants in the program including the Berea City School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

***Public Entity Risk Pool***

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

**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 6/30/2014	Additions	Deductions	Principal Outstanding 6/30/2015
Permanent Improvement				
2008 Capital Projects 4.0%				
Tax Anticipation Notes	\$1,260,000	\$0	\$295,000	\$965,000
Premium on Notes	12,988	0	3,576	9,412
2013 School Improvement 2.08%				
Tax Anticipation Notes	2,725,000	0	280,000	2,445,000
Total Notes	\$3,997,988	\$0	\$578,576	\$3,419,412

Principal and interest requirements to retire the notes outstanding at June 30, 2015 are as follows:

Fiscal Year Ending June 30	2008 Notes		2013 Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$310,000	\$34,425	\$285,000	\$47,892	\$595,000	\$82,317
2017	320,000	21,038	290,000	41,912	610,000	62,950
2018	335,000	7,119	295,000	35,828	630,000	42,947
2019	0	0	300,000	29,640	300,000	29,640
2020	0	0	310,000	23,296	310,000	23,296
2021	0	0	315,000	16,796	315,000	16,796
2022	0	0	320,000	10,192	320,000	10,192
2023	0	0	330,000	3,432	330,000	3,432
Total	\$965,000	\$62,582	\$2,445,000	\$208,988	\$3,410,000	\$271,570

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

**Note 20 – Long – Term Liabilities**

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

	Principal Outstanding 6/30/2014	Additions	Reductions	Principal Outstanding 6/30/2015	Amounts Due in One Year
Certificates of Participation:					
Certificates of Participation - 2010					
Serial Certificates	\$4,295,000	\$0	\$555,000	\$3,740,000	\$575,000
Term Certificates	7,810,000	0	0	7,810,000	0
Discount on Certificate of Participation	(165,580)	0	(6,552)	(159,028)	0
Premium on Certificate of Participation	51,821	0	2,088	49,733	0
2014 Certificates of Participation Refunding					
Serial Certificates	13,140,000	0	80,000	13,060,000	0
Term Certificates	545,000	0	0	545,000	30,000
Discount on Certificate of Participation	(253,095)	0	(10,020)	(243,075)	0
<b>Total Certificates of Participation</b>	<b>25,423,146</b>	<b>0</b>	<b>620,516</b>	<b>24,802,630</b>	<b>605,000</b>
General Obligation Bonds:					
2003 School Improvement Refunding	3,480,000	0	795,000	2,685,000	835,000
2006 Bus Acquisition Bonds	155,000	0	75,000	80,000	80,000
Premium on Bonds	2,119	0	1,416	703	0
2007 Energy Conservation Bonds	4,250,000	0	395,000	3,855,000	410,000
Premium on Bonds	73,291	0	8,628	64,663	0
<b>Total General Obligation Bonds</b>	<b>7,960,410</b>	<b>0</b>	<b>1,275,044</b>	<b>6,685,366</b>	<b>1,325,000</b>
Net Pension Liability					
SERS	25,937,927	0	3,863,359	22,074,568	0
STRS	105,119,069	0	16,872,221	88,246,848	0
<b>Total Net Pension Liability</b>	<b>131,056,996</b>	<b>0</b>	<b>20,735,580</b>	<b>110,321,416</b>	<b>0</b>
Compensted Absences	3,531,661	283,012	505,070	3,309,603	1,159,589
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$167,972,213</b>	<b>\$283,012</b>	<b>\$23,136,210</b>	<b>\$145,119,015</b>	<b>\$3,089,589</b>

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, 2015, \$2,780,000 of the defeased bonds are still outstanding.

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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 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.

The term bonds maturing on October 1, 2023, 2026, 2028 and 2030 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	2010 Certificates of Participation			
	\$2,220,000	\$2,510,000	\$1,870,000	\$1,210,000
2021	\$710,000	\$0	\$0	\$0
2022	740,000	0	0	0
2023	0	0	0	0
2024	0	800,000	0	0
2025	0	835,000	0	0
2026	0	0	0	0
2027	0	0	915,000	0
2028	0	0	0	0
2029	0	0	0	1,005,000
Total	\$1,450,000	\$1,635,000	\$915,000	\$1,005,000
<i>Stated Maturity</i>	<i>10/1/2023</i>	<i>10/1/2026</i>	<i>10/1/2028</i>	<i>10/1/2030</i>

The remaining principal amount of the term bonds (\$770,000 \$875,000, \$955,000 and \$205,000) will mature at the stated maturity.

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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. As a result, \$12,870,000 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.

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
2016	\$30,000	\$0	\$0
2017	30,000	0	0
2018	30,000	0	0
2019	0	0	0
2020	0	35,000	0
2021	0	35,000	0
2022	0	35,000	0
2023	0	35,000	0
2024	0	35,000	0
2025	0	0	0
2026	0	0	40,000
2027	0	0	40,000
2028	0	0	40,000
2029	0	0	45,000
Total	\$90,000	\$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.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

Annual base rent requirements to retire COPs outstanding at June 30, 2015 are as follows:

	Certificates of Participation			
	Serial		Term	
	Principal	Interest	Principal	Interest
2016	\$575,000	\$479,845	\$30,000	\$549,359
2017	590,000	461,780	30,000	548,906
2018	610,000	442,046	30,000	548,456
2019	630,000	420,334	30,000	548,007
2020	655,000	395,815	35,000	547,257
2021-2025	680,000	369,115	3,200,000	3,893,940
2026-2030	0	0	4,795,000	3,310,819
2031-2035	5,765,000	2,123,587	205,000	5,125
2036-2040	7,295,000	772,957	0	0
Total	\$16,800,000	\$5,465,479	\$8,355,000	\$9,951,869

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

At June 30, 2015 the School District's overall legal debt margin was \$118,146,240 with an unvoted debt margin of \$1,336,923. Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2015 are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Total
	Principal	Interest	
2016	\$1,325,000	\$267,536	\$1,592,536
2017	1,315,000	205,272	1,520,272
2018	1,410,000	137,735	1,547,735
2019	475,000	93,300	568,300
2020	495,000	73,900	568,900
2021-2024	1,600,000	97,800	1,697,800
Total	\$6,620,000	\$875,543	\$7,495,543

**Note 21 – Significant Commitments**

*Contractual Commitments*

At June 30, 2015 the School District had \$233,528 in contractual commitments for architect services and paving projects. The remaining commitment amounts were encumbered at fiscal year end.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2015*

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***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	\$766,598
Permanent Improvement	244,528
Other Governmental Funds	<u>727,912</u>
Total Governmental Funds	1,739,038
Internal Service	<u>17,580</u>
Total	<u><u>\$1,756,618</u></u>





*Enrique Salvo*  
*Big Creek Grade 1*

**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 Two Fiscal Years (1)*

	2014	2013
School District's Proportion of the Net Pension Liability	0.436175%	0.436175%
School District's Proportionate Share of the Net Pension Liability	\$22,074,568	\$25,937,927
School District's Covered-Employee Payroll	\$12,673,622	\$9,402,489
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	174.18%	275.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) Information prior to 2013 is not available.

Amounts presented 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 Two Fiscal Years (1)*

	2014	2013
School District's Proportion of the Net Pension Liability	0.36280548%	0.36280548%
School District's Proportionate Share of the Net Pension Liability	\$88,246,848	\$105,119,069
School District's Covered-Employee Payroll	\$35,863,107	\$39,619,977
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	246.07%	265.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	69.30%

(1) Information prior to 2013 is not available.

Amounts presented 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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$1,641,892	\$1,756,564	\$1,301,304	\$1,770,542
Contributions in Relation to the Contractually Required Contribution	<u>(1,641,892)</u>	<u>(1,756,564)</u>	<u>(1,301,304)</u>	<u>(1,770,542)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$12,457,449	\$12,673,622	\$9,402,489	\$13,163,882
Contributions as a Percentage of Covered-Employee Payroll	13.18%	13.86%	13.84%	13.45%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$1,849,827	\$1,981,450	\$1,465,171	\$1,360,444	\$1,395,261	\$1,332,270
<u>(1,849,827)</u>	<u>(1,981,450)</u>	<u>(1,465,171)</u>	<u>(1,360,444)</u>	<u>(1,395,261)</u>	<u>(1,332,270)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$14,716,207	\$14,634,045	\$14,889,945	\$13,853,810	\$13,064,242	\$12,592,344
12.57%	13.54%	9.84%	9.82%	10.68%	10.58%

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$4,818,985	\$4,662,204	\$5,150,597	\$5,093,110
Contributions in Relation to the Contractually Required Contribution	<u>(4,818,985)</u>	<u>(4,662,204)</u>	<u>(5,150,597)</u>	<u>(5,093,110)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$34,421,322	\$35,863,107	\$39,619,977	\$39,177,769
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.00%	13.00%	13.00%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$5,120,193	\$5,195,903	\$4,996,303	\$4,793,547	\$4,494,270	\$4,365,329
<u>(5,120,193)</u>	<u>(5,195,903)</u>	<u>(4,996,303)</u>	<u>(4,793,547)</u>	<u>(4,494,270)</u>	<u>(4,365,329)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$39,386,100	\$39,968,485	\$38,433,100	\$36,873,438	\$34,571,308	\$33,579,454
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**Berea City School District**

**Combining and Individual Fund Statements and Schedules**



## **Berea City School District**

### ***Fund Descriptions– Nonmajor Governmental Funds***

#### ***Nonmajor Special Revenue Funds***

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

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

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

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

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

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

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

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

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

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

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

(continued)

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

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

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

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

***Nonmajor Capital Projects Funds***

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

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

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

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2015*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,690,707	\$16,473	\$2,707,180
Intergovernmental Receivable	762,230	0	762,230
Inventory Held for Resale	20,521	0	20,521
Materials and Supplies Inventory	9,386	0	9,386
<i>Total Assets</i>	<u>\$3,482,844</u>	<u>\$16,473</u>	<u>\$3,499,317</u>
<b>Liabilities</b>			
Accounts Payable	\$129,643	\$0	\$129,643
Accrued Wages	251,023	0	251,023
Matured Compensated Absences Payable	23,796	0	23,796
Interfund Payable	329,410	0	329,410
Intergovernmental Payable	104,038	0	104,038
<i>Total Liabilities</i>	<u>837,910</u>	<u>0</u>	<u>837,910</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	493,930	0	493,930
<b>Fund Balances</b>			
Nonspendable	9,386	0	9,386
Restricted	2,214,672	16,473	2,231,145
Unassigned (Deficit)	(73,054)	0	(73,054)
<i>Total Fund Balances</i>	<u>2,151,004</u>	<u>16,473</u>	<u>2,167,477</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$3,482,844</u>	<u>\$16,473</u>	<u>\$3,499,317</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, 2015*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$5,028,539	\$14,400	\$5,042,939
Interest	247	0	247
Tuition and Fees	1,003,756	0	1,003,756
Extracurricular Activities	262,905	0	262,905
Charges for Services	786,683	0	786,683
Contributions and Donations	108,243	0	108,243
Miscellaneous	21,184	0	21,184
<i>Total Revenues</i>	<u>7,211,557</u>	<u>14,400</u>	<u>7,225,957</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	145,045	0	145,045
Special	1,354,220	0	1,354,220
Support Services:			
Pupil	845,709	0	845,709
Administration	243,389	0	243,389
Fiscal	7,110	0	7,110
Operation and Maintenance of Plant	7,364	0	7,364
Pupil Transportation	12,658	0	12,658
Central	413,883	0	413,883
Operation of Non-Instructional Services	1,596,212	0	1,596,212
Operation of Food Service	1,664,284	0	1,664,284
Extracurricular Activities	273,646	0	273,646
Capital Outlay	0	1,982	1,982
Debt Service:			
Principal Retirement	0	214,533	214,533
<i>Total Expenditures</i>	<u>6,563,520</u>	<u>216,515</u>	<u>6,780,035</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	648,037	(202,115)	445,922
<b>Other Financing Sources (Uses)</b>			
Transfers In	3,405	0	3,405
<i>Net Change in Fund Balances</i>	651,442	(202,115)	449,327
<i>Fund Balances Beginning of Year</i>	<u>1,499,562</u>	<u>218,588</u>	<u>1,718,150</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,151,004</u></u>	<u><u>\$16,473</u></u>	<u><u>\$2,167,477</u></u>

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2015*

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$17,038	\$176,064	\$221,623	\$136,893
Intergovernmental Receivable	174,773	0	434,152	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$191,811</u>	<u>\$176,064</u>	<u>\$655,775</u>	<u>\$136,893</u>
<b>Liabilities</b>				
Accounts Payable	\$1,731	\$99,348	\$8,484	\$2,058
Accrued Wages	24,888	0	118,041	0
Matured Compensated Absences Payable	0	0	0	0
Interfund Payable	68,624	0	218,312	0
Intergovernmental Payable	22,733	0	16,528	0
<i>Total Liabilities</i>	<u>117,976</u>	<u>99,348</u>	<u>361,365</u>	<u>2,058</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	65,294	0	349,427	0
<b>Fund Balances</b>				
Nonspendable	0	0	0	0
Restricted	8,541	76,716	0	134,835
Unassigned (Deficit)	0	0	(55,017)	0
<i>Total Fund Balances (Deficit)</i>	<u>8,541</u>	<u>76,716</u>	<u>(55,017)</u>	<u>134,835</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$191,811</u>	<u>\$176,064</u>	<u>\$655,775</u>	<u>\$136,893</u>

(continued)

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2015*

	<u>Preschool at Risk</u>	<u>Local Grants</u>	<u>Preschool</u>	<u>Food Service</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$75,318	\$8,234	\$1,700,968
Intergovernmental Receivable	47,074	0	17,837	0
Inventory Held for Resale	0	0	0	20,521
Materials and Supplies Inventory	0	0	0	9,386
<i>Total Assets</i>	<u>\$47,074</u>	<u>\$75,318</u>	<u>\$26,071</u>	<u>\$1,730,875</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$228	\$0	\$7,409
Accrued Wages	0	0	4,184	47,083
Matured Compensated Absences Payable	0	0	0	17,682
Interfund Payable	9,531	0	9,194	0
Intergovernmental Payable	0	0	8,094	35,096
<i>Total Liabilities</i>	<u>9,531</u>	<u>228</u>	<u>21,472</u>	<u>107,270</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	<u>32,674</u>	<u>0</u>	<u>14,784</u>	<u>0</u>
<b>Fund Balances</b>				
Nonspendable	0	0	0	9,386
Restricted	4,869	75,090	0	1,614,219
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>(10,185)</u>	<u>0</u>
<i>Total Fund Balances (Deficit)</i>	<u>4,869</u>	<u>75,090</u>	<u>(10,185)</u>	<u>1,623,605</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$47,074</u>	<u>\$75,318</u>	<u>\$26,071</u>	<u>\$1,730,875</u>

Adult and Community Education	Educational Management Information Systems	Race to the Top	Title IIA	Title III	Total Nonmajor Special Revenue Funds
\$335,583	\$6,390	\$0	\$8,880	\$3,716	\$2,690,707
0	0	26,965	38,955	22,474	762,230
0	0	0	0	0	20,521
0	0	0	0	0	9,386
<u>\$335,583</u>	<u>\$6,390</u>	<u>\$26,965</u>	<u>\$47,835</u>	<u>\$26,190</u>	<u>\$3,482,844</u>
\$1,534	\$0	\$0	\$4,111	\$4,740	\$129,643
34,767	0	0	19,044	3,016	251,023
6,114	0	0	0	0	23,796
0	0	7,736	11,273	4,740	329,410
18,499	0	0	2,666	422	104,038
<u>60,914</u>	<u>0</u>	<u>7,736</u>	<u>37,094</u>	<u>12,918</u>	<u>837,910</u>
0	0	0	18,593	13,158	493,930
0	0	0	0	0	9,386
274,669	6,390	19,229	0	114	2,214,672
0	0	0	(7,852)	0	(73,054)
<u>274,669</u>	<u>6,390</u>	<u>19,229</u>	<u>(7,852)</u>	<u>114</u>	<u>2,151,004</u>
<u>\$335,583</u>	<u>\$6,390</u>	<u>\$26,965</u>	<u>\$47,835</u>	<u>\$26,190</u>	<u>\$3,482,844</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, 2015*

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities
<b>Revenues</b>				
Intergovernmental	\$1,688,744	\$644,903	\$1,284,805	\$0
Interest	0	164	0	0
Tuition and Fees	0	0	0	9,108
Extracurricular Activities	0	0	0	262,905
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	30,969
Miscellaneous	0	0	0	10,672
<i>Total Revenues</i>	<u>1,688,744</u>	<u>645,067</u>	<u>1,284,805</u>	<u>313,654</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	463,230	0	854,491	0
Support Services:				
Pupil	799,801	0	0	3,225
Administration	225,097	0	9,473	0
Fiscal	0	0	4,719	0
Operation and Maintenance of Plant	0	0	0	7,364
Pupil Transportation	1,966	0	0	10,692
Central	109,430	0	120,802	0
Operation of Non-Instructional Services	0	676,394	14,831	0
Operation of Food Service	0	0	0	0
Extracurricular Activities	0	0	0	267,346
<i>Total Expenditures</i>	<u>1,599,524</u>	<u>676,394</u>	<u>1,004,316</u>	<u>288,627</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	89,220	(31,327)	280,489	25,027
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	3,405
<i>Net Change in Fund Balances</i>	89,220	(31,327)	280,489	28,432
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(80,679)</u>	<u>108,043</u>	<u>(335,506)</u>	<u>106,403</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$8,541</u></u>	<u><u>\$76,716</u></u>	<u><u>(\$55,017)</u></u>	<u><u>\$134,835</u></u>



Preschool at Risk	Local Grants	Preschool	Food Service	Adult and Community Education	Educational Management Information System
\$111,326	\$0	\$45,992	\$1,023,908	\$0	\$0
0	10	0	73	0	0
0	0	0	0	994,648	0
0	0	0	0	0	0
0	994	0	785,689	0	0
0	77,274	0	0	0	0
0	0	0	10,512	0	0
<u>111,326</u>	<u>78,278</u>	<u>45,992</u>	<u>1,820,182</u>	<u>994,648</u>	<u>0</u>
85,465	59,580	0	0	0	0
0	1,026	10,754	0	0	0
0	1,853	40,830	0	0	0
6,660	0	2,159	0	0	0
0	0	531	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	1,903	0	0	93
0	1,000	0	0	903,987	0
0	0	0	1,664,284	0	0
0	6,300	0	0	0	0
<u>92,125</u>	<u>69,759</u>	<u>56,177</u>	<u>1,664,284</u>	<u>903,987</u>	<u>93</u>
19,201	8,519	(10,185)	155,898	90,661	(93)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
19,201	8,519	(10,185)	155,898	90,661	(93)
<u>(14,332)</u>	<u>66,571</u>	<u>0</u>	<u>1,467,707</u>	<u>184,008</u>	<u>6,483</u>
<u>\$4,869</u>	<u>\$75,090</u>	<u>(\$10,185)</u>	<u>\$1,623,605</u>	<u>\$274,669</u>	<u>\$6,390</u>

(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, 2015

	Race to the Top	Title IIA	Title III	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Intergovernmental	\$35,651	\$162,111	\$31,099	\$5,028,539
Interest	0	0	0	247
Tuition and Fees	0	0	0	1,003,756
Extracurricular Activities	0	0	0	262,905
Charges for Services	0	0	0	786,683
Contributions and Donations	0	0	0	108,243
Miscellaneous	0	0	0	21,184
<i>Total Revenues</i>	<u>35,651</u>	<u>162,111</u>	<u>31,099</u>	<u>7,211,557</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	0	145,045
Special	0	0	24,719	1,354,220
Support Services:				
Pupil	0	0	0	845,709
Administration	0	0	0	243,389
Fiscal	0	1,563	297	7,110
Operation and Maintenance of Plant	0	0	0	7,364
Pupil Transportation	0	0	0	12,658
Central	8,910	172,457	288	413,883
Operation of Non-Instructional Services	0	0	0	1,596,212
Operation of Food Service	0	0	0	1,664,284
Extracurricular Activities	0	0	0	273,646
<i>Total Expenditures</i>	<u>8,910</u>	<u>174,020</u>	<u>25,304</u>	<u>6,563,520</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	26,741	(11,909)	5,795	648,037
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	3,405
<i>Net Change in Fund Balances</i>	26,741	(11,909)	5,795	651,442
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(7,512)</u>	<u>4,057</u>	<u>(5,681)</u>	<u>1,499,562</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$19,229</u>	<u>(\$7,852)</u>	<u>\$114</u>	<u>\$2,151,004</u>

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2015*

	Building	Network Connectivity	Total Nonmajor Capital Projects Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$10,815	\$5,658	\$16,473
<b>Fund Balances</b>			
Restricted	\$10,815	\$5,658	\$16,473

**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, 2015*

	<u>Building</u>	<u>Network Connectivity</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues</b>			
Intergovernmental	\$0	\$14,400	\$14,400
<b>Expenditures</b>			
Capital Outlay	0	1,982	1,982
Debt Service:			
Principal Retirement	214,533	0	214,533
<i>Total Expenditures</i>	<u>214,533</u>	<u>1,982</u>	<u>216,515</u>
<i>Net Change in Fund Balances</i>	(214,533)	12,418	(202,115)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>225,348</u>	<u>(6,760)</u>	<u>218,588</u>
<i>Fund Balances End of Year</i>	<u><u>\$10,815</u></u>	<u><u>\$5,658</u></u>	<u><u>\$16,473</u></u>

### *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.

**Berea City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2015*

	Balance 06/30/14	Additions	Deductions	Balance 06/30/15
<b><i>Student Activities</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$72,200	\$99,097	\$111,901	\$59,396
<b>Liabilities</b>				
Due to Students	\$72,200	\$99,097	\$111,901	\$59,396
 <b><i>Employee Benefits</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$12,759	\$105,501	\$101,704	\$16,556
<b>Liabilities</b>				
Undistributed Monies	\$12,759	\$105,501	\$101,704	\$16,556
 <b><i>Staff Services</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$18,507	\$27,014	\$21,773	\$23,748
<b>Liabilities</b>				
Undistributed Monies	\$18,507	\$27,014	\$21,773	\$23,748
 <b><i>Total - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$103,466	\$231,612	\$235,378	\$99,700
<b>Liabilities</b>				
Undistributed Monies	\$31,266	\$132,515	\$123,477	\$40,304
Due to Students	72,200	99,097	111,901	59,396
<b><i>Total Liabilities</i></b>	<b>\$103,466</b>	<b>\$231,612</b>	<b>\$235,378</b>	<b>\$99,700</b>

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

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$51,074,858	\$51,521,860	\$52,769,311	\$1,247,451
Intergovernmental	25,224,149	25,444,908	26,060,982	616,074
Interest	6,793	6,852	7,018	166
Tuition and Fees	3,659,430	3,544,871	3,660,722	115,851
Extracurricular Activities	266,609	170,108	146,111	(23,997)
Rentals	73,119	73,759	75,545	1,786
Charges for Services	100,172	63,480	69,103	5,623
Contributions and Donations	56,236	35,171	39,419	4,248
Miscellaneous	433,129	427,855	438,217	10,362
<i>Total Revenues</i>	80,894,495	81,288,864	83,266,428	1,977,564
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	21,638,333	20,875,578	20,875,578	0
Fringe Benefits	10,574,878	9,823,271	9,823,271	0
Purchased Services	887,787	1,002,097	986,977	15,120
Materials and Supplies	790,750	784,366	618,747	165,619
Capital Outlay	19,059	55,221	46,357	8,864
Other	76,407	76,560	50,989	25,571
<b>Total Regular</b>	33,987,214	32,617,093	32,401,919	215,174
Special:				
Salaries and Wages	7,533,056	7,456,405	7,456,405	0
Fringe Benefits	3,516,530	3,289,482	3,277,214	12,268
Purchased Services	1,147,095	1,185,275	1,155,460	29,815
Materials and Supplies	23,128	23,819	13,985	9,834
Other	1,222	813	257	556
<b>Total Special</b>	12,221,031	11,955,794	11,903,321	52,473
Vocational:				
Salaries and Wages	300,785	295,335	287,195	8,140
Fringe Benefits	137,149	134,828	122,320	12,508
Purchased Services	1,514	2,073	1,732	341
Materials and Supplies	270	6,711	6,489	222
Capital Outlay	17,582	34,536	34,467	69
<b>Total Vocational</b>	457,300	473,483	452,203	21,280
Student Intervention:				
Salaries and Wages	39,444	40,544	40,544	0
Fringe Benefits	10,458	8,454	7,119	1,335
Purchased Services	2,789,736	2,673,531	2,592,322	81,209
Materials and Supplies	458	450	417	33
Capital Outlay	96,988	104,717	104,717	0
<b>Total Student Intervention</b>	2,937,084	2,827,696	2,745,119	82,577
<b>Total Instruction</b>	\$49,602,629	\$47,874,066	\$47,502,562	\$371,504

(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, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Support Services:</b>				
<b>Pupil:</b>				
Salaries and Wages	\$2,149,074	\$2,131,766	\$2,123,998	\$7,768
Fringe Benefits	1,024,834	1,007,027	938,301	68,726
Purchased Services	1,454,140	1,531,155	1,503,955	27,200
Materials and Supplies	31,571	31,303	17,534	13,769
Capital Outlay	6,062	3,289	3,289	0
Other	408	2,000	250	1,750
<b>Total Pupil</b>	<b>4,666,089</b>	<b>4,706,540</b>	<b>4,587,327</b>	<b>119,213</b>
<b>Instructional Staff:</b>				
Salaries and Wages	1,253,631	1,082,370	1,064,362	18,008
Fringe Benefits	595,051	615,582	615,582	0
Purchased Services	633,222	548,016	465,866	82,150
Materials and Supplies	165,555	243,755	115,368	128,387
Capital Outlay	41,708	37,072	28,001	9,071
Other	14,752	15,302	7,804	7,498
<b>Total Instructional Staff</b>	<b>2,703,919</b>	<b>2,542,097</b>	<b>2,296,983</b>	<b>245,114</b>
<b>Board of Education:</b>				
Salaries and Wages	7,642	7,500	7,500	0
Fringe Benefits	1,390	1,470	1,470	0
Purchased Services	5,904	8,650	8,105	545
Other	16,380	14,742	14,742	0
<b>Total Board of Education</b>	<b>31,316</b>	<b>32,362</b>	<b>31,817</b>	<b>545</b>
<b>Administration:</b>				
Salaries and Wages	3,127,523	3,239,284	3,239,284	0
Fringe Benefits	1,528,501	1,417,441	1,411,931	5,510
Purchased Services	269,139	355,463	344,162	11,301
Materials and Supplies	19,679	16,526	8,387	8,139
Capital Outlay	30	1,591	1,591	0
Other	3,041	3,000	2,124	876
<b>Total Administration</b>	<b>4,947,913</b>	<b>5,033,305</b>	<b>5,007,479</b>	<b>25,826</b>
<b>Fiscal:</b>				
Salaries and Wages	560,397	531,763	531,763	0
Fringe Benefits	349,943	280,125	270,982	9,143
Purchased Services	112,257	217,475	210,739	6,736
Materials and Supplies	8,453	11,522	11,144	378
Capital Outlay	6,569	30,232	30,059	173
Other	967,341	911,990	911,990	0
<b>Total Fiscal</b>	<b>\$2,004,960</b>	<b>\$1,983,107</b>	<b>\$1,966,677</b>	<b>\$16,430</b>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Business:</b>				
Salaries and Wages	\$148,413	\$151,710	\$151,710	\$0
Fringe Benefits	99,790	398,617	398,617	0
Purchased Services	408,474	350,740	350,740	0
Materials and Supplies	112,019	136,893	109,193	27,700
Capital Outlay	7,188	11,558	10,432	1,126
Other	69,862	86,787	82,321	4,466
<b>Total Business</b>	<b>845,746</b>	<b>1,136,305</b>	<b>1,103,013</b>	<b>33,292</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	2,845,796	2,732,907	2,732,907	0
Fringe Benefits	1,657,981	1,159,070	1,159,070	0
Purchased Services	1,823,772	1,923,431	1,823,676	99,755
Materials and Supplies	337,422	296,650	277,595	19,055
Capital Outlay	30,355	67,595	53,910	13,685
Other	18,305	18,000	16,085	1,915
<b>Total Operation and Maintenance of Plant</b>	<b>6,713,631</b>	<b>6,197,653</b>	<b>6,063,243</b>	<b>134,410</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	2,827,129	3,034,461	3,034,461	0
Fringe Benefits	1,518,361	1,370,860	1,370,860	0
Purchased Services	181,943	159,263	117,522	41,741
Materials and Supplies	694,966	726,171	672,966	53,205
Capital Outlay	123,435	173,098	173,098	0
Other	1,500	35	35	0
<b>Total Pupil Transportation</b>	<b>5,347,334</b>	<b>5,463,888</b>	<b>5,368,942</b>	<b>94,946</b>
<b>Central:</b>				
Salaries and Wages	843,494	823,262	823,262	0
Fringe Benefits	526,032	498,178	498,178	0
Purchased Services	424,031	368,854	368,854	0
Materials and Supplies	22,683	19,255	12,472	6,783
Capital Outlay	41,339	48,180	30,483	17,697
Other	737	725	675	50
<b>Total Central</b>	<b>1,858,316</b>	<b>1,758,454</b>	<b>1,733,924</b>	<b>24,530</b>
<b>Total Support Services</b>	<b>29,119,224</b>	<b>28,853,711</b>	<b>28,159,405</b>	<b>694,306</b>
<b>Operation of Non-Instructional Services</b>				
<b>Other Non-Instructional Services:</b>				
Purchased Services	224	1,700	213	1,487
Materials and Supplies	3,351	5,100	4,139	961
Capital Outlay	0	2,000	0	2,000
<b>Total Operation of Non-Instructional Services</b>	<b>\$3,575</b>	<b>\$8,800</b>	<b>\$4,352</b>	<b>\$4,448</b>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	\$57,325	\$80,377	\$80,377	\$0
Fringe Benefits	14,318	5,652	4,702	950
Materials and Supplies	3,917	2,818	2,818	0
Capital Outlay	15,814	9,715	9,715	0
Other	31,940	58,911	19,986	38,925
<b>Total Academic and Subject Oriented Activities</b>	<b>123,314</b>	<b>157,473</b>	<b>117,598</b>	<b>39,875</b>
Sports Oriented Activities:				
Salaries and Wages	550,104	441,022	441,022	0
Fringe Benefits	185,968	143,566	143,566	0
Purchased Services	22,938	23,103	23,029	74
Materials and Supplies	509	500	500	0
<b>Total Sports Oriented Activities</b>	<b>759,519</b>	<b>608,191</b>	<b>608,117</b>	<b>74</b>
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	21,575	19,794	19,766	28
Fringe Benefits	5,871	12,045	12,045	0
<b>Total School and Public Service Co-Curricular Activities</b>	<b>27,446</b>	<b>31,839</b>	<b>31,811</b>	<b>28</b>
<b>Total Extracurricular Activities</b>	<b>910,279</b>	<b>797,503</b>	<b>757,526</b>	<b>39,977</b>
Capital Outlay:				
Building Acquisition and Construction				
Capital Outlay	137	74,590	74,590	0
Debt Service:				
Principal Retirement	647,051	635,000	635,000	0
Interest and Fiscal Charges	990,314	973,109	906,604	66,505
<b>Total Debt Service</b>	<b>1,637,365</b>	<b>1,608,109</b>	<b>1,541,604</b>	<b>66,505</b>
<b>Total Expenditures</b>	<b>81,273,209</b>	<b>79,216,779</b>	<b>78,040,039</b>	<b>1,176,740</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(\$378,714)</b>	<b>\$2,072,085</b>	<b>\$5,226,389</b>	<b>\$3,154,304</b>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 General Fund (continued)  
 For the Fiscal Year Ended June 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources (Uses)</b>				
Advances In	\$344,214	\$344,214	\$344,214	\$0
Advances Out	0	(312,587)	(312,587)	0
Transfers In	17,184	0	0	0
Transfers Out	0	(39,212)	(39,212)	0
<i>Total Other Financing Sources (Uses)</i>	<u>361,398</u>	<u>(7,585)</u>	<u>(7,585)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(17,316)	2,064,500	5,218,804	3,154,304
<i>Fund Balance Beginning of Year</i>	2,047,984	2,047,984	2,047,984	0
Prior Year Encumbrances Appropriated	758,603	758,603	758,603	0
<i>Fund Balance End of Year</i>	<u><u>\$2,789,271</u></u>	<u><u>\$4,871,087</u></u>	<u><u>\$8,025,391</u></u>	<u><u>\$3,154,304</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Debt Service Fund*  
*For the Fiscal Year Ended June 30, 2015*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$1,861,818	\$1,214,130	\$1,745,467	\$531,337
Intergovernmental	116,340	75,868	109,070	33,202
<i>Total Revenues</i>	<u>1,978,158</u>	<u>1,289,998</u>	<u>1,854,537</u>	<u>564,539</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	25,000	13,628	13,628	0
Debt Service:				
Principal Retirement	1,370,000	1,370,000	1,370,000	0
Interest and Fiscal Charges	244,694	244,694	244,694	0
<i>Total Debt Service</i>	<u>1,614,694</u>	<u>1,614,694</u>	<u>1,614,694</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,639,694</u>	<u>1,628,322</u>	<u>1,628,322</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	338,464	(338,324)	226,215	564,539
<i>Fund Balance Beginning of Year</i>	<u>3,331,485</u>	<u>3,331,485</u>	<u>3,331,485</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,669,949</u></u>	<u><u>\$2,993,161</u></u>	<u><u>\$3,557,700</u></u>	<u><u>\$564,539</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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$1,018,860	\$869,094	\$355,731	(\$513,363)
Intergovernmental	322,422	322,421	322,421	0
Miscellaneous	1,137	1,137	1,137	0
<i>Total Revenues</i>	1,342,419	1,192,652	679,289	(513,363)
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	106,881	65,181	65,181	0
Capital Outlay	173,008	98,008	98,008	0
Total Instructional Staff	279,889	163,189	163,189	0
Fiscal:				
Other	38,556	20,008	20,008	0
Operation and Maintenance of Plant:				
Capital Outlay	9,304	3,068	3,068	0
Total Support Services	327,749	186,265	186,265	0
Capital Outlay:				
Building Improvement Services:				
Capital Outlay	1,739,802	2,127,259	2,127,259	0
Debt Service:				
Principal Retirement	454,091	255,467	255,467	0
Interest and Fiscal Charges	322,814	181,613	181,612	1
Total Debt Service	776,905	437,080	437,079	1
<i>Total Expenditures</i>	2,844,456	2,750,604	2,750,603	1
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,502,037)	(1,557,952)	(2,071,314)	(513,362)
<b>Other Financing Sources (Uses)</b>				
Transfers In	35,807	35,807	35,807	0
<i>Net Change in Fund Balance</i>	(1,466,230)	(1,522,145)	(2,035,507)	(513,362)
<i>Fund Balance Beginning of Year</i>	116,049	116,049	116,049	0
Prior Year Encumbrances Appropriated	1,919,458	1,919,458	1,919,458	0
<i>Fund Balance End of Year</i>	\$569,277	\$513,362	\$0	(\$513,362)

**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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$1,800,000	\$1,574,844	\$1,579,265	\$4,421
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	331,730	312,848	312,848	0
Fringe Benefits	4,192	4,111	4,111	0
Purchased Services	249,595	136,554	136,554	0
Materials and Supplies	56,127	41,916	41,916	0
Total Instruction	641,644	495,429	495,429	0
Support Services:				
Pupil:				
Salaries and Wages	91,830	81,788	81,788	0
Fringe Benefits	27,610	22,930	22,930	0
Purchased Services	514,701	754,784	754,784	0
Total Pupil	634,141	859,502	859,502	0
Administration:				
Salaries and Wages	167,535	153,696	153,696	0
Fringe Benefits	43,334	39,697	39,697	0
Purchased Services	3,163	3,120	3,120	0
Other	25,427	22,676	22,676	0
Total Administration	239,459	219,189	219,189	0
Pupil Transportation:				
Purchased Services	2,039	1,966	1,966	0
Central:				
Purchased Services	137,703	128,419	128,419	0
<b>Total Expenditures</b>	1,654,986	1,704,505	1,704,505	0
<i>Excess of Revenues Over (Under) Expenditures</i>	145,014	(129,661)	(125,240)	4,421
<b>Other Financing Sources (Uses)</b>				
Advances In	0	1,031	68,624	67,593
Advances Out	0	(123,599)	(123,599)	0
<b>Total Other Financing Sources (Uses)</b>	0	(122,568)	(54,975)	67,593
<b>Net Change in Fund Balance</b>	145,014	(252,229)	(180,215)	72,014
<b>Fund Deficit Beginning of Year</b>	(118,569)	(118,569)	(118,569)	0
<b>Prior Year Encumbrances Appropriated</b>	247,198	247,198	247,198	0
<b>Fund Balance (Deficit) End of Year</b>	\$273,643	(\$123,600)	(\$51,586)	\$72,014

**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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$774,836	\$644,726	\$644,903	\$177
Interest	164	164	164	0
<i>Total Revenues</i>	<u>775,000</u>	<u>644,890</u>	<u>645,067</u>	<u>177</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	481,250	394,459	393,855	604
Materials and Supplies	292,967	315,663	315,308	355
Capital Outlay	68,317	89,744	89,691	53
<i>Total Expenditures</i>	<u>842,534</u>	<u>799,866</u>	<u>798,854</u>	<u>1,012</u>
<i>Net Change in Fund Balance</i>	(67,534)	(154,976)	(153,787)	1,189
<i>Fund Balance Beginning of Year</i>	30,442	30,442	30,442	0
Prior Year Encumbrances Appropriated	<u>124,534</u>	<u>124,534</u>	<u>124,534</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$87,442</u>	<u>\$0</u>	<u>\$1,189</u>	<u>\$1,189</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, 2015*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$1,600,000	\$1,312,448	\$1,313,942	\$1,494
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	774,215	663,080	663,080	0
Fringe Benefits	220,694	175,085	175,085	0
Materials and Supplies	37,816	18,710	18,710	0
Capital Outlay	0	415,425	415,425	0
Other	925	0	0	0
Total Instruction	1,033,650	1,272,300	1,272,300	0
Support Services:				
Administration:				
Purchased Services	3,895	3,800	3,800	0
Other	8,231	6,125	6,125	0
Total Administration	12,126	9,925	9,925	0
Fiscal:				
Other	14,746	4,719	4,719	0
Pupil Transportation:				
Purchased Services	3,700	0	0	0
Central:				
Salaries and Wages	51,966	69,944	69,944	0
Fringe Benefits	21,816	18,466	18,466	0
Purchased Services	102,588	26,490	26,490	0
Materials and Supplies	13,076	455	455	0
Capital Outlay	0	3,246	3,246	0
Other	971	408	408	0
Total Central	190,417	119,009	119,009	0
Total Support Services	220,989	133,653	133,653	0
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	382	0	0	0
Fringe Benefits	692	759	759	0
Purchased Services	18,729	9,392	9,392	0
Materials and Supplies	32,806	4,680	4,680	0
Capital Outlay	1,500	0	0	0
Total Operation of Non-Instructional Services	54,109	14,831	14,831	0
Total Expenditures	1,308,748	1,420,784	1,420,784	0
Excess of Revenues Over (Under) Expenditures	\$291,252	(\$108,336)	(\$106,842)	\$1,494

(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, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Other Financing Sources (Uses)</b>				
Advances In	\$0	\$0	\$218,312	\$218,312
Advances Out	0	(217,852)	(217,852)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(217,852)</u>	<u>460</u>	<u>218,312</u>
<i>Net Change in Fund Balance</i>	291,252	(326,188)	(106,382)	219,806
<i>Fund Deficit Beginning of Year</i>	(327,368)	(327,368)	(327,368)	0
Prior Year Encumbrances Appropriated	<u>435,705</u>	<u>435,705</u>	<u>435,705</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$399,589</u>	<u>(\$217,851)</u>	<u>\$1,955</u>	<u>\$219,806</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, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Tuition and Fees	\$21,876	\$9,108	\$9,108	\$0
Extracurricular Activities	564,860	262,556	262,905	349
Contributions and Donations	90,040	30,969	30,969	0
Miscellaneous	19,819	10,672	10,672	0
<i>Total Revenues</i>	<u>696,595</u>	<u>313,305</u>	<u>313,654</u>	<u>349</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Materials and Supplies	1,539	3,235	3,225	10
Operation and Maintenance of Plant:				
Purchased Services	4,305	7,978	7,364	614
Pupil Transportation:				
Purchased Services	8,814	10,692	10,692	0
<i>Total Support Services</i>	<u>14,658</u>	<u>21,905</u>	<u>21,281</u>	<u>624</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	6,784	22,674	15,829	6,845
Materials and Supplies	1,683	30,140	30,140	0
Capital Outlay	201	12,375	10,232	2,143
Other	0	19,726	19,726	0
<i>Total Academic and Subject Oriented Activities</i>	<u>8,668</u>	<u>84,915</u>	<u>75,927</u>	<u>8,988</u>
Sports Oriented Activities:				
Salaries and Wages	0	275	275	0
Purchased Services	53,026	123,896	116,422	7,474
Materials and Supplies	237,901	153,538	73,577	79,961
Capital Outlay	0	2,250	1,955	295
Other	14,942	36,334	27,037	9,297
<i>Total Sports Oriented Activities</i>	<u>305,869</u>	<u>316,293</u>	<u>219,266</u>	<u>97,027</u>
<i>Total Extracurricular Activities</i>	<u>314,537</u>	<u>401,208</u>	<u>295,193</u>	<u>106,015</u>
<i>Total Expenditures</i>	<u>329,195</u>	<u>423,113</u>	<u>316,474</u>	<u>106,639</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	367,400	(109,808)	(2,820)	106,988
<b>Other Financing Sources (Uses)</b>				
Transfers In	3,405	3,405	3,405	0
<i>Net Change in Fund Balance</i>	370,805	(106,403)	585	106,988
<i>Fund Balance Beginning of Year</i>	102,207	102,207	102,207	0
Prior Year Encumbrances Appropriated	4,196	4,196	4,196	0
<i>Fund Balance End of Year</i>	<u>\$477,208</u>	<u>\$0</u>	<u>\$106,988</u>	<u>\$106,988</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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$199,556	\$106,457	\$96,926	(\$9,531)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	88,781	66,012	66,012	0
Fringe Benefits	44,857	33,092	33,092	0
Purchased Services	1,404	1,488	1,044	444
Total Instruction	135,042	100,592	100,148	444
Support Services:				
Administration:				
Salaries and Wages	8,957	6,660	6,660	0
<i>Total Expenditures</i>	143,999	107,252	106,808	444
<i>Excess of Revenues Over (Under) Expenditures</i>	55,557	(795)	(9,882)	(9,087)
<b>Other Financing Sources (Uses)</b>				
Advances In	444	444	444	0
<i>Net Change in Fund Balance</i>	56,001	(351)	(9,438)	(9,087)
<i>Fund Balance Beginning of Year</i>	351	351	351	0
<i>Fund Balance (Deficit) End of Year</i>	\$56,352	\$0	(\$9,087)	(\$9,087)

**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, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$10	\$10	\$10	\$0
Charges for Services	994	994	994	0
Contributions and Donations	38,996	75,714	77,274	1,560
<i>Total Revenues</i>	<u>40,000</u>	<u>76,718</u>	<u>78,278</u>	<u>1,560</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	0	1,417	0	1,417
Materials and Supplies	20,098	45,300	31,385	13,915
Capital Outlay	2,349	9,754	3,534	6,220
Other	17,004	27,400	27,400	0
Total Regular	39,451	83,871	62,319	21,552
Special:				
Materials and Supplies	682	43,166	1,026	42,140
Total Instruction	40,133	127,037	63,345	63,692
Support Services:				
Pupil:				
Purchased Services	290	436	436	0
Materials and Supplies	942	1,814	1,814	0
Capital Outlay	0	28	0	28
Total Pupil	1,232	2,278	2,250	28
Instructional Staff:				
Purchased Services	0	10	0	10
Materials and Supplies	0	536	0	536
Total Instructional Staff	0	546	0	546
Pupil Transportation:				
Purchased Services	0	419	0	419
Total Support Services	\$1,232	\$3,243	\$2,250	\$993

(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, 2015*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	\$0	\$3	\$0	\$3
Materials and Supplies	665	1,000	1,000	0
Capital Outlay	0	171	0	171
Total Operation of Non-Instructional Services:	<u>665</u>	<u>1,174</u>	<u>1,000</u>	<u>174</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	<u>4,187</u>	<u>6,300</u>	<u>6,300</u>	<u>0</u>
<i>Total Expenditures</i>	<u>46,217</u>	<u>137,754</u>	<u>72,895</u>	<u>64,859</u>
<i>Net Change in Fund Balance</i>	(6,217)	(61,036)	5,383	66,419
<i>Fund Balance Beginning of Year</i>	65,357	65,357	65,357	0
Prior Year Encumbrances Appropriated	<u>1,217</u>	<u>1,217</u>	<u>1,217</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$60,357</u></u>	<u><u>\$5,538</u></u>	<u><u>\$71,957</u></u>	<u><u>\$66,419</u></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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$70,000	\$57,527	\$47,759	(\$9,768)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	1,667	4,038	4,038	0
Fringe Benefits	298	461	461	0
Purchased Services	2,004	1,838	1,838	0
Materials and Supplies	7,392	5,292	5,292	0
Total Instruction	11,361	11,629	11,629	0
Support Services:				
Pupil:				
Salaries and Wages	11,589	22,589	22,589	0
Fringe Benefits	3,328	5,963	5,963	0
Purchased Services	9,940	8,199	8,199	0
Total Pupil	24,857	36,751	36,751	0
Administration:				
Salaries and Wages	533	1,571	1,571	0
Fringe Benefits	141	415	415	0
Purchased Services	147	0	0	0
Other	327	173	173	0
Total Administration	1,148	2,159	2,159	0
Fiscal:				
Other	400	531	531	0
Central:				
Purchased Services	3,873	2,023	2,023	0
Total Support Services	30,278	41,464	41,464	0
<i>Total Expenditures</i>	41,639	53,093	53,093	0
<i>Excess of Revenues Over (Under) Expenditures</i>	\$28,361	\$4,434	(\$5,334)	(\$9,768)

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Preschool Fund (continued)*  
*For the Fiscal Year Ended June 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Other Financing Sources (Uses)</b>				
Advances In	\$0	\$0	\$9,195	\$9,195
Advances Out	0	(387)	(387)	0
<i>Total Other Financing Sources (Uses)</i>	0	(387)	8,808	9,195
<i>Net Change in Fund Balance</i>	28,361	4,047	3,474	(573)
<i>Fund Deficit Beginning of Year</i>	(5,208)	(5,208)	(5,208)	0
Prior Year Encumbrances Appropriated	774	774	774	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$23,927</u>	<u>(\$387)</u>	<u>(\$960)</u>	<u>(\$573)</u>



**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1,407,452	\$521,187	\$1,023,908	\$502,721
Interest	100	37	73	36
Charges for Services	1,079,999	399,929	785,689	385,760
Miscellaneous	12,449	7,973	10,512	2,539
<i>Total Revenues</i>	<u>2,500,000</u>	<u>929,126</u>	<u>1,820,182</u>	<u>891,056</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	924,240	831,600	646,678	184,922
Fringe Benefits	464,695	430,600	307,845	122,755
Purchased Services	131,733	84,634	59,465	25,169
Materials and Supplies	1,305,662	918,821	733,098	185,723
Capital Outlay	169,707	165,723	83,619	82,104
Other	33,244	30,000	22,644	7,356
<i>Total Expenditures</i>	<u>3,029,281</u>	<u>2,461,378</u>	<u>1,853,349</u>	<u>608,029</u>
<i>Net Change in Fund Balance</i>	(529,281)	(1,532,252)	(33,167)	1,499,085
<i>Fund Balance Beginning of Year</i>	1,295,671	1,295,671	1,295,671	0
Prior Year Encumbrances Appropriated	<u>236,581</u>	<u>236,581</u>	<u>236,581</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,002,971</u>	<u>\$0</u>	<u>\$1,499,085</u>	<u>\$1,499,085</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Adult and Community Education Fund*  
*For the Fiscal Year Ended June 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Tuition and Fees	\$1,000,000	\$704,444	\$994,648	\$290,204
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	599,636	510,914	500,990	9,924
Fringe Benefits	273,012	349,695	349,695	0
Purchased Services	32,174	42,106	25,220	16,886
Materials and Supplies	23,426	26,087	16,363	9,724
Capital Outlay	7,556	7,500	5,269	2,231
Other	12,616	12,500	9,810	2,690
<b>Total Expenditures</b>	948,420	948,802	907,347	41,455
<i>Net Change in Fund Balance</i>	51,580	(244,358)	87,301	331,659
<i>Fund Balance Beginning of Year</i>	233,315	233,315	233,315	0
Prior Year Encumbrances Appropriated	11,043	11,043	11,043	0
<i>Fund Balance End of Year</i>	\$295,938	\$0	\$331,659	\$331,659

**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, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	<u>64</u>	<u>6,483</u>	<u>110</u>	<u>6,373</u>
<i>Net Change in Fund Balance</i>	(64)	(6,483)	(110)	6,373
<i>Fund Balance Beginning of Year</i>	6,419	6,419	6,419	0
Prior Year Encumbrances Appropriated	<u>64</u>	<u>64</u>	<u>64</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$6,419</u>	<u>\$0</u>	<u>\$6,373</u>	<u>\$6,373</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Race to the Top Fund*  
*For the Fiscal Year Ended June 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$33,000	\$16,422	\$8,686	(\$7,736)
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Salaries and Wages	12,757	12,757	12,757	0
Fringe Benefits	3,368	3,368	3,368	0
Purchased Services	1,767	1,767	1,767	0
Other	179	179	179	0
<i>Total Expenditures</i>	18,071	18,071	18,071	0
<i>Net Change in Fund Balance</i>	14,929	(1,649)	(9,385)	(7,736)
<i>Fund Balance Beginning of Year</i>	1,649	1,649	1,649	0
<i>Fund Balance (Deficit) End of Year</i>	\$16,578	\$0	(\$7,736)	(\$7,736)

**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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$220,000	\$171,077	\$157,412	(\$13,665)
<b>Expenditures</b>				
Current:				
Support Services:				
Administration:				
Purchased Services	390	390	390	0
Fiscal:				
Other	746	1,563	1,563	0
Central:				
Salaries and Wages	110,460	104,969	104,969	0
Fringe Benefits	174	27,723	27,723	0
Purchased Services	31,666	37,505	37,505	0
Materials and Supplies	7,439	4,211	4,211	0
Other	2,517	1,629	1,629	0
<i>Total Expenditures</i>	153,392	177,990	177,990	0
<i>Excess of Revenues Over (Under) Expenditures</i>	66,608	(6,913)	(20,578)	(13,665)
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	11,272	11,272
<i>Net Change in Fund Balance</i>	66,608	(6,913)	(9,306)	(2,393)
<i>Fund Balance Beginning of Year</i>	3,009	3,009	3,009	0
Prior Year Encumbrances Appropriated	3,904	3,904	3,904	0
<i>Fund Balance (Deficit) End of Year</i>	\$73,521	\$0	(\$2,393)	(\$2,393)

**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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$35,000	\$26,916	\$23,528	(\$3,388)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	1,445	15,314	15,314	0
Fringe Benefits	381	4,043	4,043	0
Materials and Supplies	490	2,820	2,820	0
Capital Outlay	0	4,740	4,740	0
Other	4	46	46	0
Total Special	2,320	26,963	26,963	0
Total Instruction	2,320	26,963	26,963	0
Support Services:				
Fiscal:				
Other	28	297	297	0
Central:				
Purchased Services	28	288	288	0
Total Support Services	56	585	585	0
<i>Total Expenditures</i>	2,376	27,548	27,548	0
<i>Excess of Revenues Over (Under) Expenditures</i>	32,624	(632)	(4,020)	(3,388)
<b>Other Financing Source (Uses)</b>				
Advances In	0	0	4,740	4,740
Advances Out	0	(2,376)	(2,376)	0
<i>Total Other Financing Sources (Uses)</i>	0	(2,376)	2,364	4,740
<i>Net Change in Fund Balance</i>	32,624	(3,008)	(1,656)	1,352
<i>Fund Deficit Beginning of Year</i>	(4,120)	(4,120)	(4,120)	0
Prior Year Encumbrances Appropriated	4,752	4,752	4,752	0
<i>Fund Balance (Deficit) End of Year</i>	\$33,256	(\$2,376)	(\$1,024)	\$1,352

**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, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay	10,815	5,200	0	5,200
Building Acquisition and Construction Services:				
Capital Outlay	0	141	0	141
Debt Service:				
Principal Retirement	<u>214,533</u>	<u>214,533</u>	<u>214,533</u>	<u>0</u>
<i>Total Expenditures</i>	<u>225,348</u>	<u>219,874</u>	<u>214,533</u>	<u>5,341</u>
<i>Net Change in Fund Balance</i>	(225,348)	(219,874)	(214,533)	5,341
<i>Fund Balance Beginning of Year</i>	220,008	220,008	220,008	0
Prior Year Encumbrances Appropriated	<u>5,340</u>	<u>5,340</u>	<u>5,340</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$5,474</u></u>	<u><u>\$10,815</u></u>	<u><u>\$5,341</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Network Connectivity*  
*For the Fiscal Year Ended June 30, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$50,000	\$12,600	\$14,400	\$1,800
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	5,400	5,400	5,400	0
Support Services:				
Central:				
Purchased Services	7,200	7,200	3,342	3,858
<i>Total Expenditures</i>	<u>12,600</u>	<u>12,600</u>	<u>8,742</u>	<u>3,858</u>
<i>Net Change in Fund Balance</i>	37,400	0	5,658	5,658
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$37,400</u></u>	<u><u>\$0</u></u>	<u><u>\$5,658</u></u>	<u><u>\$5,658</u></u>



**Berea City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Self Insurance Fund*  
*For the Fiscal Year Ended June 30, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$10,880,000	\$9,243,965	\$10,220,727	\$976,762
<b>Expenses</b>				
Fringe Benefits	993,528	862,923	862,923	0
Purchased Services	348,327	385,053	143,889	241,164
Claims	9,621,743	8,414,600	8,354,048	60,552
Total Expenses	10,963,598	9,662,576	9,360,860	301,716
<i>Net Change in Fund Equity</i>	(83,598)	(418,611)	859,867	1,278,478
<i>Fund Equity Beginning of Year</i>	418,016	418,016	418,016	0
Prior Year Encumbrances Appropriated	598	598	598	0
<i>Fund Equity End of Year</i>	\$335,016	\$3	\$1,278,481	\$1,278,478

**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, 2015*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Interest	\$700	\$0	\$5	\$5
<b>Expenses</b>				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	700	0	5	5
<i>Fund Equity Beginning of Year</i>	<u>13,431</u>	<u>13,431</u>	<u>13,431</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$14,131</u></u>	<u><u>\$13,431</u></u>	<u><u>\$13,436</u></u>	<u><u>\$5</u></u>

## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2-S11
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S12-S20
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue debt in the future.	S21-S24
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's activities take place.	S25-S26
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S27-S39

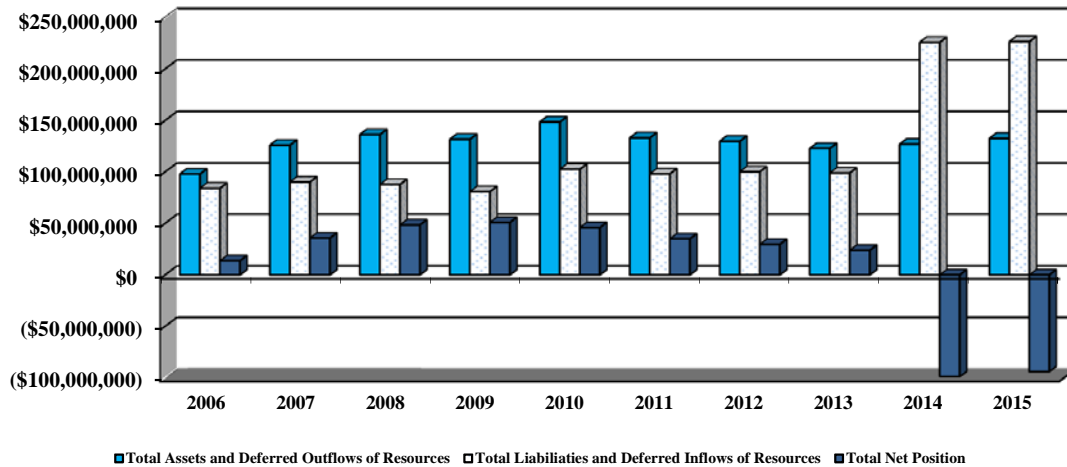
**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Governmental Activities:				
Net Investment in Capital Assets	\$3,721,315	\$10,618,221	\$10,053,655	\$10,836,395
Restricted for:				
Capital Projects	1,670,088	2,101,471	0	0
Debt Service	2,314,486	2,555,851	5,636,961	5,624,696
Set Asides	182,254	431,846	32,292	389,213
Other Purposes	1,914,346	2,479,929	1,959,363	2,354,730
Unrestricted (Deficit)	4,346,403	24,575,315	30,822,355	31,675,782
<i>Total Net Position of Governmental Activities</i>	<u>\$14,148,892</u>	<u>\$42,762,633</u>	<u>\$48,504,626</u>	<u>\$50,880,816</u>

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

**Net Position**



<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014 (1)</b>	<b>2015 (1)</b>
\$17,647,068	\$14,326,886	\$12,126,538	\$13,489,578	\$14,028,113	\$13,782,338
0	1,467,073	2,853,456	1,325,817	614,126	31,008
2,850,111	2,994,724	3,125,971	3,337,903	2,956,126	3,625,333
229,621	193,440	99,686	0	28,983	0
2,010,455	2,934,178	2,982,140	2,644,355	2,344,096	2,614,592
23,173,431	13,141,808	8,405,570	3,063,523	(118,758,867)	(113,947,561)
<u>\$45,910,686</u>	<u>\$35,058,109</u>	<u>\$29,593,361</u>	<u>\$23,861,176</u>	<u>(\$98,787,423)</u>	<u>(\$93,894,290)</u>

**Berea City School District**

*Changes in Net Position*

*Last Ten Fiscal Years*

*(accrual basis of accounting)*

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental Activities:				
Regular Instruction	\$31,977,716	\$33,422,192	\$39,358,016	\$36,391,830
Special Instruction	7,795,494	7,217,382	11,074,764	11,547,898
Vocational Instruction	563,609	582,310	700,317	809,220
Adult/Continuing Instruction	1,197,969	179,333	182,990	217,180
Student Intervention	0	0	0	0
Pupil Support	4,547,564	4,136,208	4,756,650	5,062,514
Instructional Staff Support	5,429,933	4,208,406	5,788,567	7,184,673
Board of Education	22,615	32,706	42,261	39,173
Administration	4,329,086	3,890,384	4,148,412	4,979,545
Fiscal	1,738,649	1,514,355	2,524,738	1,767,988
Business	839,427	688,830	743,284	839,474
Operation and Maintenance of Plant	8,023,138	6,648,771	7,790,941	8,874,736
Pupil Transportation	3,809,097	3,309,074	4,128,443	4,092,193
Central	2,500,369	2,284,938	2,380,593	2,415,876
Operation of Non-Instructional Services	2,857,250	3,664,529	3,908,876	3,876,038
Extracurricular Activities	1,249,592	1,632,024	1,679,646	1,707,738
Interest and Fiscal Charges	491,733	481,379	794,393	772,958
<i>Total Governmental Activities Expenses</i>	<u>77,373,241</u>	<u>73,892,821</u>	<u>90,002,891</u>	<u>90,579,034</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Sales:				
Regular Instruction	1,072,524	1,017,281	3,234,041	1,070,598
Special Instruction	981,742	830,296	388,876	813,165
Adult/Continuing	1,143,813	194,641	178,586	200,570
Pupil Support	3,932	4,482	4,256	3,750
Instructional Staff Support	99,938	113,719	152,390	142,636
Business	154,221	0	18,574	136,431
Operation and Maintenance of Plant	33,385	137,119	156,563	26,854
Pupil Transportation	54,438	63,490	53,840	65,579
Central	0	148,268	0	0
Operation of Non-Instructional Services	1,469,055	2,415,337	2,395,120	2,303,752
Extracurricular Activities	435,997	435,269	407,496	270,131
Operating Grants and Contributions				
Regular Instruction	502,377	487,930	345,357	353,705
Special Instruction	1,062,813	1,146,319	1,333,987	1,499,683
Vocational Instruction	256	0	0	0
Pupil Support	811,492	790,456	725,207	760,077
Instructional Staff Support	557,318	487,755	526,799	557,453
Administration	64,946	81,069	81,625	100,509
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	1,636	0	0	367
Pupil Transportation	8,914	36,038	16,473	15,131
Central	25,858	25,007	26,573	21,474
Operation of Non-Instructional Services	1,431,996	1,670,078	1,539,691	1,643,553
Extracurricular Activities	37,542	34,024	41,460	83,779
Capital Grants and Contributions				
Regular Instruction	0	0	0	0
Instructional Staff Support	0	0	1,249	0
Operation and Maintenance of Plant	0	0	0	0
Central	39,000	39,000	90,477	36,000
Extracurricular Activities	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$9,993,193</u>	<u>\$10,157,578</u>	<u>\$11,718,640</u>	<u>\$10,105,197</u>

2010	2011	2012	2013	2014	2015 (1)
\$45,065,039	\$48,818,126	\$41,353,215	\$39,608,990	\$36,199,890	\$31,189,634
10,038,403	8,879,849	10,245,263	13,517,350	16,507,159	12,957,488
825,472	747,511	755,157	557,365	461,608	449,327
227,267	167	0	0	0	0
0	0	0	0	0	2,710,357
5,264,854	5,233,024	5,613,451	5,486,171	5,060,741	5,296,091
7,503,450	5,898,656	6,585,844	6,429,274	1,936,743	2,026,693
40,655	40,279	33,962	29,421	30,936	31,884
4,847,968	4,481,530	4,976,072	4,689,371	5,149,936	4,962,719
1,644,105	1,713,498	1,867,747	1,889,015	1,886,716	1,929,973
732,957	836,727	615,697	908,587	930,614	1,102,810
7,582,239	7,697,334	7,484,540	7,089,550	6,640,901	6,907,464
4,039,473	3,577,492	4,737,450	4,589,088	5,703,126	5,719,081
2,203,808	2,750,598	3,169,134	2,974,477	2,497,201	2,058,421
3,409,255	2,561,931	3,466,400	3,323,805	4,208,485	3,257,825
1,793,990	1,711,255	1,733,246	1,980,304	1,498,499	1,018,512
1,721,024	2,190,396	2,124,918	2,645,105	1,721,028	1,152,966
96,939,959	97,138,373	94,762,096	95,717,873	90,433,583	82,771,245
1,094,550	1,359,352	1,037,994	1,254,464	1,764,837	1,790,405
1,549,202	1,736,219	1,274,859	1,823,523	2,565,414	1,681,630
232,937	170	0	0	0	0
2,999	2,207	1,769	1,249	0	0
184,976	0	0	0	0	0
107,659	101,338	79,724	96,770	136,140	64,857
122,319	33,459	178,773	69,586	80,579	69,241
74,205	95,206	67,061	77,436	58,826	142,936
0	0	0	0	0	0
2,172,752	2,157,619	2,110,236	2,056,037	1,803,214	1,780,337
270,030	524,532	598,101	656,322	598,546	418,124
809,913	766,495	496,491	118,881	188,555	221,274
1,537,002	2,064,492	1,070,960	1,153,964	2,205,144	4,011,352
0	0	0	0	0	20,724
968,944	1,087,625	831,186	713,117	894,215	796,230
859,369	1,157,931	557,118	315,957	33,821	0
89,783	179,389	125,451	97,373	189,657	227,549
0	0	0	0	0	5,527
5,803	0	7,814	0	0	0
4,082	478	0	965	0	0
189,203	40,381	168,815	21,150	2,789	1,884
12,959	5,000	622,915	361,531	456,851	386,804
1,626,109	1,838,840	1,587,131	1,859,766	1,625,303	1,684,954
149,800	46,262	0	144,556	23,717	30,969
0	0	250,000	0	3,000	0
0	0	0	47,379	0	0
0	0	0	0	7,000	0
25,149	25,025	16,200	0	12,600	14,400
0	0	0	167,000	0	0
0	326,576	326,576	0	0	0
\$12,089,853	\$13,548,596	\$11,409,174	\$11,037,026	\$12,650,208	\$13,349,197

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

	2006	2007	2008	2009
<b>Net (Expense)/Revenue</b>	(\$67,380,048)	(\$63,735,243)	(\$78,284,251)	(\$80,473,837)
<b>General Revenues</b>				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	53,447,973	68,639,747	55,730,090	53,974,253
Debt Service	1,191,290	1,409,130	1,289,022	1,133,718
Capital Outlay	1,610,840	2,138,811	1,188,843	1,341,588
Grants and Entitlements not Restricted to Specific Programs	15,490,950	17,729,223	23,174,392	25,357,616
Unrestricted Contributions	0	0	0	0
Gain on Sale of Capital Assets	0	0	0	0
Investment Earnings	761,038	1,531,056	1,958,941	692,009
Miscellaneous	191,355	897,255	684,956	350,843
<i>Total Governmental Activities General Revenue</i>	<u>72,693,446</u>	<u>92,345,222</u>	<u>84,026,244</u>	<u>82,850,027</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$5,313,398</u>	<u>\$28,609,979</u>	<u>\$5,741,993</u>	<u>\$2,376,190</u>

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

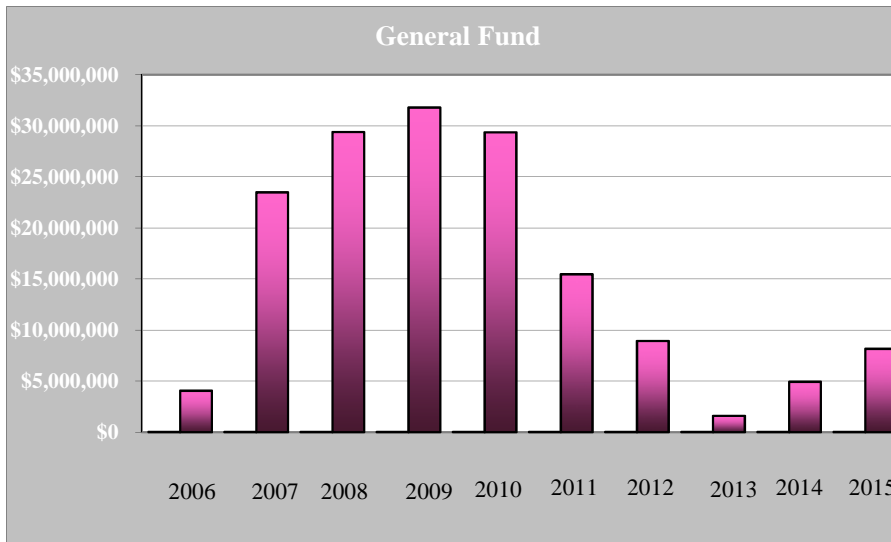


2010	2011	2012	2013	2014	2015 (1)
(\$84,850,106)	(\$83,589,777)	(\$83,352,922)	(\$84,680,847)	(\$77,783,375)	(\$69,422,048)
49,940,417	49,482,680	50,612,454	52,931,241	54,324,820	48,063,765
1,068,671	1,030,334	1,033,395	1,077,944	928,565	1,298,884
1,294,683	934,134	1,303,640	1,280,245	1,310,611	568,413
26,020,444	20,908,683	23,706,710	22,622,495	22,999,655	23,876,897
0	66,896	0	51,316	51,639	39,419
0	0	243,452	0	0	0
307,078	88,002	34,505	20,181	8,164	7,265
1,248,683	226,471	954,018	965,240	149,550	460,538
79,879,976	72,737,200	77,888,174	78,948,662	79,773,004	74,315,181
(\$4,970,130)	(\$10,852,577)	(\$5,464,748)	(\$5,732,185)	\$1,989,629	\$4,893,133

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

	2006	2007	2008	2009
<b>General Fund</b>				
Nonspendable	NA	NA	NA	NA
Restricted	NA	NA	NA	NA
Assigned	NA	NA	NA	NA
Unassigned	NA	NA	NA	NA
Reserved	\$6,541,103	\$7,256,242	\$5,309,185	\$6,053,850
Unreserved (Deficit)	(2,486,068)	16,245,091	24,094,592	25,745,798
<b>Total General Fund</b>	<b>4,055,035</b>	<b>23,501,333</b>	<b>29,403,777</b>	<b>31,799,648</b>
<b>All Other Governmental Funds</b>				
Nonspendable	NA	NA	NA	NA
Restricted	NA	NA	NA	NA
Unassigned (Deficit)	NA	NA	NA	NA
Reserved	274,249	5,034,225	742,625	965,712
Unreserved, Undesignated, Reported in:				
Special Revenue funds	1,205,462	811,467	746,651	907,538
Debt Service funds	2,191,479	2,595,939	2,890,925	3,081,356
Capital Projects funds (Deficit)	921,786	1,376,833	(857,848)	(1,448,894)
<b>Total All Other Governmental Funds</b>	<b>4,592,976</b>	<b>9,818,464</b>	<b>3,522,353</b>	<b>3,505,712</b>
<b>Total Governmental Funds</b>	<b>\$8,648,011</b>	<b>\$33,319,797</b>	<b>\$32,926,130</b>	<b>\$35,305,360</b>

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



2010 (1)	2011	2012	2013	2014	2015
\$187,165	\$171,517	\$187,478	\$185,814	\$212,861	\$173,388
0	206,582	99,686	0	28,983	0
180,745	196,107	1,745,897	1,416,139	285,566	609,623
29,008,560	14,900,858	6,907,662	0	4,414,093	7,387,292
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
<u>29,376,470</u>	<u>15,475,064</u>	<u>8,940,723</u>	<u>1,601,953</u>	<u>4,941,503</u>	<u>8,170,303</u>
32,883	11,072	10,900	10,809	10,212	9,386
22,754,429	9,008,264	7,508,663	7,344,944	5,687,075	6,229,332
(530,612)	(234,765)	(758,626)	(1,100,574)	(2,191,354)	(3,548,970)
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
<u>22,256,700</u>	<u>8,784,571</u>	<u>6,760,937</u>	<u>6,255,179</u>	<u>3,505,933</u>	<u>2,689,748</u>
<u>\$51,633,170</u>	<u>\$24,259,635</u>	<u>\$15,701,660</u>	<u>\$7,857,132</u>	<u>\$8,447,436</u>	<u>\$10,860,051</u>

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

	2006	2007	2008	2009
<b>Revenues</b>				
Property Taxes	\$56,381,077	\$72,670,415	\$58,477,685	\$57,002,404
Intergovernmental	19,523,553	21,709,669	28,062,598	30,097,350
Interest	761,038	1,531,056	1,958,941	692,009
Tuition and Fees	2,048,237	3,946,827	4,248,130	4,018,410
Extracurricular Activities	604,987	623,724	623,628	503,326
Rentals	39,664	86,344	126,960	102,356
Charges for Services	2,637,338	1,413,265	1,449,228	1,395,370
Contributions and Donations	164,393	203,876	111,687	192,852
Miscellaneous	191,355	897,255	684,956	350,843
<i>Total Revenues</i>	<u>82,351,642</u>	<u>103,082,431</u>	<u>95,743,813</u>	<u>94,354,920</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	31,005,647	32,771,887	33,916,940	34,960,310
Special	7,823,777	8,483,399	11,576,938	11,594,623
Vocational	580,985	655,665	757,472	809,189
Adult/Continuing	195,319	204,469	192,654	218,090
Student Intervention	0	0	0	0
<b>Support Services:</b>				
Pupil	4,571,827	4,566,841	4,944,184	5,056,856
Instructional Staff	5,516,979	5,804,026	6,521,497	7,031,107
Board of Education	22,615	32,706	42,261	39,173
Administration	4,282,484	4,361,340	4,383,314	5,094,343
Fiscal	1,741,670	1,588,976	2,588,737	1,761,506
Business	863,465	746,023	751,120	828,027
Operation and Maintenance of Plant	8,042,523	7,927,296	8,192,643	8,762,671
Pupil Transportation	3,572,464	3,913,115	4,287,855	3,930,569
Central	2,466,243	2,539,975	2,932,731	2,715,901
Operation of Non-Instructional Services	3,779,356	3,925,523	4,182,836	3,840,731
Extracurricular Activities	1,337,094	1,729,558	1,751,459	1,729,082
Capital Outlay	1,947,538	4,437,683	7,312,724	1,587,501
<b>Debt Service:</b>				
Principal Retirement	710,000	870,000	940,000	1,242,802
Interest and Fiscal Charges	492,746	459,523	782,942	773,209
Debt Issuance Costs	22,328	145,981	79,173	0
<i>Total Expenditures</i>	<u>78,975,060</u>	<u>85,163,986</u>	<u>96,137,480</u>	<u>91,975,690</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,376,582</u>	<u>17,918,445</u>	<u>(393,667)</u>	<u>2,379,230</u>
<b>Other Financing Sources (Uses)</b>				
General Obligation Bonds Issued	650,000	6,617,802	0	0
Certificates of Participation Issued	0	0	0	0
Premium on General Obligation Bonds	14,627	135,539	0	0
Premium on Certificates of Participation	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Discount on Certificates of Participation	0	0	0	0
Transfers In	0	108	261,714	605,412
Transfers Out	0	(108)	(261,714)	(605,412)
<i>Total Other Financing Sources (Uses)</i>	<u>664,627</u>	<u>6,753,341</u>	<u>0</u>	<u>0</u>
<b>Special Item</b>				
Sale of CA Thomas Elementary	0	0	0	0
<i>Net Change in Fund Balances</i>	<u>\$4,041,209</u>	<u>\$24,671,786</u>	<u>(\$393,667)</u>	<u>\$2,379,230</u>
Debt Service as a Percentage of Noncapital Expenditures	1.0%	1.8%	2.0%	2.2%

2010	2011	2012	2013	2014	2015
\$52,524,445	\$51,029,228	\$51,417,177	\$55,022,732	\$57,550,637	\$50,115,513
32,323,880	28,419,803	29,207,458	28,235,695	29,000,164	31,535,412
307,078	88,002	34,505	20,181	8,164	7,265
4,003,556	3,711,286	3,780,047	3,981,655	4,018,423	5,055,528
526,446	580,322	708,113	695,598	598,546	409,016
122,822	31,032	174,798	68,650	79,031	70,429
1,317,925	1,255,224	1,177,577	1,095,096	1,009,180	855,786
234,725	153,717	354,898	386,584	129,911	147,662
1,248,683	226,471	954,018	965,240	149,550	460,538
92,609,560	85,495,085	87,808,591	90,471,431	92,543,606	88,657,149
38,432,683	39,077,887	38,236,513	37,335,907	35,321,823	31,632,929
10,312,422	10,734,786	10,350,252	13,674,321	16,154,620	13,090,313
843,469	910,458	768,027	584,269	454,754	489,976
235,330	167	0	0	0	0
0	0	0	0	0	2,710,357
5,372,728	5,743,923	5,680,392	5,531,744	5,013,480	5,328,640
8,203,956	8,253,865	6,645,875	6,677,925	1,980,267	2,044,328
40,655	40,279	33,962	29,421	30,981	31,897
4,859,059	5,120,714	4,949,479	4,717,817	5,092,297	5,114,218
1,693,464	1,808,492	2,017,012	1,888,299	1,871,639	1,919,004
746,207	888,137	780,589	911,931	902,132	1,073,329
8,090,494	8,583,494	7,547,015	7,173,156	6,535,277	5,880,086
4,112,181	4,771,895	4,610,385	4,648,162	4,750,302	5,206,133
2,751,609	3,059,261	3,015,167	3,004,102	2,457,830	2,067,684
3,741,752	3,670,827	3,490,834	3,467,797	4,142,443	3,271,791
1,832,564	1,761,982	1,745,513	2,014,019	1,566,036	1,022,526
7,643,405	14,970,422	3,305,605	2,758,857	2,176,308	2,133,519
1,275,000	1,320,000	1,375,000	1,870,000	1,855,000	1,900,000
1,324,505	2,152,031	2,083,398	2,028,232	1,648,113	1,327,804
490,946	0	0	0	356,418	0
102,002,429	112,868,620	96,635,018	98,315,959	92,309,720	86,244,534
(9,392,869)	(27,373,535)	(8,826,427)	(7,844,528)	233,886	2,412,615
0	0	0	0	0	0
26,000,000	0	0	0	13,685,000	0
0	0	0	0	0	0
127,260	0	0	0	0	0
0	0	0	0	(13,074,651)	0
(406,581)	0	0	0	(253,931)	0
572,338	1,005,734	570,437	571,137	0	39,212
(572,338)	(1,005,734)	(570,437)	(571,137)	0	(39,212)
25,720,679	0	0	0	356,418	0
0	0	268,452	0	0	0
\$16,327,810	(\$27,373,535)	(\$8,557,975)	(\$7,844,528)	\$590,304	\$2,412,615
2.7%	3.7%	3.7%	4.0%	3.9%	3.8%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Public Utility Assessed Value	Estimated Actual Value
2006	\$853,930,000	\$475,539,580	\$3,798,484,514	\$34,603,350	\$39,321,989
2007	938,771,480	493,742,970	4,092,898,429	33,418,780	37,975,886
2008	949,449,840	499,603,420	4,140,152,171	24,572,320	27,923,091
2009	957,151,850	499,507,070	4,161,882,629	25,320,360	27,923,091
2010	887,703,940	488,684,970	3,932,539,743	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

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

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

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

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

Tangible Personal Property General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
\$196,962,702	\$1,050,467,744	\$1,561,035,632	\$4,888,274,247	\$74.95	\$46.68
138,126,787	1,105,014,296	1,604,060,017	5,235,888,611	74.90	42.57
50,767,689	406,141,512	1,524,393,269	4,574,216,774	74.90	40.40
25,866,283	406,141,512	1,507,845,563	4,595,947,232	74.90	39.84
0	0	1,400,269,233	3,958,874,773	75.00	41.51
0	0	1,401,681,428	3,963,793,905	74.90	41.41
0	0	1,402,156,470	3,963,671,122	74.10	41.29
0	0	1,321,400,620	3,722,843,399	78.00	47.60
0	0	1,331,386,600	3,746,831,362	78.00	47.73
0	0	1,336,922,810	3,759,428,495	78.00	47.81

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

	2006	2007	2008	2009	2010
<b>Unvoted Millage</b>					
Operating	\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
<b>Voted Millage - by levy</b>					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	6.94	6.36	6.35	6.35	6.87
Commercial/Industrial and Public Utility Real	12.79	11.88	11.82	11.85	12.26
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	3.10	2.84	2.83	2.83	3.07
Commercial/Industrial and Public Utility Real	3.78	3.51	3.50	3.50	3.63
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	3.73	3.41	3.41	3.40	3.69
Commercial/Industrial and Public Utility Real	4.36	4.04	4.03	4.04	4.17
General Business and Public Utility Personal	6.90	6.90	6.90	6.90	6.90
1994 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	3.83	3.51	3.50	3.50	3.79
Commercial/Industrial and Public Utility Real	4.18	3.88	3.86	3.87	4.00
General Business and Public Utility Personal	5.90	5.90	5.90	5.90	5.90
2000 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	4.86	4.45	4.44	4.44	4.80
Commercial/Industrial and Public Utility Real	4.67	4.33	4.31	4.32	4.47
General Business and Public Utility Personal	5.90	5.90	5.90	5.90	5.90
2002 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	5.40	4.95	4.94	4.93	5.34
Commercial/Industrial and Public Utility Real	5.74	5.33	5.31	5.32	5.50
General Business and Public Utility Personal	5.90	5.90	5.90	5.90	5.90
2006 Operating -continuing					
Effective Millage Rates					
Residential/Agricultural Real	5.25	4.81	4.80	4.80	5.19
Commercial/Industrial and Public Utility Real	5.25	4.87	4.85	4.86	5.03
General Business and Public Utility Personal	5.25	5.25	5.25	5.25	5.25
2012 Operating -continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.00	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00	0.00
1992 Bond Levy (debt service)	0.85	0.80	0.80	0.80	0.90
1976 Permanent Improvement Continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.19	0.18	0.18	0.18	0.19
Commercial/Industrial and Public Utility Real	0.37	0.34	0.34	0.34	0.35
General Business and Public Utility Personal	0.90	0.90	0.90	0.90	0.90



2011	2012	2013	2014	2015
\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
6.88	6.88	7.41	7.42	7.43
12.24	12.32	13.04	13.10	13.25
31.40	31.40	31.40	31.40	31.40
3.07	3.07	3.31	3.31	3.31
3.62	3.64	3.85	3.88	3.92
6.90	6.90	6.90	6.90	6.90
3.69	3.69	3.97	3.98	3.99
4.17	4.19	4.44	4.46	4.51
6.90	6.90	6.90	6.90	6.90
3.79	3.79	4.09	4.09	4.09
4.00	4.02	4.26	4.28	4.33
5.90	5.90	5.90	5.90	5.90
4.81	4.81	5.18	5.18	5.19
4.47	4.49	4.76	4.77	4.83
5.90	5.90	5.90	5.90	5.90
5.34	5.35	5.76	5.77	5.78
5.50	5.53	5.86	5.88	5.90
5.90	5.90	5.90	5.90	5.90
5.20	5.20	5.25	5.25	5.25
5.03	5.05	5.25	5.25	5.25
5.25	5.25	5.25	5.25	5.25
0.00	0.00	3.90	3.90	3.90
0.00	0.00	3.90	3.90	3.90
0.00	0.00	3.90	3.90	3.90
0.80	0.90	0.90	0.90	0.70
0.19	0.19	0.21	0.21	0.21
0.35	0.35	0.37	0.38	0.38
0.90	0.90	0.90	0.90	0.90

(continued)

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

	2006	2007	2008	2009	2010
<b>1996 Permanent Improvement Continuing</b>					
Effective Millage Rates					
Residential/Agricultural Real	\$0.75	\$0.69	\$0.69	\$0.69	\$0.74
Commercial/Industrial and Public Utility Real	0.77	0.72	0.72	0.72	0.74
General Business and Public Utility Personal	1.00	1.00	1.00	1.00	1.00
<b>Total voted millage by type of property</b>					
Residential/Agricultural Real	\$34.90	\$32.00	\$31.94	\$31.92	\$34.58
Commercial/Industrial and Public Utility Real	42.76	39.70	39.54	39.62	41.05
General Business and Public Utility Personal	70.90	70.85	70.85	70.85	70.95
<b>Total millage by type of property</b>					
Residential/Agricultural Real	\$38.95	\$36.05	\$35.99	\$35.97	\$38.63
Commercial/Industrial and Public Utility Real	46.81	43.75	43.59	43.67	45.10
General Business and Public Utility Personal	74.95	74.90	74.90	74.90	75.00
<b>Total Weighted Average Tax Rate</b>	\$46.68	\$42.57	\$40.40	\$39.84	\$41.51
<b>Overlapping Rates by Taxing District</b>					
<b>Berea City</b>					
Effective Millage Rates					
Residential/Agricultural Real	\$13.42	\$13.06	\$13.00	\$13.00	\$13.03
Commercial/Industrial and Public Utility Real	14.10	13.65	13.59	13.60	13.63
General Business and Public Utility Personal	17.50	17.20	17.40	18.60	17.20
<b>Middleburg Heights City</b>					
Effective Millage Rates					
Residential/Agricultural Real	4.69	4.67	4.61	4.61	4.65
Commercial/Industrial and Public Utility Real	4.89	4.85	4.79	4.80	4.83
General Business and Public Utility Personal	5.45	5.45	5.45	5.45	5.45
<b>Brook Park City</b>					
Effective Millage Rates					
Residential/Agricultural Real	4.72	4.70	4.64	4.64	4.67
Commercial/Industrial and Public Utility Real	4.68	4.68	4.62	4.63	4.68
General Business and Public Utility Personal	4.80	4.80	4.75	4.75	4.75
<b>Cuyahoga County</b>					
Effective Millage Rates					
Residential/Agricultural Real	17.90	17.82	17.76	17.76	17.79
Commercial/Industrial and Public Utility Real	19.02	18.75	18.69	18.70	18.73
General Business and Public Utility Personal	20.17	20.20	18.20	20.60	20.60
<b>Polaris J.V.S.D.</b>					
Effective Millage Rates					
Residential/Agricultural Real	2.00	2.00	1.94	1.94	1.97
Commercial/Industrial and Public Utility Real	2.01	2.00	1.94	1.94	1.97
General Business and Public Utility Personal	2.40	2.40	2.40	2.40	2.40

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

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

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

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

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

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

2011	2012	2013	2014	2015
\$0.74	\$0.74	\$0.80	\$0.80	\$0.80
0.74	0.74	0.79	0.79	0.80
1.00	1.00	1.00	1.00	1.00
\$34.51	\$34.62	\$40.78	\$40.81	\$40.65
40.92	40.33	46.52	46.69	47.07
70.85	70.05	73.95	73.95	73.95
\$38.56	\$38.67	\$44.83	\$44.86	\$44.70
44.97	44.38	50.57	50.74	51.12
74.90	74.10	78.00	78.00	78.00
\$41.41	\$41.29	\$47.60	\$47.73	\$47.81

\$13.13	\$13.13	\$12.75	\$12.76	\$12.76
13.56	13.56	13.31	13.31	13.32
17.20	17.20	16.80	16.80	16.80

4.65	4.65	4.71	4.71	4.71
4.83	4.83	4.88	4.88	4.88
5.45	5.45	5.45	5.45	5.45

4.67	4.67	4.73	4.73	4.73
4.68	4.68	4.67	4.67	4.68
4.75	4.75	4.80	4.75	4.75

18.46	12.78	13.22	13.94	14.05
18.87	13.11	12.99	14.05	14.01
19.05	13.22	20.80	14.05	14.05

2.01	2.04	2.33	2.33	2.33
2.18	2.18	2.13	2.14	2.17
2.40	2.40	2.40	2.40	2.40

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2005	\$69,188,551	\$61,427,371	88.78%	\$2,369,305	\$63,796,676	92.21%
2006	67,416,680	60,181,730	89.27	4,198,094	64,379,824	95.50
2007	65,526,123	61,910,148	94.48	2,428,526	64,338,674	98.19
2008	65,523,211	58,920,679	89.92	1,700,979	60,621,658	92.52
2009	58,299,388	56,230,956	96.45	2,040,999	58,271,955	99.95
2010	58,469,967	52,974,409	90.60	3,956,993	56,931,402	97.37
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

**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 2015 information cannot be presented because all collections have not been made by June 30, 2015.
- (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*

*2015 and 2006(1)*

Name of Taxpayer	2015	
	Assessed Value	Percent of Real Property Assessed Value
City of Cleveland	\$53,460,550	4.11 %
Southwest General Hospital	18,531,320	1.42
Southland Shopping Center, LLC	12,776,090	0.98
The Islander Company, LLC	10,138,200	0.78
Middleburg-Legacy Place Real Estate Company	5,583,730	0.43
CP-Snow Property, LLC	4,750,380	0.36
MWP Company	4,703,970	0.36
Techpark Ltd. Partnership	4,497,210	0.35
Amsdell & Amsdell	4,360,020	0.34
HJB Holdings, LLC	4,320,200	0.33
<b>Totals</b>	<b>\$123,121,670</b>	<b>9.46 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$1,301,850,930</b>	
Name of Taxpayer	2006	
	Assessed Value	Percent of Real Property Assessed Value
Cleveland Port Authority	\$73,928,500	5.56 %
Ford Motor Company	19,387,250	1.46
Southland Store Company	14,450,420	1.09
Islander Company	13,478,390	1.01
MWP Company	8,190,540	0.62
Park N' Fly	7,208,880	0.54
Techpark Ltd. Partnership	6,691,860	0.50
Robert Amsdell	5,911,250	0.44
Ozre Lodging LLC	4,982,260	0.37
BrookGate Associates LLC	4,611,060	0.36
<b>Totals</b>	<b>\$158,840,410</b>	<b>11.95 %</b>
<b>Total Real Property Assessed Valuation</b>	<b>\$1,329,469,580</b>	

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

(1) The amounts presented represent the assessed values upon which 2015 and 2006 collections were based.

**Berea City School District**  
*Principal Taxpayers*  
*Public Utilities Real Property*  
*2015 and 2006(1)*

Name of Taxpayer	2015	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$26,227,930	74.78 %
American Transmission System	4,313,370	12.30
Totals	<u>\$30,541,300</u>	<u>87.08 %</u>
Total Public Utility Assessed Valuation	<u>\$35,071,880</u>	

Name of Taxpayer	2006	
	Assessed Value	Percent of Public Utility
Cleveland Electric Illuminating Company	\$17,328,920	50.08 %
Ohio Bell Telephone Co.	5,328,570	15.40
American Transmission System	2,535,700	7.33
Columbia Gas of Ohio	2,110,170	6.10
East Ohio Gas Company	888,780	2.56
Totals	<u>\$28,192,140</u>	<u>81.47 %</u>
Total Public Utility Assessed Valuation	<u>\$34,603,350</u>	

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

(1) The amounts presented represent the assessed values upon which 2015 and 2006 collections were based.

**Berea City School District**  
*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2015*

	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	\$6,685,366	100.00 %	\$6,685,366
Certificates of Participation	<u>24,802,630</u>	100.00	<u>24,802,630</u>
Total Direct	<u>31,487,996</u>		<u>31,487,996</u>
Overlapping:			
Cuyahoga County	1,547,986,705	4.72	73,064,972
Greater Cleveland Regional Transit	150,265,112	4.72	7,092,513
City of Middleburg Heights	11,592,745	37.98	4,402,925
City of Brook Park	10,052,263	32.09	3,225,771
City of Berea	20,358,786	27.05	5,507,052
City of Olmsted Falls	3,048,252	0.43	13,107
City of Cleveland	<u>736,090,000</u>	4.29	31,578,261
Total Overlapping	<u>2,479,393,863</u>		<u>124,884,602</u>
Total	<u><u>\$2,510,881,859</u></u>		<u><u>\$156,372,598</u></u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The values used were for the 2014 collection year.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed Valuation (1)	<u>\$1,561,035,632</u>	<u>\$1,604,060,017</u>	<u>\$1,524,393,269</u>	<u>\$1,507,845,563</u>
Debt Limit - 9% of Assessed Value (2)	<u>\$140,493,207</u>	<u>\$144,365,402</u>	<u>\$137,195,394</u>	<u>\$135,706,101</u>
Amount of Debt Applicable to Debt Limit				
Certificates of Participation	0	0	0	0
General Obligation Bonds	10,990,000	16,737,802	15,797,802	14,555,000
Notes	0	0	2,820,000	2,585,000
Less Amount Available in Debt Service	<u>(2,321,386)</u>	<u>(2,731,988)</u>	<u>(2,990,032)</u>	<u>(3,205,289)</u>
Total	8,668,614	14,005,814	15,627,770	13,934,711
Exemptions:				
Certificates of Participation	0	0	0	0
Energy Conservation Bonds	<u>0</u>	<u>6,582,802</u>	<u>6,547,802</u>	<u>6,205,000</u>
Amount of Debt Subject to Limit	<u>8,668,614</u>	<u>7,423,012</u>	<u>9,079,968</u>	<u>7,729,711</u>
Overall Debt Margin	<u>\$131,824,593</u>	<u>\$136,942,390</u>	<u>\$128,115,426</u>	<u>\$127,976,390</u>
Legal Debt Margin as a Percentage of the Debt Limit	8.44%	8.54%	8.40%	8.49%
Unvoted Debt Limit - 10% of Assessed Value (2)	\$1,561,036	\$1,604,060	\$1,524,393	\$1,507,846
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$1,561,036</u>	<u>\$1,604,060</u>	<u>\$1,524,393</u>	<u>\$1,507,846</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100%	100%	100%	100%
Additional Limit for Unvoted Debt:				
Debt Limit - .9% of Assessed Value	\$14,049,321	\$14,436,540	\$13,719,539	\$13,570,610
Certificates of Participation	0	0	0	0
Energy Conservation Bonds	<u>0</u>	<u>6,582,802</u>	<u>6,547,802</u>	<u>6,205,000</u>
Additional Unvoted Debt Margin	<u>\$14,049,321</u>	<u>\$7,853,738</u>	<u>\$7,171,737</u>	<u>\$7,365,610</u>

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

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



<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<u>\$1,400,269,233</u>	<u>\$1,401,681,428</u>	<u>\$1,402,156,470</u>	<u>\$1,321,400,620</u>	<u>\$1,331,386,600</u>	<u>\$1,336,922,810</u>
<u>\$126,024,231</u>	<u>\$126,151,329</u>	<u>\$126,194,082</u>	<u>\$118,926,056</u>	<u>\$119,824,794</u>	<u>\$120,323,053</u>
26,000,000	26,000,000	26,000,000	25,500,000	25,790,000	25,155,000
13,280,000	11,960,000	10,585,000	9,215,000	7,885,000	6,620,000
2,340,000	2,085,000	1,820,000	4,545,000	3,985,000	3,410,000
<u>(3,486,071)</u>	<u>(3,595,079)</u>	<u>(3,696,184)</u>	<u>(3,870,286)</u>	<u>(3,535,427)</u>	<u>(3,998,187)</u>
38,133,929	36,449,921	34,708,816	35,389,714	34,124,573	31,186,813
26,000,000	26,000,000	26,000,000	25,500,000	25,790,000	25,155,000
<u>5,845,000</u>	<u>5,470,000</u>	<u>5,080,000</u>	<u>4,675,000</u>	<u>4,250,000</u>	<u>3,855,000</u>
6,288,929	4,979,921	3,628,816	5,214,714	4,084,573	2,176,813
<u>\$119,735,302</u>	<u>\$121,171,408</u>	<u>\$122,565,266</u>	<u>\$113,711,342</u>	<u>\$115,740,221</u>	<u>\$118,146,240</u>
8.55%	8.64%	8.74%	8.61%	8.69%	8.84%
\$1,400,269	\$1,401,681	\$1,402,156	\$1,321,401	\$1,331,387	\$1,336,923
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$1,400,269</u>	<u>\$1,401,681</u>	<u>\$1,402,156</u>	<u>\$1,321,401</u>	<u>\$1,331,387</u>	<u>\$1,336,923</u>
100%	100%	100%	100%	100%	100%
\$12,602,423	\$12,615,133	\$12,619,408	\$11,892,606	\$11,982,479	\$12,032,305
26,000,000	26,000,000	26,000,000	25,500,000	0	0
<u>5,845,000</u>	<u>5,470,000</u>	<u>5,080,000</u>	<u>4,675,000</u>	<u>4,250,000</u>	<u>3,855,000</u>
<u>(\$19,242,577)</u>	<u>(\$18,854,867)</u>	<u>(\$18,460,592)</u>	<u>(\$18,282,394)</u>	<u>\$7,732,479</u>	<u>\$8,177,305</u>

**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		
2006	\$11,128,758	0.23	\$195.20	\$0	\$11,128,758	1.01	\$195.20
2007	16,997,832	0.32	298.14	0	16,997,832	1.54	298.14
2008	16,035,536	0.35	288.67	0	16,035,536	1.45	288.67
2009	14,770,438	0.32	265.89	0	14,770,438	1.33	265.89
2010	13,473,142	0.34	242.54	26,000,000	39,473,142	3.21	710.59
2011	12,131,033	0.31	215.64	25,742,839	37,873,872	2.79	673.23
2012	10,734,025	0.27	197.86	25,756,135	36,490,160	2.60	672.62
2013	9,300,454	0.25	171.43	25,269,431	34,569,885	2.46	637.22
2014	7,960,410	0.21	146.73	25,423,146	33,383,556	2.38	617.73
2015	6,685,366	0.18	123.23	24,802,630	31,487,996	2.24	580.41

**Source:** School District Records

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

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

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

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

**Berea City School District**  
*Principal Employers*  
*Current Year and Eight Years Ago (1)*

Employer	Nature of Business	2015	
		Number of Employees	Percentage of Total Employment
Baldwin Wallace University	Higher Education	3,148	6.79%
Southwest General Hospital	Hospital	2,494	5.38
United Parcel Service	Delivery	1,905	4.11
Department of Interior	Government	1,668	3.60
Ford Motor Company	Automobile	1,337	2.88
Berea City School District	Education	833	1.80
OHNH EMP LLC	Manufacturing	715	1.54
Amerimark Direct LLC	Manufacturing	643	1.39
Cleveland Browns	NFL	640	1.38
Quadax	Manufacturing	593	1.28
Total		<u>13,976</u>	
Total Employment within the School District		<u>46,356</u>	

Employer	Nature of Business	2007	
		Number of Employees	Percentage of Total Employment
Ford Motor Company	Automobile	3,800	5.04%
NASA	Government	3,600	4.77
Southwest General Hospital	Hospital	2,849	3.78
United Parcel Service	Delivery	2,555	3.39
Sears Roebuck & Company	Retail	1,360	1.80
Berea City School District	Education	1,100	1.46
Baldwin Wallace College	Higher Education	953	1.26
Berea Children's Home	Treatment Facility	695	0.92
Marc Glassman	Warehouse	635	0.84
City of Middleburg Heights	Municipal Government	457	0.61
Total		<u>18,004</u>	
Total Employment within the School District		<u>75,430</u>	

(1) Information for 2006 is not available.

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>
2006	\$77,373,241	7,526	\$10,281	1.50 %	535	14.1	24.89%
2007	73,892,821	7,429	9,947	(3.25)	537	13.8	27.39
2008	90,002,891	7,375	12,204	22.70	554	13.3	28.31
2009	90,579,034	7,181	12,614	3.36	513	14.0	29.21
2010	96,939,959	7,098	13,657	8.27	528	13.4	34.5
2011	97,138,373	7,018	13,841	1.35	495	14.2	37.5
2012	94,762,096	7,121	13,307	(3.86)	506	14.1	33.8
2013	95,717,873	6,980	13,713	3.05	502	13.9	34.7
2014	90,433,583	6,694	13,510	(1.48)	479	14.0	34.7
2015	82,771,245	6,789	12,192	(9.75)	440	15.4	35.0

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

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

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

2010	2011	2012	2013	2014	2015
116,620	116,620	116,620	116,620	116,620	116,620
764	764	718	780	642	622
1,010	1,010	1,010	1,010	1,010	1,010
49	49	49	49	49	49
45	35	37	37	31	29
6	6	7	14	9	10
96,900	96,900	96,900	96,900	96,900	96,900
673	661	658	757	647	707
836	836	836	836	836	836
56	56	56	56	56	56
31	30	32	32	27	23
10	11	9	14	16	21
53,400	53,400	53,400	53,400	53,400	53,400
480	494	514	543	438	445
437	437	437	437	437	437
31	31	31	31	31	31
24	25	26	21	22	18
3	3	4	9	10	7
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
41,746	41,746	0	0	0	0
350	378	0	0	0	0
334	334	0	0	0	0
24	24	0	0	0	0
16	20	0	0	0	0
3	4	0	0	0	0
44,384	44,384	0	0	0	0
169	158	0	0	0	0
355	355	0	0	0	0
25	25	0	0	0	0
11	10	0	0	0	0
4	5	0	0	0	0

(continued)

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

	2006	2007	2008	2009
<b>Smith Elementary School (1)</b>				
Constructed in 1966				
Total Building Square Footage	42,000	42,000	42,000	42,000
Enrollment Grades K-6	220	192	185	180
Student Capacity	336	336	336	336
Regular Instruction Classrooms	21	21	21	21
Regular Instruction Teachers	11	10	10	9
Special Instruction Teachers	2	4	6	7
<b>Grindstone Elementary School (1)</b>				
Constructed in 2011				
Total Building Square Footage	NA	NA	NA	NA
Enrollment Grades K-6	NA	NA	NA	NA
Student Capacity	NA	NA	NA	NA
Regular Instruction Classrooms	NA	NA	NA	NA
Regular Instruction Teachers	NA	NA	NA	NA
Special Instruction Teachers	NA	NA	NA	NA
<b>Ford Middle School</b>				
Constructed in 1961				
Total Building Square Footage	165,800	165,800	165,800	165,800
Enrollment Grades 6-8	1,094	1,030	1,001	1,021
Student Capacity	1,175	1,175	1,175	1,175
Regular Instruction Classrooms	66	66	66	66
Regular Instruction Teachers	54	50	52	49
Special Instruction Teachers	11	13	13	13
<b>Roehm Middle School</b>				
Constructed in 1956				
Total Building Square Footage	133,804	133,804	133,804	133,804
Enrollment Grades 6-8	665	666	639	630
Student Capacity	1,163	1,163	1,163	1,163
Regular Instruction Classrooms	47	47	47	47
Regular Instruction Teachers	33	33	34	36
Special Instruction Teachers	8	8	8	7
<b>Berea High School</b>				
Constructed in 1928				
Total Building Square Footage	264,266	264,266	264,266	264,266
Enrollment Grades 9-12	1,261	1,342	1,193	1,100
Student Capacity	1,582	1,582	1,582	1,582
Regular Instruction Classrooms	67	67	67	67
Regular Instruction Teachers	55	55	55	50
Special Instruction Teachers	12	15	17	18
<b>Midpark High School</b>				
Constructed in 1962				
Total Building Square Footage	236,563	236,563	236,563	236,563
Enrollment Grades 9-12	1,409	1,453	1,396	1,377
Student Capacity	1,418	1,418	1,418	1,418
Regular Instruction Classrooms	55	55	55	55
Regular Instruction Teachers	60	60	63	65
Special Instruction Teachers	11	13	18	15

(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



2010	2011	2012	2013	2014	2015
42,000	42,000	42,000	42,000	42,000	4,200
480	481	0	0	0	0
336	336	336	336	336	336
21	21	0	0	0	0
23	24	0	0	0	0
0	4	0	0	0	0
NA	NA	105,000	105,000	105,000	105,000
NA	NA	820	901	899	890
NA	NA	820	820	820	820
NA	NA	43	43	43	43
NA	NA	38	40	39	40
NA	NA	10	16	20	12
165,800	165,800	165,800	165,800	165,800	165,800
1,000	1,003	1,038	999	925	902
1,175	1,175	1,175	1,175	1,175	1,175
66	66	66	66	66	66
51	48	42	49	47	39
13	11	14	14	11	12
133,804	133,804	133,804	133,804	133,804	133,804
627	631	777	703	0	0
1,163	1,163	1,163	1,163	1,163	1,163
47	47	47	47	47	0
29	32	40	41	0	0
8	8	9	13	0	0
264,266	264,266	264,266	264,266	264,266	264,266
1,065	1,100	1,170	1,064	1,672	1,682
1,582	1,582	1,582	1,582	1,582	1,582
67	67	67	67	67	67
42	45	45	44	88	67
16	13	12	15	16	21
236,563	236,563	236,563	236,563	236,563	236,563
1,430	1,348	1,426	1,233	1,471	1,541
1,418	1,418	1,418	1,418	1,418	1,418
55	55	55	55	55	55
72	65	60	55	73	69
11	12	11	13	21	28

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

Degree	2006	2007	2008	2009
Bachelor's Degree	56	57	66	56
Bachelor + 15	19	21	30	16
Bachelor + 30	27	28	33	43
Master's Degree	254	331	296	309
Master + 15	89	40	55	35
Master + 30	51	24	39	20
PhD	39	36	35	34
Total	535	537	554	513

Source: School District Records

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2010	2011	2012	2013	2014	2015
51	42	67	31	36	18
14	9	20	15	7	4
40	32	25	24	23	21
329	322	317	325	296	286
41	40	47	51	54	57
16	14	16	24	21	23
37	36	14	32	42	31
528	495	506	502	479	440

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

Fiscal Year	Berea Attendance Rate	State Average	Berea Graduation Rate	State Average
2006	95.00	94.10	93.00	86.20
2007	95.10	94.10	93.80	86.10
2008	94.90	94.20	92.70	86.90
2009	95.00	94.30	92.60	84.60
2010	94.30	94.30	94.30	84.60
2011	95.30	93.00	91.10	90.00
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	N/A	93.10	83.80

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
2006	14.1	18.6
2007	13.8	19.6
2008	13.3	18.6
2009	14.0	18.6
2010	13.4	19.4
2011	14.2	18.5
2012	14.1	21.9
2013	13.9	18.5
2014	14.0	18.5
2015	15.4	N/A

Source: Ohio Department of Education, EMIS Reports  
 NA - Information not available.

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

Function/Program	2006	2007	2008	2009
<b>Regular Instruction</b>				
Elementary Classroom Teachers	168.00	174.00	174.00	151.00
Intermediate School Classroom Teachers	98.00	100.00	100.00	88.00
Junior High Schools Classroom Teachers	NA	NA	NA	NA
High School Classroom Teachers	120.00	121.00	120.50	118.00
(1) Non-Teaching Support Staff Elementary	NA	NA	NA	NA
(1) Non-Teaching Support Staff Intermediate	NA	NA	NA	NA
(1) Non-Teaching Support Staff Junior High	NA	NA	NA	NA
(1) Non-Teaching Support Staff High School	NA	NA	NA	NA
<b>Special Instruction</b>				
Elementary Classroom Teachers	26.50	43.00	45.00	47.00
Gifted Education Teachers	4.00	4.00	4.00	4.00
Intermediate School Classroom Teachers	NA	NA	NA	NA
Junior High Schools Classroom Teachers	34.00	30.50	29.00	28.50
High School Classroom Teachers	22.00	28.00	28.50	33.50
(1) Non-Teaching Support Staff Elementary	NA	NA	NA	NA
(1) Non-Teaching Support Staff Intermediate	NA	NA	NA	NA
(1) Non-Teaching Support Staff Junior High	NA	NA	NA	NA
(1) Non-Teaching Support Staff High School	NA	NA	NA	NA
<b>Vocational Instruction</b>				
High School Classroom Teachers	6.00	4.50	4.50	7.00
<b>Pupil Support Services</b>				
Guidance Counselors	17.00	16.50	16.50	16.50
Librarians	8.00	6.00	6.00	6.00
Psychologists	3.00	3.00	4.00	4.00
Speech and Language Pathologists	12.00	13.00	13.00	12.00
(1) Non-Teaching Support Staff Central	3.00	4.00	5.00	5.00
<b>Instructional Support Service</b>				
(1) Non-Teaching Support Staff Elementary	86.00	85.50	86.00	81.50
(1) Non-Teaching Support Staff Middle	38.00	36.00	35.00	38.00
(1) Non-Teaching Support Staff High	35.00	30.50	28.00	33.00
(1) Non-Teaching Support Staff Central	5.50	6.00	6.00	9.00
<b>Administration</b>				
Elementary	7.00	10.00	10.00	10.00
Intermediate School	NA	NA	NA	NA
Junior High Schools	5.00	6.00	6.00	6.00
High School	6.00	8.00	8.00	8.00
Central	1.00	1.00	1.00	2.00
(1) Non-Teaching Support Staff	22.00	27.00	27.00	18.00
<b>Business</b>				
Central	3.00	3.00	3.00	3.00

2010	2011	2012	2013	2014	2015
154.00	137.00	137.00	131.00	120.00	110.00
85.00	82.00	83.00	92.00	49.00	39.00
NA	NA	NA	NA	74.00	69.00
114.00	108.00	108.00	99.00	88.00	67.00
NA	NA	NA	NA	24.00	26.00
NA	NA	NA	NA	5.00	5.00
NA	NA	NA	NA	7.00	5.00
NA	NA	NA	NA	6.00	2.00
36.00	60.00	47.00	53.00	48.00	53.00
5.00	5.00	5.00	5.00	5.00	4.00
NA	NA	NA	NA	10.00	11.00
29.00	28.00	30.00	28.00	31.50	28.00
28.00	25.00	24.00	28.00	16.50	17.00
NA	NA	NA	NA	38.00	34.00
NA	NA	NA	NA	13.00	8.00
NA	NA	NA	NA	6.00	16.00
NA	NA	NA	NA	10.00	12.00
7.00	5.00	7.00	4.00	4.00	3.00
17.00	18.00	18.00	18.00	15.00	15.00
7.00	5.50	6.00	6.00	5.00	5.00
4.00	4.00	4.00	4.00	2.00	2.00
13.00	13.00	16.00	16.00	11.00	11.00
5.00	5.00	4.00	4.00	5.00	8.00
92.00	75.50	54.00	65.00	NA	NA
32.00	33.00	29.00	28.00	NA	NA
33.00	33.00	38.00	33.00	NA	NA
9.00	9.00	8.00	3.00	NA	NA
10.00	8.00	7.00	7.00	7.00	7.00
	NA	NA	NA	3.00	2.00
6.00	6.00	6.00	6.00	4.00	6.00
8.00	8.00	8.00	6.00	5.00	4.00
2.00	2.00	2.00	2.00	2.00	4.00
18.00	18.00	24.00	26.00	23.00	28.00
3.00	3.00	3.00	2.00	2.00	2.00

(continued)

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

Function/Program	2006	2007	2008	2009
Fiscal				
Treasurer Department	7.50	7.00	7.00	7.00
Operation of Plant				
Custodial Dept.	73.00	68.00	68.00	65.00
Maintenance Dept.	15.00	14.00	17.00	16.00
Pupil Transportation				
Bus Drivers	61.00	61.00	60.00	46.50
Bus Aides	9.00	9.00	6.50	7.00
Mechanics	5.00	5.00	5.00	5.00
Transportation support staff	4.00	4.00	4.00	4.00
Central				
Community Relations	2.50	2.50	2.50	2.50
Technology	17.00	17.00	16.00	18.00
Personnel	5.00	5.00	5.00	5.00
Extracurricular				
Athletic Department	2.00	2.00	2.00	2.00
Food Service Program				
Elementary	34.00	34.00	34.00	16.50
Intermediate	NA	NA	NA	NA
Junior High School	13.00	14.00	14.00	16.50
High School	15.00	16.00	16.00	11.00
Central	2.00	2.00	2.00	1.00
Adult Education/Community Service				
Preschool	11.50	11.50	11.00	11.00
Extended Care	34.50	32.00	31.00	24.00
Adult Education	2.00	2.00	2.00	2.00
Totals	<u>1,043.00</u>	<u>1,066.50</u>	<u>1,063.00</u>	<u>989.00</u>

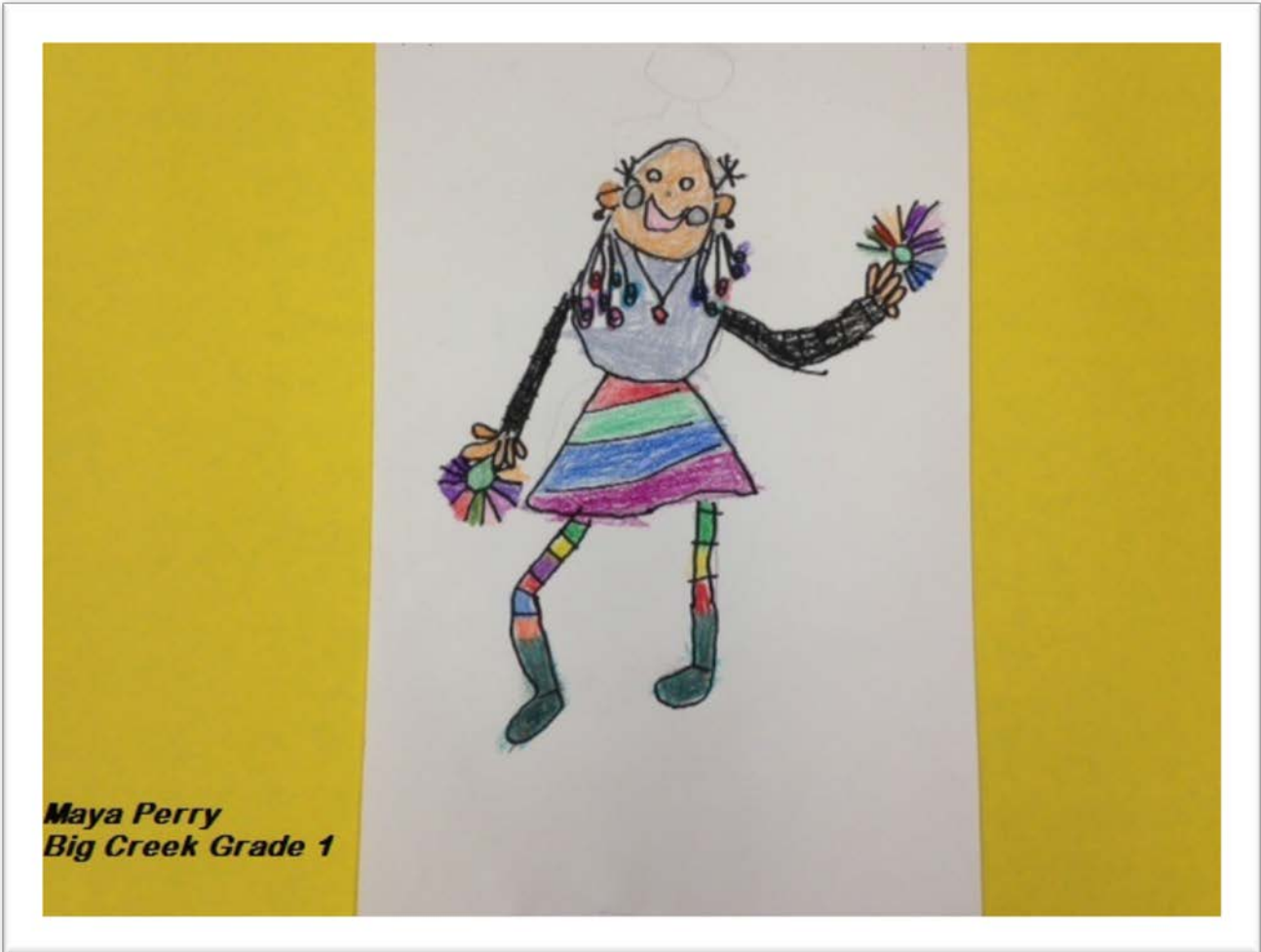
Source: School District Records

**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.



2010	2011	2012	2013	2014	2015
7.00	7.00	7.00	7.00	6.00	8.00
65.00	61.00	46.00	46.00	46.00	41.00
16.00	16.00	16.00	16.00	12.00	13.00
45.00	45.00	62.00	62.00	68.00	80.00
7.00	12.00	15.00	15.00	12.00	17.00
5.00	5.00	5.00	5.00	4.00	4.00
4.00	3.00	3.00	4.00	3.00	4.00
2.00	2.00	2.00	2.00	2.00	1.00
18.00	16.00	14.00	12.00	12.00	12.00
5.00	5.00	4.00	4.00	4.00	4.00
2.00	4.00	4.00	4.00	2.00	1.00
16.50	14.00	14.00	14.00	11.00	11.00
	NA	NA	NA	5.00	3.00
16.50	14.00	14.00	14.00	5.00	4.00
11.00	11.00	11.00	11.00	5.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
11.00	12.00	12.00	12.00	11.00	8.00
24.00	18.00	25.00	22.00	15.00	14.00
2.00	0.00	0.00	0.00	0.00	0.00
<u>975.00</u>	<u>937.00</u>	<u>923.00</u>	<u>917.00</u>	<u>863.00</u>	<u>833.00</u>



**Maya Perry**  
**Big Creek Grade 1**

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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 5, 2016**