



Dave Yost • Auditor of State

**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2018**

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**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2018**

<u>FEDERAL GRANTOR</u> <i>Pass Through Grantor</i>		Federal	Pass Through		Non-Cash
Program Title	Grant Year	CFDA Number	Entity Identifying Number	Expenditures	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed Through Ohio Department of Education</i>					
Nutrition Cluster					
School Breakfast Program	2018	10.553		\$ 153,356	
National School Lunch Program	2018	10.555		766,939	\$ 80,331
Total Nutrition Cluster				<u>920,295</u>	<u>80,331</u>
Total U.S. Department of Agriculture				<u>920,295</u>	<u>80,331</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed Through Ohio Department of Education</i>					
Title I	2017	84.010		198,316	
Title I	2018	84.010		888,457	
Total Title I				<u>1,086,773</u>	
Special Education Cluster					
IDEA Part B	2017	84.027		120,002	
IDEA Part B	2018	84.027		1,339,694	
Subtotal IDEA Part B				<u>1,459,696</u>	
Preschool Disability Grant	2017	84.173		6,620	
Preschool Disability Grant	2018	84.173		38,410	
Subtotal Preschool Disability Grant				<u>45,030</u>	
Total Special Education Cluster				1,504,726	
Title III LEP	2017	84.365		3,188	
Title III LEP	2018	84.365		26,956	
Total Title III				<u>30,144</u>	
Improving Teacher Quality, Title II-A	2017	84.367		21,066	
Improving Teacher Quality, Title II-A	2018	84.367		173,263	
Total Improving Teacher Quality, Title II-A				<u>194,329</u>	
Title IV-A Student Support and Academic Enrichment	2018	84.424		11,289	
Total U.S. Department of Education				<u>2,827,261</u>	
Total Federal Financial Assistance				<u><u>3,747,556</u></u>	<u><u>80,331</u></u>

The accompanying notes are an integral part of this schedule.

**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal award activity of the Berea City School District (the District's) under programs of the federal government for the year ended June 30, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2018, 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 21, 2018, wherein we noted the District adopted Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State
Columbus, Ohio

December 21, 2018



Dave Yost • Auditor of State

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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited Berea City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Berea City School District's major federal program for the year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, 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, 2018.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2018, 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 21, 2018. Our opinion also explained that the District adopted *Governmental Accounting Standards Board Statement No. 75* during the year. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of federal awards expenditures presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

December 21, 2018

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**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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BCSD

Berea City School District

EXCELLENCE • INTEGRITY • PURPOSE

Serving Berea, Brook Park and Middleburg Heights

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018



Daniel Smith • 7th Grade

Berea, Ohio





Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

Issued by: Treasurer's Office
Jill A. Rowe, Treasurer/CFO

Berea, Cuyahoga County, Ohio

390 Fair Street, Berea, Ohio 44017

www.berea.k12.oh.us

Introductory Section



Dusan Novakovic • 3rd Grade

Berea City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
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December 21, 2018

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, 2018. 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 2018, 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 5,977 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 6 school buildings, ranging from 5 to 88 years of age. Berea City School District is located in northeastern Ohio, approximately twelve miles southwest of downtown Cleveland. Berea City School District includes the cities of Brook Park, Middleburg Heights, most of the City of Berea, and small portions of the cities of Olmsted Falls and Cleveland.

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

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

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

The School District maintains the operation of eleven buildings, including six school buildings, with construction dates from 1928 to 2011.

The School District’s annual general fund operating budget is approximately \$82.7 million. The annual budget serves as the foundation of the Berea City School District’s financial planning and control. The budget is prepared by fund for every governmental fund. The Treasurer has been given the authority to allocate Board appropriations to the object level in the general fund and the function and object level for all other funds. Transfers between funds; however, need special approval from the governing board.

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,” Statement No. 39, “Determining whether certain organizations are component units-an amendment of GASB Statement No. 14” and Statement No. 61, “The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34.” In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the Berea City School District (the primary government) and its potential component units.

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

Economic Condition and Outlook

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

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

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

The housing market in Northeast Ohio and specifically within the Berea City School District started to recover from the recent recession. During calendar year 2018, the County is completing the reappraisal process. This process is completed every six years, with an update to the total valuation of the School District every three years. The preliminary estimates from the County have the total valuation of the School District increasing by approximately 7 percent. While this increase is a positive factor for the School District, as total valuation has not increased in many years, the School District is not expected to receive a large influx of new revenue due to House Bill 920. House Bill 920, which was passed in the late 70's, does not allow increases on voted millage due to inflationary increases. The district will only see increases in revenue on inside millage and new construction.

Long-Term Financial Planning

A balanced budget and adequate cash balance are two sound business practices that ensure fiscal stability and a consistent and dependable educational experience for our students. Beginning in fiscal year 2014, the Board of Education and administration established two goals to ensure the School District has adequate resources to support the operations of the School District. The first is to maintain a balanced budget in the general fund for the current and subsequent fiscal year. The longer the School District is able to maintain this goal; the School District's cash balance will either maintain or increase from the previous year's level. The second is to maintain a minimum cash balance equal to 10 percent of the operating budget on hand at all times. This goal is important because of the School District's heavy reliance on property taxes, which are primarily only received twice during the fiscal year and the volatility of some operating expenditures.

Fiscal year 2014 was the first time in five years that the School District achieved a balanced budget, a trend that is projected to continue through fiscal year 2020. Based on these forecast projections, the School District will also be able to meet its second goal of maintaining a minimum cash balance that is sufficient to fund School District operations for one month of the school year for the entire five years that are projected in the five year forecast (fiscal year 2023).

Student Enrollment Trends

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

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

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

Current projections show the School District's enrollment declining from the current level (2018) of 5,977 to 5,535 by 2023, with the 1.80 percent average annual rate of decline.

Relevant Financial Policies

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

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

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

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

Major Initiatives

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

High Quality Teaching and Learning

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

Culture and Safety

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

Communications

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

Facilities

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

District Finances

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

Primary accomplishments for 2018 were as follows:

Finances:

1. Balanced annual budget for next two fiscal years.
2. Established adequate minimum cash balance metric for the School District to maintain through next two fiscal years.
3. Awarded 2017 – Association of School Business Officials International's (ASBO) Certificate of Excellence in Financial Reporting, received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officer Association (GFOA), for twenty-fourth consecutive years for the district's Comprehensive Annual Financial Report.
4. Awarded 2017 – ASBO Meritorious Budget Award

Technology:

1. Completed a one to one student chromebook initiative at the Middle School.

2. Completed the second round of the staff computer replacement plan.

Academics:

1. Ranked for the 18th consecutive year as one of the top school districts for music education in the nation by the NAMM Foundation.
2. Continued to offer elementary self-contained gifted classes.
3. Continued the offering of rigorous pre-engineering and pre-biomedical programs in the high school.
4. Offered 10 Dual Credit College Courses on our campus where students receive both high school and college credit.
5. Between 2012-2017, the School District has had 5 finalists, 10 semi-finalists and 24 commended scholars in the National Merit Scholarship Program.

Student Services:

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

Facilities:

1. In the prior year, implemented transportation and maintenance vehicle replacement plan, this continued with the purchase of vehicles in 2018.
2. Successfully passed a new construction and building renovation bond issue in November 2016 to fund the facility plan, which includes the construction of a new high school and elementary school, renovation of Junior High and Big Creek Elementary School and demolition/closing of Ford Intermediate School. The general obligation bonds in the amount of \$112,500,000 were issued on March 2, 2017. The renovations to the Junior High and Big Creek Elementary were complete in the fall of 2018. The new high school and elementary school are in the early phases of construction. The Elementary School is estimated to be completed in calendar year 2020 and the high school is estimated to be completed in calendar year 2021.

Specific goals/action steps for 2019 are:

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

- Advance high-quality professional learning practices to support all employees.
- Identify and promote highly effective educational practices to support all employees.
- Cultivate a cohesive, School District-wide community identity, *Titans*, that unites and inspires our students, staff, parents, and school programs.

- Establish consistency throughout the School District and its buildings in terms of the channels used to communicate with parents.
- Expand the District Financial Advisory Committee to include a complete representation of the overall community and foster transparent financial practices.

Service to the Community

For the 21st consecutive year, the School District has published its Community Resource Directory, a project which began as part of a “needs assessment” by the School District’s Volunteer Council, to determine what volunteer resources were available in our communities and what areas were still needed. This year’s Directory features nearly 150 school and community organizations that share contact information, services provided, meeting information, facilities that may be available for public use, volunteer needs, and scholarships that may be offered. In cooperation with the Cuyahoga County Library System, the Directories also include important phone numbers (“Action by Phone”), both regionally and within the three communities served, including governmental entities. Each year the School District publishes approximately 1,500 Directories at no charge to the contributing organization or the users.

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

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

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

Awards

GFOA Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Berea City School District for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017.

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 2017 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, 2017.

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

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

Acknowledgments

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

Respectfully submitted,



Jill A. Rowe
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, 2017

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Berea City School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink that reads 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE
Executive Director

Berea City School District
Principal Officials
For the Fiscal Year Ended June 30, 2018

Board of Education

Mrs. Ana Chapman..... President
Mrs. Cori Farris Vice President
Mr. Steve Dockman..... Member
Mr. Jeffrey Duke Member
Mr. Neal Postel..... Member

Treasurer/CFO

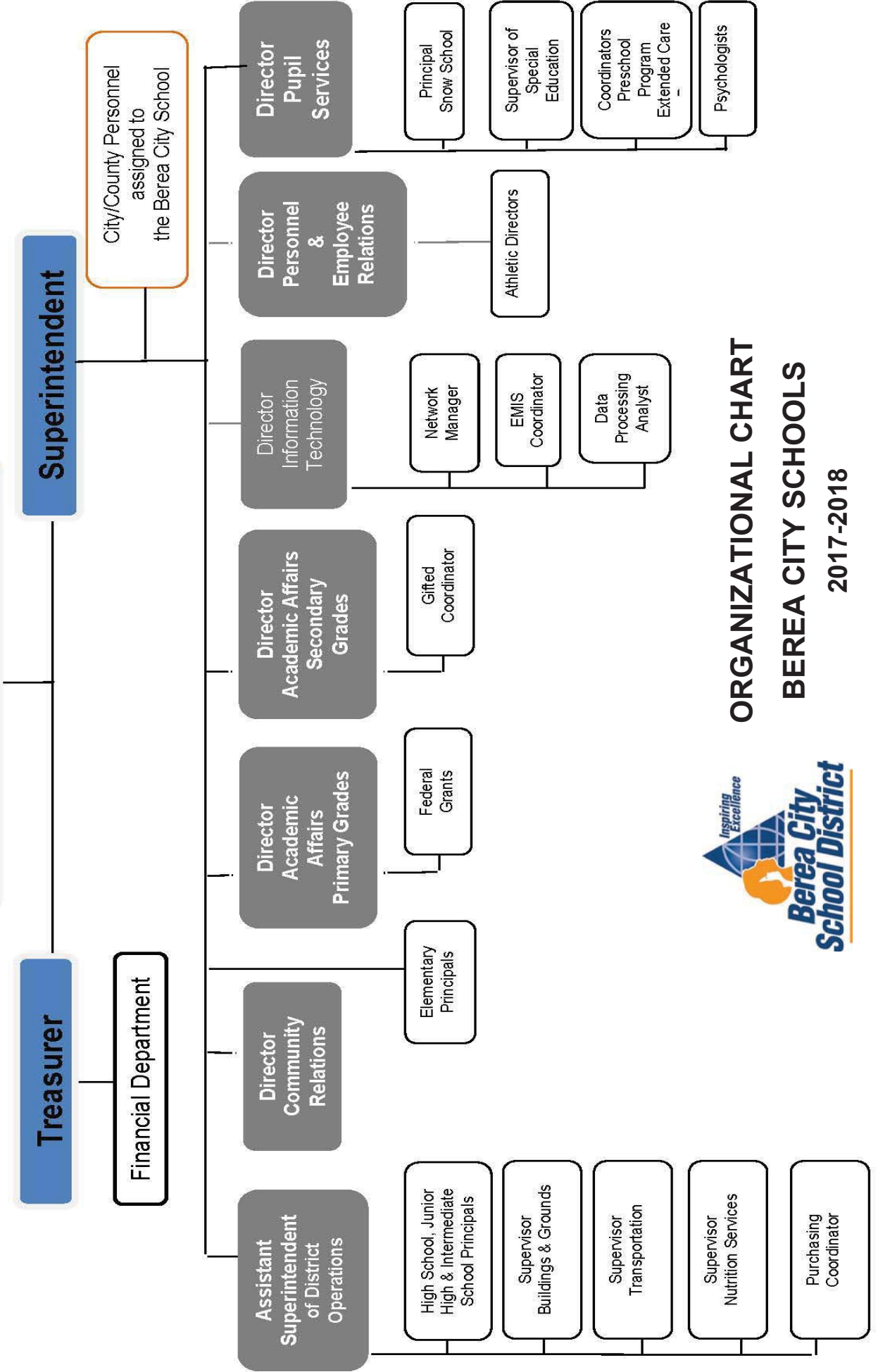
Mrs. Jill Rowe

Administration

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

RESIDENTS OF THE DISTRICT

BOARD OF EDUCATION



**ORGANIZATIONAL CHART
BEREA CITY SCHOOLS
2017-2018**

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Financial Section



Mark Angelo DeVera • 4th Grade



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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, Ohio, as of June 30, 2018, 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 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, 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 21, 2018

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Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

The discussion and analysis of Berea City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2018. 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 2018 are as follows:

- The net position of the School District increased over \$51 million from fiscal year 2017 levels. The increase is due to the large decrease in net pension liability and net OPEB liability. This change was related to changes in assumptions and benefit terms related to pensions.
- Total revenues increased compared to the prior year due to the School District receiving a full year of collections on the new tax levy approved in the prior year.
- On December 27, 2017, the School District issued Certificates of Participation to partially refund a portion of the 2014 Certificates of Participation. The School District decreased total debt service payments by \$429,987.
- The District is currently in the midst of building a new combined elementary school. This new combined elementary school is being built on the old Ford Elementary School site and will house the students from Brookpark Memorial Elementary School and Brookview Elementary School. The District is also constructing a new High School, on the current High School site.

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 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets and deferred outflows of resources* and *all liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 13. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and building capital projects fund.

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2018 compared to 2017.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Table 1
Net Position

	2018	2017	Change
Assets			
Current and Other Assets	\$196,822,962	\$205,821,442	(\$8,998,480)
Capital Assets	64,005,134	45,983,375	18,021,759
Total Assets	260,828,096	251,804,817	9,023,279
Deferred Outflows of Resources			
Deferred Charge on Refunding	2,143,003	1,327,620	815,383
Pension	28,836,718	25,182,898	3,653,820
OPEB	1,004,288	209,277	795,011
Total Deferred Outflows of Resources	31,984,009	26,719,795	5,264,214
Liabilities			
Current and Other Liabilities	18,143,456	12,250,638	(5,892,818)
Long-term Liabilities:			
Due Within One Year	2,161,861	4,559,396	2,397,535
Due in More Than One year:			
Net Pension Liability	98,517,996	140,677,549	42,159,553
Net OPEB Liability	22,329,317	29,269,459	6,940,142
Other Amounts	138,236,518	141,660,154	3,423,636
Total Liabilities	279,389,148	328,417,196	49,028,048
Deferred Inflows of Resources			
Property Taxes	53,766,806	49,978,718	(3,788,088)
Pension	11,410,359	6,718,918	(4,691,441)
OPEB	3,744,705	0	(3,744,705)
Deferred Gain on Refunding	0	6,574	6,574
Total Deferred Inflows of Resources	68,921,870	56,704,210	(12,217,660)
Net Position			
Net Investment in Capital Assets	23,844,288	16,438,747	7,405,541
Restricted	5,723,042	6,839,369	(1,116,327)
Unrestricted (Deficit)	(85,066,243)	(129,874,910)	44,808,667
Total Net Position	(\$55,498,913)	(\$106,596,794)	\$51,097,881

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement 27." For fiscal year 2018, the School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

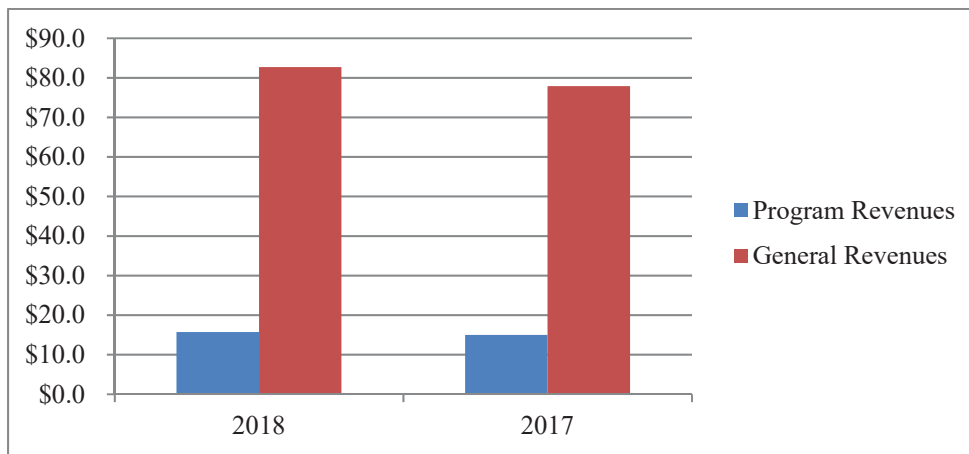
Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the School District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from (\$77,536,612) to (\$106,596,794).

Graph 1
Revenues
(In Millions)

	2018	2017
Program Revenues	\$15.7	\$15.0
General Revenues	82.7	77.9



The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.00 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 62.1 percent of revenues for governmental activities for Berea City School District in fiscal year 2018. The School District passed a 4.2 mill bond levy in the fall of 2016. The increase in property tax revenue was due to the receipt of a full year of collections from this new levy.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2018 and 2017.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Table 2
Changes in Net Position

	2018	2017	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services and Sales	\$6,996,003	\$6,831,859	\$164,144
Operating Grants, Contributions and Interest	7,133,096	7,500,793	(367,697)
Capital Grants and Contributions and Interest	1,605,661	624,573	981,088
<i>Total Program Revenues</i>	<u>15,734,760</u>	<u>14,957,225</u>	<u>777,535</u>
<i>General Revenues</i>			
Property Taxes	61,116,627	55,620,633	5,495,994
Grants and Entitlements	21,045,208	21,679,782	(634,574)
Interest	262,005	146,467	115,538
Other	274,849	466,464	(191,615)
<i>Total General Revenues</i>	<u>82,698,689</u>	<u>77,913,346</u>	<u>4,785,343</u>
<i>Total Revenues</i>	<u>98,433,449</u>	<u>92,870,571</u>	<u>5,562,878</u>
Program Expenses			
Instruction	17,912,951	53,971,708	36,058,757
Support Services:			
Pupils and Instructional Staff	3,617,713	7,964,201	4,346,488
Board of Education, Administration, Fiscal, and Business	4,317,539	8,393,130	4,075,591
Operation and Maintenance of Plant	4,520,998	6,288,109	1,767,111
Pupil Transportation	5,925,401	6,281,638	356,237
Central	1,305,965	2,673,824	1,367,859
Operation of Non-Instructional Services	2,849,116	3,458,007	608,891
Extracurricular Activities	1,383,137	1,368,948	(14,189)
Interest and Fiscal Charges	5,502,748	2,773,750	(2,728,998)
<i>Total Expenses</i>	<u>47,335,568</u>	<u>93,173,315</u>	<u>45,837,747</u>
<i>Change in Net Position</i>	51,097,881	(302,744)	51,400,625
Net Position Beginning of Year	<u>(106,596,794)</u>	NA	
Net Position End of Year	<u>(\$55,498,913)</u>	<u>(\$106,596,794)</u>	<u>\$51,097,881</u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$209,277 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$3,723,133. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Total 2018 program expenses under GASB 75	\$47,335,568
Negative OPEB expense under GASB 75	3,723,133
2018 contractually required contribution	<u>267,315</u>
Adjusted 2018 program expenses	51,326,016
Total 2017 program expenses under GASB 45	<u>93,173,315</u>
Decrease in program expenses not related to OPEB	<u><u>(\$41,847,299)</u></u>

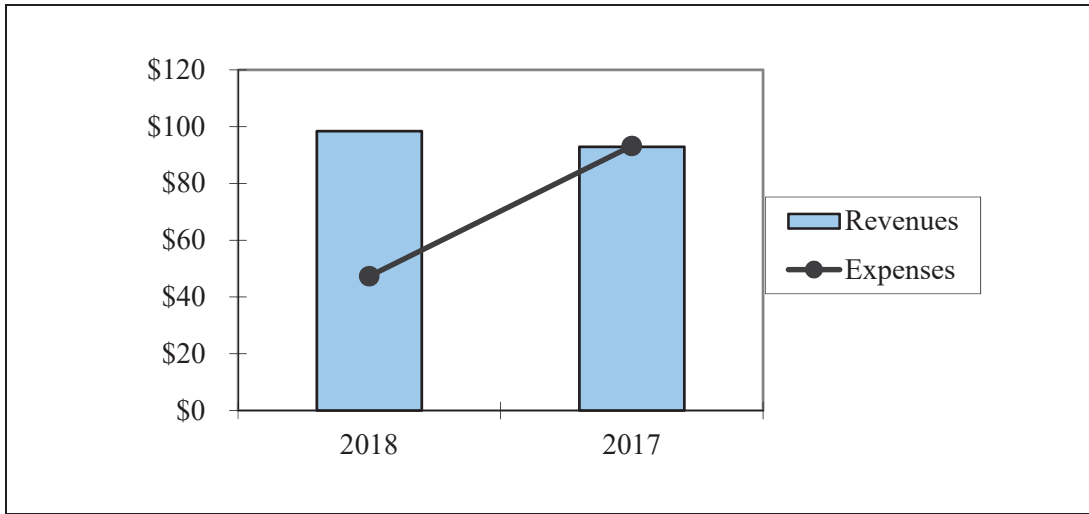
The largest component of the decrease in program expenses results from changes in assumptions and benefit terms related to pensions. STRS adopted certain assumption changes, including a reduction in their discount rate, and also voted to suspend cost of living adjustments (COLA). SERS decreased their COLA assumption. (See Note 13) As a result of these changes, pension expense decreased from \$9,033,965 in fiscal year 2017 to a negative pension expense of \$34,256,894 for fiscal year 2018. The allocation of the fiscal year 2018 negative pension expense to program expenses is as follows:

Program Expenses	2018 Program Expenses Related to Negative Pension Expense
Instruction:	
Regular	(\$19,470,559)
Special	(6,875,354)
Vocational	(193,597)
Support Services:	
Pupils	(2,170,539)
Instructional Staff	(770,209)
Administration	(2,421,345)
Fiscal	(184,839)
Business	(32,996)
Operation and Maintenance of Plant	(805,926)
Pupil Transportation	(268,034)
Central	(644,395)
Operation of Non-Instructional Services:	
Food Service Operations	(100,925)
Community Services	(259,031)
Extracurricular Activities	<u>(59,145)</u>
 Total Expenses	 <u><u>(\$34,256,894)</u></u>

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Graph 2
Revenues and Expenses
(In Millions)

	2018	2017
Revenues	\$98.4	\$92.9
Expenses	47.3	93.2



Total program revenues increased \$777,535 mainly due to an increase in tuition and fees as well as an increase in capital contributions and interest. The increase is due to the large receivable at year end for Regular and Special Education Tuition that comes over from the State through foundation. This increase is offset by a decrease in operating grants, contributions and interest. The School District actively seeks grants provided by various foundations to promote academic achievement for students in the 21st century.

The School District carefully invests its cash and equivalents in a variety of investment types with the primary focus being safety of principal, but with an attention to investment opportunities to increase yield. The School District pays close attention to daily interest rates and long-term financial trends. Fiscal year 2018's interest revenue is \$115,538 more than 2017's and is a direct result of more cash being available for investment purposes.

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

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

Overall total governmental expenses decreased \$45,837,747 due to the large negative pension expense related to the change in assumptions and benefit terms related to pension. Management must continue to

Berea City School District
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For the Fiscal Year Ended June 30, 2018
Unaudited

diligently plan expenses, staying carefully within the School District's financial forecast. Additional revenues must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the life of the levies.

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

Table 3
 Total and Cost of Program Services
 Governmental Activities

	2018		2017	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$17,912,951	\$7,748,753	\$53,971,708	\$44,946,759
Support Services:				
Pupil and Instructional Staff	3,617,713	2,916,633	7,964,201	7,117,063
Board of Education, Administration, Fiscal and Business	4,317,539	3,917,633	8,393,130	7,949,147
Operation and Maintenance of Plant	4,520,998	4,514,550	6,288,109	6,196,773
Pupil Transportation	5,925,401	5,742,430	6,281,638	6,094,676
Central	1,305,965	804,990	2,673,824	2,121,934
Operation of Non-Instructional Services	2,849,116	(410,235)	3,458,007	143,991
Extracurricular Activities	1,383,137	863,306	1,368,948	871,997
Interest and Fiscal Charges	5,502,748	5,502,748	2,773,750	2,773,750
Total	\$47,335,568	\$31,600,808	\$93,173,315	\$78,216,090

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

The School District's Funds

Information about the School District's governmental funds starts on page 20. These funds are accounted for using the modified accrual basis of accounting. Governmental funds have total revenues of \$97,177,930 and expenditures of \$116,578,401. The net change in the governmental funds fund balance for the year was most significant in the building capital projects fund, where the capital outlay expenditures increased due to the start of several construction projects throughout the School District.

There was a decrease in fund balance for the year in the general fund of \$1,075,738. The decrease in the general fund is due to an increase in the amount of transfers to supplement programs in other funds compared to the prior year. This was offset by an increase in property tax collections compared to the prior year.

General Fund Budgeting Highlights

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

Berea City School District
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During the course of fiscal year 2018 the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budget basis revenue was \$87,326,742, which was an increase from the original budget estimates of \$84,352,952. Actual revenue received was \$85,009,059; due to lower than estimated property tax, intergovernmental and tuition and fees revenues.

Total final estimated expenditures on the budget basis (cash outlays plus encumbrances) were \$82,659,283, \$4,667,459 below budget basis revenues. Actual expenditures were only \$81,131,665, \$1,527,618 below the final budgeted appropriations.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2018 balances compared to the prior fiscal year:

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

	2018	2017
Land	\$893,217	\$893,217
Construction in Progress	17,891,176	1,146,680
Land Improvements	2,150,006	826,187
Buildings and Improvements	39,830,770	40,845,808
Furniture and Equipment	892,438	439,854
Vehicles	2,347,527	1,831,629
Total	\$64,005,134	\$45,983,375

The increase in capital assets in fiscal year 2018 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 2018 this amounted to \$1,084,153 for the set aside. The School District had qualifying disbursements or offsets exceeding this requirement. See Note 17 for additional information regarding set asides.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Debt

Table 5 summarizes bonds, certificate of participation, and notes outstanding for fiscal year 2018 and fiscal year 2017:

Table 5
 Outstanding Debt at June 30
 Governmental Activities

	2018	2017
2003 School Improvement Refunding Bonds	\$0	\$960,000
2007 Energy Conservation Bonds	0	3,067,407
Certificates of Participation	25,123,371	24,814,405
2008 Tax Anticipation Notes	0	336,900
2013 Tax Anticipation Notes	1,575,000	1,870,000
2017 School Improvement Bonds	112,128,319	114,050,319
Total	\$138,826,690	\$145,099,031

On November 4, 2009 the School District issued Certificates of Participation in the amount of \$26 million at a net interest rate of 4.7 percent for the purpose of building a new elementary building. On May 21, 2014, the School District issued refunding Certificates of Participation, in the amount of \$13,685,000, to partially refund the Certificates of Participation previously issued, in the amount of \$12,870,000. On February 23, 2016, the School District issued \$8,900,000 in Certificates of Participation (COPs), for the purpose of partially refunding the COPs issued in fiscal year 2010. On August 29, 2007 the School District issued \$2.9 million in tax anticipation notes for capital improvements. On February 6, 2013, the School District issued \$3,000,000 in Tax Anticipation Notes. On March 2, 2017, the School District issued \$112,500,000 in School Improvement Bonds. On December 27, 2017, the School District issued refunding Certificates of Participation, in the amount of \$14,279,000, to partially refund the Certificates of Participation previously issued in fiscal year 2014.

At June 30, 2018 the School District's overall legal debt margin was \$8,767,046 with an unvoted debt margin of \$1,320,963. The debt is well within permissible limits. The School District maintains an A-1 bond rating. For more information refer to Notes 19 and 20 to the basic financial statements.

Current Financial Related Activities

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

Minimal new construction in Class I or Class II property and restrictions on inflationary growth in tax revenue due to limitations set forth in House Bill 920 further challenges this plan. Recent legislation has reinstated the phase out of the personal property tax reimbursement from the State of Ohio. This will eventually lead to a twelve percent reduction in current revenue levels. Furthermore, based on the current State budget, the School District's growth in unrestricted State aid is limited to 3% annually. Without changes to this legislation, the School District will need to explore opportunities to increase revenue or reduce expenditures in order to ensure fiscal stability.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

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

Contacting the School District's Financial Management

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

Basic Financial Statements

Berea City School District
Statement of Net Position
June 30, 2018

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$126,714,866
Accounts Receivable	159,473
Intergovernmental Receivable	4,749,484
Prepaid Items	174,004
Inventory Held for Resale	21,762
Materials and Supplies Inventory	41,609
Taxes Receivable	64,422,649
Unamortized Bond Insurance Premium	539,115
Non-depreciable Capital Assets	18,784,393
Depreciable Capital Assets, Net	45,220,741
<i>Total Assets</i>	260,828,096
Deferred Outflows of Resources	
Deferred Charge on Refunding	2,143,003
Pension	28,836,718
OPEB	1,004,288
<i>Total Deferred Outflows of Resources</i>	31,984,009
Liabilities	
Accounts Payable	482,542
Contracts Payable	6,997,468
Accrued Wages	5,485,016
Matured Compensated Absences Payable	130,485
Retainage Payable	342,393
Intergovernmental Payable	1,728,138
Accrued Interest Payable	583,716
Notes Payable	1,575,000
Claims Payable	818,698
Long-Term Liabilities:	
Due Within One Year	2,161,861
Due In More Than One Year:	
Net Pension Liability (See Note 13)	98,517,996
Net OPEB Liability (See Note 14)	22,329,317
Other Amounts	138,236,518
<i>Total Liabilities</i>	279,389,148
Deferred Inflows of Resources	
Property Taxes	53,766,806
Pension	11,410,359
OPEB	3,744,705
<i>Total Deferred Inflows of Resources</i>	68,921,870
Net Position	
Net Investment in Capital Assets	23,844,288
Restricted for:	
Capital Projects	2,485,689
Debt Service	141,560
District Managed Student Activity	105,910
Locally Funded Programs	695,009
State Funded Programs	71,084
Federal Funded Programs	2,201,647
Unclaimed Monies	22,143
Unrestricted (Deficit)	(85,066,243)
<i>Total Net Position</i>	(\$55,498,913)

See accompanying notes to the basic financial statements

Berea City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2018

	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest		
Governmental Activities					
Instruction:					
Regular	\$12,312,233	\$2,050,604	\$174,834	\$1,354,178	(\$8,732,617)
Special	5,506,454	2,548,435	3,998,854	0	1,040,835
Vocational	94,264	0	37,293	0	(56,971)
Support Services:					
Pupil	2,571,937	0	443,272	0	(2,128,665)
Instructional Staff	1,045,776	0	10,808	247,000	(787,968)
Board of Education	48,601	0	0	0	(48,601)
Administration	1,834,766	0	279,443	0	(1,555,323)
Fiscal	2,087,469	11,333	109,130	0	(1,967,006)
Business	346,703	0	0	0	(346,703)
Operation and Maintenance of Plant	4,520,998	5,557	891	0	(4,514,550)
Pupil Transportation	5,925,401	182,616	355	0	(5,742,430)
Central	1,305,965	0	496,492	4,483	(804,990)
Operation of Non-Instructional Services:					
Food Service Operations	1,580,193	591,487	919,833	0	(68,873)
Other Non-Instructional Services	1,268,923	1,132,294	615,737	0	479,108
Extracurricular Activities	1,383,137	473,677	46,154	0	(863,306)
Interest and Fiscal Charges	5,502,748	0	0	0	(5,502,748)
Totals	\$47,335,568	\$6,996,003	\$7,133,096	\$1,605,661	(31,600,808)
General Revenues					
Property Taxes Levied for:					
General Purposes					54,514,378
Debt Service					5,134,082
Capital Outlay					1,468,167
Grants and Entitlements not Restricted to Specific Programs					21,045,208
Investment Earnings					262,005
Miscellaneous					274,849
Total General Revenues					82,698,689
Change in Net Position					51,097,881
<i>Net Position Beginning of Year - Restated (See Note 3)</i>					<u>(106,596,794)</u>
<i>Net Position End of Year</i>					<u><u>(\$55,498,913)</u></u>

See accompanying notes to the basic financial statements

Berea City School District

Balance Sheet

Governmental Funds

June 30, 2018

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$18,622,503	\$103,502,567	\$4,357,158	\$126,482,228
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	22,143	0	0	22,143
Accounts Receivable	136,113	0	22,882	158,995
Intergovernmental Receivable	3,330,885	0	1,418,599	4,749,484
Interfund Receivable	1,257,018	0	0	1,257,018
Prepaid Items	3,006	0	0	3,006
Inventory Held for Resale	9,796	0	11,966	21,762
Materials and Supplies Inventory	32,328	0	9,281	41,609
Property Taxes Receivable	57,581,727	0	6,840,922	64,422,649
<i>Total Assets</i>	<u>\$80,995,519</u>	<u>\$103,502,567</u>	<u>\$12,660,808</u>	<u>\$197,158,894</u>
Liabilities				
Accounts Payable	\$350,775	\$9,369	\$122,398	\$482,542
Contracts Payable	0	6,934,763	62,705	6,997,468
Accrued Wages	5,238,746	0	246,270	5,485,016
Matured Compensated Absences Payable	130,485	0	0	130,485
Retainage Payable	0	342,393	0	342,393
Interfund Payable	0	0	263,589	263,589
Intergovernmental Payable	1,565,126	0	163,012	1,728,138
Accrued Interest Payable	0	0	2,730	2,730
Notes Payable	0	0	1,575,000	1,575,000
<i>Total Liabilities</i>	<u>7,285,132</u>	<u>7,286,525</u>	<u>2,435,704</u>	<u>17,007,361</u>
Deferred Inflows of Resources				
Unavailable Revenue	4,746,107	0	925,428	5,671,535
Property Taxes	48,057,657	0	5,709,149	53,766,806
<i>Total Deferred Inflows of Resources</i>	<u>52,803,764</u>	<u>0</u>	<u>6,634,577</u>	<u>59,438,341</u>
Fund Balances				
Nonspendable	57,477	0	9,281	66,758
Restricted	0	96,216,042	4,496,538	100,712,580
Committed	138,451	0	0	138,451
Assigned	550,292	0	0	550,292
Unassigned (Deficit)	20,160,403	0	(915,292)	19,245,111
<i>Total Fund Balances</i>	<u>20,906,623</u>	<u>96,216,042</u>	<u>3,590,527</u>	<u>120,713,192</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$80,995,519</u>	<u>\$103,502,567</u>	<u>\$12,660,808</u>	<u>\$197,158,894</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, 2018*

Total Governmental Fund Balances	\$120,713,192
 <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.	64,005,134
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	2,085,239
Intergovernmental	708,014
Tuition and Fees	2,873,529
Extracurricular Activities	<u>4,753</u>
Total	5,671,535
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.	(1,430,156)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(580,986)
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.	2,143,003
Unamortized bond insurance premiums do not provide current financial resources and, therefore, are not reported in the funds.	539,115
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Certificates of Participation	(25,123,371)
General Obligation Bonds	(112,128,319)
Compensated Absences	<u>(3,146,689)</u>
Total	(140,398,379)
The net pension liability and net OPEB liability are 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	28,836,718
Deferred Inflows - Pension	(11,410,359)
Net Pension Liability	(98,517,996)
Deferred Outflows - OPEB	1,004,288
Deferred Inflows - OPEB	(3,744,705)
Net OPEB Liability	<u>(22,329,317)</u>
Total	<u>(106,161,371)</u>
 <i>Net Position of Governmental Activities</i>	 <u><u>(\$55,498,913)</u></u>

See accompanying notes to the basic financial statements

Berea City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	Building	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$54,619,653	\$0	\$6,530,944	\$61,150,597
Intergovernmental	23,325,702	0	4,881,954	28,207,656
Interest	262,005	1,346,061	19,345	1,627,411
Tuition and Fees	3,366,530	0	1,131,878	4,498,408
Extracurricular Activities	168,984	0	234,537	403,521
Rentals	5,557	0	66,064	71,621
Charges for Services	0	0	602,820	602,820
Contributions and Donations	29,968	0	311,825	341,793
Miscellaneous	244,004	0	30,099	274,103
<i>Total Revenues</i>	<u>82,022,403</u>	<u>1,346,061</u>	<u>13,809,466</u>	<u>97,177,930</u>
Expenditures				
Current:				
Instruction:				
Regular	36,221,139	0	159,310	36,380,449
Special	12,574,212	0	1,440,456	14,014,668
Vocational	334,293	0	0	334,293
Support Services:				
Pupil	4,883,941	0	408,129	5,292,070
Instructional Staff	2,039,734	0	475	2,040,209
Board of Education	48,237	0	0	48,237
Administration	4,775,726	0	260,600	5,036,326
Fiscal	2,152,446	0	231,033	2,383,479
Business	408,672	0	0	408,672
Operation and Maintenance of Plant	5,796,330	0	7,270	5,803,600
Pupil Transportation	6,247,607	0	323	6,247,930
Central	1,758,240	0	494,692	2,252,932
Operation of Non-Instructional Services	5,201	0	1,641,616	1,646,817
Operation of Food Service	807	0	1,772,815	1,773,622
Extracurricular Activities	1,131,353	0	332,613	1,463,966
Capital Outlay	90,000	17,980,161	1,139,368	19,209,529
Debt Service:				
Principal Retirement	745,000	0	5,860,000	6,605,000
Interest and Fiscal Charges	715,515	0	4,750,981	5,466,496
Issuance Costs	0	0	170,106	170,106
<i>Total Expenditures</i>	<u>79,928,453</u>	<u>17,980,161</u>	<u>18,669,787</u>	<u>116,578,401</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,093,950</u>	<u>(16,634,100)</u>	<u>(4,860,321)</u>	<u>(19,400,471)</u>
Other Financing Sources (Uses)				
Refunding Certificates of Participation Issued	0	0	14,279,000	14,279,000
Payment to Refunded Bond Escrow Agent	0	0	(14,108,894)	(14,108,894)
Transfers In	0	0	3,169,688	3,169,688
Transfers Out	(3,169,688)	0	0	(3,169,688)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,169,688)</u>	<u>0</u>	<u>3,339,794</u>	<u>170,106</u>
<i>Net Change in Fund Balances</i>	(1,075,738)	(16,634,100)	(1,520,527)	(19,230,365)
<i>Fund Balances Beginning of Year</i>	<u>21,982,361</u>	<u>112,850,142</u>	<u>5,111,054</u>	<u>139,943,557</u>
<i>Fund Balances End of Year</i>	<u>\$20,906,623</u>	<u>\$96,216,042</u>	<u>\$3,590,527</u>	<u>\$120,713,192</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, 2018*

Net Change in Fund Balances - Total Governmental Funds (\$19,230,365)

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 capital outlay exceeded depreciation in the current period.

Capital Asset Additions	19,860,734	
Depreciation	(1,838,975)	
Total		18,021,759

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

Delinquent Property Taxes	(33,970)	
Intergovernmental	(130,890)	
Tuition and Fees	1,414,880	
Extracurricular Activities	4,753	
Miscellaneous	(1,732)	
Total		1,253,041

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

Certificate of Participation	745,000	
General Obligation Bonds	5,860,000	
Payment to Refunded Bond Escrow Agent	14,108,894	
Total		20,713,894

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	38,891	
Amortization of Accounting Loss	(137,580)	
Amortization of Accounting Gain	6,574	
Amortization of Unamortized Bond Insurance Premium	(20,569)	
Amortization of Certificates of Participation Discount	(18,859)	
Amortization of Certificates of Participation Premium	5,884	
Amortization of Bond Premium	89,407	
Total		(36,252)

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.

180,730

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.

(638,306)

Other financing sources in the governmental funds increased long-term liabilities in the statement of net position.

Refunding Certificates of Participation Issued		(14,279,000)
--	--	--------------

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

Pension	6,865,038	
OPEB	267,315	
Total		7,132,353

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

Pension	34,256,894	
OPEB	3,723,133	
Total		37,980,027

Change in Net Position of Governmental Activities

\$51,097,881

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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$55,638,046	\$58,364,342	\$56,700,795	(\$1,663,547)
Intergovernmental	23,293,129	23,632,471	23,180,938	(451,533)
Interest	185,000	321,468	312,305	(9,163)
Tuition and Fees	4,814,565	4,549,835	4,362,323	(187,512)
Extracurricular Activities	108,284	168,969	168,969	0
Rentals	15,000	10,856	10,547	(309)
Contributions and Donations	32,850	29,968	29,968	0
Miscellaneous	266,078	248,833	243,214	(5,619)
<i>Total Revenues</i>	<u>84,352,952</u>	<u>87,326,742</u>	<u>85,009,059</u>	<u>(2,317,683)</u>
Expenditures				
Current:				
Instruction:				
Regular	37,320,087	36,863,013	36,511,644	351,369
Special	13,280,891	13,018,902	12,830,723	188,179
Vocational	314,914	336,158	334,225	1,933
Support Services:				
Pupil	4,803,039	4,938,186	4,921,751	16,435
Instructional Staff	2,451,625	2,376,101	2,128,870	247,231
Board of Education	51,115	51,115	46,826	4,289
Administration	4,829,954	4,940,369	4,935,340	5,029
Fiscal	2,200,445	2,213,354	2,211,290	2,064
Business	479,450	455,182	407,295	47,887
Operation and Maintenance of Plant	5,995,132	6,103,393	5,844,364	259,029
Pupil Transportation	6,164,504	6,327,570	6,294,172	33,398
Central	2,057,781	2,056,125	1,975,937	80,188
Operation of Non-Instructional Services	26,912	26,912	4,556	22,356
Operation of Food Service	0	807	807	0
Extracurricular Activities	983,141	1,252,543	1,129,763	122,780
Capital Outlay	93,587	93,587	93,587	0
Debt Service:				
Principal Retirement	745,000	745,000	745,000	0
Interest and Fiscal Charges	860,966	860,966	715,515	145,451
<i>Total Expenditures</i>	<u>82,658,543</u>	<u>82,659,283</u>	<u>81,131,665</u>	<u>1,527,618</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>\$1,694,409</u>	<u>\$4,667,459</u>	<u>\$3,877,394</u>	<u>(\$790,065)</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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Sources (Uses)				
Advances In	\$0	\$482,762	\$482,762	\$0
Advances Out	0	0	(769,775)	(769,775)
Transfers Out	(590,000)	(3,187,151)	(3,169,688)	17,463
<i>Total Other Financing Sources (Uses)</i>	<u>(590,000)</u>	<u>(2,704,389)</u>	<u>(3,456,701)</u>	<u>(752,312)</u>
<i>Net Change in Fund Balance</i>	1,104,409	1,963,070	420,693	(1,542,377)
<i>Fund Balance Beginning of Year</i>	16,393,310	16,393,310	16,393,310	0
Prior Year Encumbrances Appropriated	<u>1,293,028</u>	<u>1,293,028</u>	<u>1,293,028</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$18,790,747</u></u>	<u><u>\$19,649,408</u></u>	<u><u>\$18,107,031</u></u>	<u><u>(\$1,542,377)</u></u>

See accompanying notes to the basic financial statements

Berea City School District
Statement of Fund Net Position
Internal Service Funds
June 30, 2018

	<u>Internal Service</u>
Assets	
<i>Current Assets</i>	
Equity in Pooled Cash and Cash Equivalents	\$210,495
Accounts Receivable	478
Prepaid Items	<u>170,998</u>
<i>Total Assets</i>	<u>381,971</u>
Liabilities	
<i>Current Liabilities</i>	
Interfund Payable	993,429
Claims Payable	<u>818,698</u>
<i>Total Liabilities</i>	<u>1,812,127</u>
Net Position	
Unrestricted (Deficit)	<u><u>(\$1,430,156)</u></u>

See accompanying notes to the basic financial statements

Berea City School District
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2018*

	Internal Service
Operating Revenues	
Charges for Services	\$10,697,224
Other	2,478
	<u>10,699,702</u>
 Operating Expenses	
Purchased Services	1,316,004
Claims	10,022,004
	<u>11,338,008</u>
 <i>Total Operating Revenues</i>	 <u>10,699,702</u>
 <i>Total Operating Expenses</i>	 <u>11,338,008</u>
 <i>Change in Net Position</i>	 (638,306)
 <i>Net Position Beginning of Year</i>	 (791,850)
 <i>Net Position End of Year</i>	 <u><u>(\$1,430,156)</u></u>

See accompanying notes to the basic financial statements

Berea City School District
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

	Internal Service
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services	\$10,697,224
Other Cash Receipts	129,449
Cash Payments for Goods and Services	(1,512,998)
Cash Payments for Claims	(10,040,580)
	(726,905)
Cash Flows from Noncapital Financing Activities	
Advance In	993,429
Advance Out	(374,664)
	618,765
<i>Net Cash Provided by Noncapital Financing Activities</i>	618,765
<i>Net Decrease in Cash and Cash Equivalents</i>	(108,140)
<i>Cash and Cash Equivalents Beginning of Year</i>	318,635
<i>Cash and Cash Equivalents End of Year</i>	\$210,495
 <i>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</i>	
<i>Operating Loss</i>	(\$638,306)
(Increase) Decrease in Assets	
Accounts Receivable	(478)
Intergovernmental Receivable	127,449
Prepaid Items	(170,998)
Increase (Decrease) in Liabilities	
Accounts Payable	(1,520)
Intergovernmental Payable	(24,476)
Claims Payable	(18,576)
	(88,599)
<i>Total Adjustments</i>	(88,599)
<i>Net Cash Used for Operating Activities</i>	(\$726,905)

See accompanying notes to the basic financial statements

Berea City School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private Purpose Trust Fund	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$13,664	\$669,784
Liabilities		
Undistributed Monies	0	\$527,228
Due to Students	0	142,556
<i>Total Liabilities</i>	0	\$669,784
Net Position		
Held in Trust for Scholarships:	\$13,664	

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, 2018

	Scholarship
Additions	
Interest	\$153
Deductions	0
<i>Change in Net Position</i>	153
<i>Net Position Beginning of Year</i>	13,511
<i>Net Position End of Year</i>	\$13,664

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, 2018

Note 1 - Description of the School District and Reporting Entity

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by the State and federal agencies. This Board of Education controls the School District's eleven instructional/support facilities staffed by 379 classified employees, 450 certificated full-time personnel, and 43 administrators who provide services to 5,977 students and other community members.

Reporting Entity

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

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

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

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

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

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

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

Jointly Governed Organizations:

Polaris Career Center
Educational Community Foundation
Ohio Schools' Council Association

Public Entity Risk Pool:

Cincinnati USA Chamber of Commerce Workers' Compensation Group Rating Program

Note 2 - Summary of Significant Accounting Policies

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

Fund Accounting

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

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

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

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

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

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Internal Service Funds The internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The School District's internal service funds account for medical, prescription drug, dental, and vision claims of School District employees and for workers' compensation.

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

Basis of Presentation

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

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

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

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

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

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

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 and OPEB plans. 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 and OPEB plans are explained in Note 13 and 14.

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, OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 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 extracurricular activities revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 21. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14)

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

Cash and Cash Equivalents

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

During fiscal year 2018, investments were limited to federal farm credit bank notes, federal home loan bank bonds, federal home loan mortgage corporation notes, federal national mortgage association notes, US treasury bill, US treasury note, commercial paper, money market mutual funds, negotiable certificates of deposit and STAR Ohio. Except for commercial paper and STAR Ohio, investments are reported at fair value which is based on quoted market prices and significant other observable inputs. The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

During fiscal year 2018, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

For fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2018 amounted to \$262,005 which includes \$22,005 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, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

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

Unamortized Bond Insurance Premiums, Discounts and Premiums

On the government-wide financial statements, bond insurance premiums, and discounts and premiums on bonds and certificates of participation (COPs) are deferred and amortized over the term of the debt using the straight line method. Premiums are presented as an increase of the face amount of the debt. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent. On the fund financial statements, bond insurance premiums and discounts and premiums on bonds and COPs are receipted or expended in the year the debt was issued.

Deferred Charge/Gain on Refunding

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

debt or the life of the new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources or deferred inflows of resources on the statement of net position.

Capital Assets

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

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

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

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

Interfund Balances

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

Compensated Absences

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

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

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 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. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits. Bonds are recognized as a liability on the governmental fund financial statements when due.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans 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 District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

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

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

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

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

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

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

Operating Revenues and Expenses

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

Internal Activity

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

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

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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 – Changes in Accounting Principles and Restatement of Net Position

For fiscal year 2018, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

For fiscal year 2018, the School District also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-1*. These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

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GASB 75 established standards for measuring and recognizing Postemployment benefit 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, 2017:

Net Position June 30, 2017	(\$77,536,612)
Adjustments:	
Net OPEB Liability	(29,269,459)
Deferred Outflow - Payments Subsequent to Measurement Date	209,277
Restated Net Position June 30, 2017	(\$106,596,794)

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

The following funds had deficit fund balances at June 30, 2018:

Non-major Governmental Funds	
Special Revenue Funds	
Title VI-B	\$24,906
Preschool	173
Title IIA	2,113
Title III	1,356
Miscellaneous Federal Grants	487
Capital Projects Fund	
Permanent Improvement	886,257

The deficits in the special revenue funds resulted from adjustments for accrued liabilities. The deficit in the permanent improvement capital projects fund is a result of the issuance of the tax anticipation notes. The deficit will be eliminated once the obligation is paid in full. The general fund is liable for any deficit in these funds and provides transfers when cash is required, rather than when accruals occur.

Note 5 - Budgetary Basis of Accounting

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

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

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2. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
4. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).
6. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

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

Net Change in Fund Balance	
GAAP Basis	(\$1,075,738)
Net Adjustment for Revenue Accruals	2,960,550
Advances In	482,762
Beginning Unrecorded Cash End of Year	6,229
Ending Unrecorded Cash End of Year	(21,342)
Beginning Fair Value Adjustment for Investments	(1,675)
Ending Fair Value Adjustment for Investments	42,894
Net Adjustment for Expenditure Accruals	(156,802)
Advances Out	(769,775)
Adjustment for Encumbrances	<u>(1,046,410)</u>
Budget Basis	<u><u>\$420,693</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	Building	Other Governmental Funds	Total
Nonspendable				
Prepays	\$3,006	\$0	\$0	\$3,006
Inventory	32,328	0	9,281	41,609
Unclaimed Monies	22,143	0	0	22,143
<i>Total Nonspendable</i>	<u>57,477</u>	<u>0</u>	<u>9,281</u>	<u>66,758</u>
Restricted for				
Non-Public Schools	0	0	56,077	56,077
Athletics and Music	0	0	102,900	102,900
Professional Development	0	0	73,818	73,818
Special Education	0	0	179,309	179,309
Preschool Education	0	0	4,441	4,441
Food Service Operations	0	0	1,365,975	1,365,975
Adult Education	0	0	638,657	638,657
Debt Service Payments	0	0	2,075,361	2,075,361
Capital Improvements	0	96,216,042	0	96,216,042
<i>Total Restricted</i>	<u>0</u>	<u>96,216,042</u>	<u>4,496,538</u>	<u>100,712,580</u>
Committed to				
Instruction	122,726	0	0	122,726
Support Services	10,050	0	0	10,050
Athletics and Music	5,675	0	0	5,675
<i>Total Committed</i>	<u>138,451</u>	<u>0</u>	<u>0</u>	<u>138,451</u>
Assigned to				
Purchases on Order:				
Instruction	99,423	0	0	99,423
Support Services	445,752	0	0	445,752
Athletics and Music	1,530	0	0	1,530
Capital Improvements	3,587	0	0	3,587
<i>Total Assigned</i>	<u>550,292</u>	<u>0</u>	<u>0</u>	<u>550,292</u>
Unassigned (Deficit)	<u>20,160,403</u>	<u>0</u>	<u>(915,292)</u>	<u>19,245,111</u>
<i>Total Fund Balances</i>	<u>\$20,906,623</u>	<u>\$96,216,042</u>	<u>\$3,590,527</u>	<u>\$120,713,192</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 2018 represent the collection of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed values as of January 1, 2017, 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

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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 2018 represent the collection of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2018 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, 2018 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2018, was \$7,650,646 in the general fund, \$739,416 in the bond retirement debt service fund, and \$180,543 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2017, was \$9,731,788 in the general fund, \$941,408 in the bond retirement debt service fund, and \$229,587 in the permanent improvement capital projects fund.

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 2018 taxes were collected are:

	2017 Second Half Collections		2018 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,256,415,050	96.88%	\$1,276,139,510	96.61%
Public Utility Personal	40,412,290	3.12	44,823,660	3.39
Total	\$1,296,827,340	100.00%	\$1,320,963,170	100.00%
Full Tax Rate per \$1,000 of assessed valuation	\$82.20		\$82.20	

Berea City School District
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Note 8 - Interfund Transactions

Interfund Balances

Interfund balances at June 30, 2018, consist of the following individual fund receivables and payables:

	Interfund Receivable
Interfund Payable	General
Other Governmental Funds:	
Title VI-B	\$130,499
Title I	112,649
Preschool at Risk	2,997
Preschool	5,035
Title IIA	7,681
Title III	2,588
Miscellaneous Federal Grants	2,140
Total Governmental Funds	263,589
Internal Service Fund:	
Self Insurance	993,429
Total	\$1,257,018

The interfund payables in other governmental funds are advances for grant monies that were not received by fiscal year end and were for support to programs and projects in the special revenue funds. The interfund payable in the self insurance fund are advances for charges for services that were not received by fiscal year end and were used pay claims. Interfund balances will be repaid within one year.

Interfund Transfers

The transfers of \$5,690 and \$590,000 from the general fund to the district managed student activities special revenue fund and the permanent improvement capital projects fund, respectively, were made to move unrestricted balances to support programs and projects accounted for in those funds. The transfer of \$2,573,998 from the general fund to the bond retirement debt service fund was to move unrestricted balances to make debt service payments.

Note 9 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2018, \$7,677,190 of the School District's total bank balance of \$9,278,342 was exposed to custodial credit

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risk because those deposits were uninsured and uncollateralized. One of the School District's financial institutions participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 58.65 percent resulting in the uninsured and uncollateralized balance.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

In August 2018, an additional financial institution participating in OPCS was approved for a reduced collateral floor of 65.91 percent. At the time the additional reduced floor became effective, \$2,484,937 of the School District's total bank balance was exposed to custodial credit risk because those deposits were uninsured and uncollateralized.

Investments

As of June 30, 2018, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value - Level One Inputs:				
Money Market Mutual Fund	\$98,342	1 Day	AAAm	0.08 %
Fair Value - Level Two Inputs:				
Federal Farm Credit Bank Notes	347,798	Less than one year	AA+	0.29
Federal Home Loan Bank Bonds	783,883	Less than three years	AA+	0.66
Federal Home Loan Mortgage Corporation Notes	678,425	Less than three years	AA+	0.57
Federal National Mortgage Association Notes	1,518,076	Less than three years	AA+	1.28
US Treasury Bills	47,693,816	Less than one year	AA+	40.37
US Treasury Note	618,159	Less than one year	AA+	0.52
Negotiable Certificates of Deposit	10,108,227	Less than three years	NA	8.56
Amortized Cost:				
Commercial Paper	52,636,588	Less than one year	A-1/A-1+	44.55
Net Asset Value Per Share:				
STAR Ohio	<u>3,664,056</u>	48.9 Days	AAAm	N/A
Total Investments	<u>\$118,147,370</u>			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs

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are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the School District's recurring fair value measurements as of June 30, 2018. The money market mutual funds are measured at fair value using quoted market prices (Level 1 inputs). The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year. The remainder of the School District's investments that are measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk The Standard's and Poors ratings of the School Districts investments are listed in the table above. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

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

Note 10 – Receivables

Receivables at June 30, 2018, 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:

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	Amount
Governmental Funds	
Special Instruction Tuition	\$1,527,402
Excess Cost	936,581
Title VI-B	681,572
Regular Instruction Tuition	634,901
Title I	583,025
Workers' Compensation Rebate	198,273
Title II-A	48,393
Title III	31,588
Preschool at Risk	31,144
Cleveland Metro School District	26,412
Cuyahoga County	18,914
Miscellaneous Federal Grants	16,001
Preschool	7,962
Medicaid	5,471
Olmsted Falls City School District	1,237
North Olmsted Falls City School District	608
	\$4,749,484
<i>Total Governmental Funds</i>	

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Balance 6/30/17	Additions	Deductions	Balance 6/30/18
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$893,217	\$0	\$0	\$893,217
Construction in Progress	1,146,680	18,243,223	(1,498,727)	17,891,176
	2,039,897	18,243,223	(1,498,727)	18,784,393
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	2,716,855	1,453,439	0	4,170,294
Buildings and Improvements	72,166,993	74,030	0	72,241,023
Furniture and Equipment	2,969,381	613,902	(19,952)	3,563,331
Vehicles	6,156,394	974,867	(40,176)	7,091,085
	\$84,009,623	\$3,116,238	(\$60,128)	\$87,065,733
<i>Total Capital Assets, Being Depreciated</i>				

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	Balance 6/30/17	Additions	Deductions	Balance 6/30/18
Governmental Activities				
Less Accumulated Depreciation:				
Land Improvements	(\$1,890,668)	(\$129,620)	\$0	(\$2,020,288)
Buildings and Improvements	(31,321,185)	(1,089,068)	0	(32,410,253)
Furniture and Equipment	(2,529,527)	(161,318)	19,952	(2,670,893)
Vehicles	(4,324,765)	(458,969)	40,176	(4,743,558)
<i>Total Accumulated Depreciation</i>	<u>(40,066,145)</u>	<u>(1,838,975)</u>	<u>60,128</u>	<u>(41,844,992)</u>
Total Capital Assets, Being Depreciated, Net	<u>43,943,478</u>	<u>1,277,263</u>	<u>0</u>	<u>45,220,741</u>
Governmental Activities Capital Assets, Net	<u>\$45,983,375</u>	<u>\$19,520,486</u>	<u>(\$1,498,727)</u>	<u>\$64,005,134</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$499,703
Special	267,828
Vocational	5,822
Support Services	
Pupil	46,579
Instructional Staff	25,338
Administration	79,174
Fiscal	15,598
Business	4,152
Operation and Maintenance of Plant	156,964
Pupil Transportation	577,270
Central	63,054
Operation of Food Service	93,201
Extracurricular Activities	4,292
Total Depreciation Expense	<u>\$1,838,975</u>

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 2018, the School District contracted with Schools of Ohio Risk Sharing Authority for Property (Fire and Extended Coverage), and for Boiler and Machinery coverage through Travelers Insurance. Both of these policies are part of the Ohio Schools' Council group purchasing plan.

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

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Vehicles are covered by Liberty Mutual and have a \$1,000 deductible for comprehensive and \$1,000 deductible for collision. This insurance includes a bodily injury and property damage combined single limit of \$1,000,000 with a \$10,000,000 umbrella, \$1,000,000 uninsured/underinsured motorist.

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

Workers' Compensation

For fiscal year 2018, the School District participated in Cincinnati USA Chamber of Commerce Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniComp provides administrative, cost control and actuarial services to the GRP.

Health and Life Insurance

The School District offers medical, prescription drug, dental, and vision benefits for all eligible employees and their dependents through a self-insurance internal service fund. The School District used a self-insured program through January 31, 2013, was not self-insured beginning February 1, 2013, and then went back to a self-insured program during fiscal year 2015. The School District is self-insured with Medical Mutual serving as third-party administrator. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$150,000 per employee, per year. The claims liability of \$818,698 reported in the self-insurance internal service fund at June 30, 2018, 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 2017 and 2018 were:

	Balance Beginning of Year	Current Year Claims	Claim Payments	Balance End of Year
2017	\$674,427	\$9,215,904	\$9,053,057	\$837,274
2018	837,274	10,022,004	10,040,580	818,698

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.

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Note 13 - Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

The net pension liability and the net OPEB liability reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB 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/OPEB liability represent the School District’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB 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 these estimates 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 and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

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

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publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining .5 percent was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$1,677,420 for fiscal year 2018. Of this amount \$150,270 is reported as an intergovernmental payable.

Plan Description – State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at 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 is 2.2 percent of final average

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salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$5,187,618 for fiscal year 2018. Of this amount \$750,440 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, 2017, 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:

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	SERS	STRS	Total
Proportion of the Net Pension Liability			
Prior Measurement Date	0.39983420%	0.33284536%	
Proportion of the Net Pension Liability			
Current Measurement Date	0.34791870%	0.32721499%	
Change in Proportionate Share	<u>-0.05191550%</u>	<u>-0.00563037%</u>	
Proportionate Share of the Net			
Pension Liability	\$20,787,374	\$77,730,622	\$98,517,996
Pension Expense	(\$2,191,523)	(\$32,065,371)	(\$34,256,894)

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$894,616	\$3,001,592	\$3,896,208
Changes of assumptions	1,074,931	17,000,541	18,075,472
School District contributions subsequent to the measurement date	<u>1,677,420</u>	<u>5,187,618</u>	<u>6,865,038</u>
Total Deferred Outflows of Resources	<u>\$3,646,967</u>	<u>\$25,189,751</u>	<u>\$28,836,718</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$626,478	\$626,478
Net difference between projected and actual earnings on pension plan investments	98,673	2,565,201	2,663,874
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>3,065,376</u>	<u>5,054,631</u>	<u>8,120,007</u>
Total Deferred Inflows of Resources	<u>\$3,164,049</u>	<u>\$8,246,310</u>	<u>\$11,410,359</u>

\$6,865,038 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2019	(\$575,439)	\$1,446,363	\$870,924
2020	195,306	4,935,917	5,131,223
2021	(329,772)	4,346,788	4,017,016
2022	<u>(484,597)</u>	<u>1,026,755</u>	<u>542,158</u>
Total	<u>(\$1,194,502)</u>	<u>\$11,755,823</u>	<u>\$10,561,321</u>

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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, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

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

Discount Rate The total pension liability was calculated using the discount rate of 7.50 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 (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$28,847,473	\$20,787,374	\$14,035,397

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented as follows:

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	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the July 1, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

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Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes that 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. 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, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

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 7.45 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 (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$111,424,202	\$77,730,622	\$49,348,832

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2018, one member of the Governing Board elected Social Security. The contribution rate is 6.2 percent of wages.

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Note 14 – Defined Benefit OPEB plans

See note 13 for a description of the net OPEB liability.

Plan Description - School Employees Retirement System (SERS)

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 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, 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 pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. 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 2018, the School District's surcharge obligation was \$205,188.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$267,315 for fiscal year 2018. Of this amount \$210,754 is reported as an intergovernmental payable.

State Teachers Retirement System

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered 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 partial reimbursement of monthly Medicare Part B premiums. Medicare Part B

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premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.40236190%	0.33284536%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>0.35631640%</u>	<u>0.32721499%</u>	
Change in Proportionate Share	<u>-0.04604550%</u>	<u>-0.00563037%</u>	
Proportionate Share of the Net			
OPEB Liability	\$9,562,596	\$12,766,721	\$22,329,317
OPEB Expense	\$215,597	(\$3,938,730)	(\$3,723,133)

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$736,973	\$736,973
School District contributions subsequent to the measurement date	<u>267,315</u>	<u>0</u>	<u>267,315</u>
Total Deferred Outflows of Resources	<u>\$267,315</u>	<u>\$736,973</u>	<u>\$1,004,288</u>
Deferred Inflows of Resources			
Changes of assumptions	\$907,441	\$1,028,401	\$1,935,842
Net difference between projected and actual earnings on OPEB plan investments	25,252	545,680	570,932
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>979,834</u>	<u>258,097</u>	<u>1,237,931</u>
Total Deferred Inflows of Resources	<u>\$1,912,527</u>	<u>\$1,832,178</u>	<u>\$3,744,705</u>

\$267,315 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2019	(\$690,108)	(\$228,007)	(\$918,115)
2020	(690,108)	(228,007)	(918,115)
2021	(525,998)	(228,007)	(754,005)
2022	(6,313)	(228,010)	(234,323)
2023	0	(91,588)	(91,588)
Thereafter	<u>0</u>	<u>(91,586)</u>	<u>(91,586)</u>
Total	<u>(\$1,912,527)</u>	<u>(\$1,095,205)</u>	<u>(\$3,007,732)</u>

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each 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 terminations). 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.

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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 OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56 percent
Prior Measurement Date	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.63 percent
Prior Measurement Date	2.98 percent
Medical Trend Assumption	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the

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basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)								
School District's proportionate share of the net OPEB liability	\$11,548,052	\$9,562,596	\$7,989,608								
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">1% Decrease (6.5 % decreasing to 4.0 %)</th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">Current Trend Rate (7.5 % decreasing to 5.0 %)</th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">1% Increase (8.5 % decreasing to 6.0 %)</th> </tr> </thead> <tbody> <tr> <td style="padding-top: 10px;">School District's proportionate share of the net OPEB liability</td> <td style="text-align: right; vertical-align: bottom;">\$7,759,330</td> <td style="text-align: right; vertical-align: bottom;">\$9,562,596</td> <td style="text-align: right; vertical-align: bottom;">\$11,949,249</td> </tr> </tbody> </table>					1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)	School District's proportionate share of the net OPEB liability	\$7,759,330	\$9,562,596	\$11,949,249
	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)								
School District's proportionate share of the net OPEB liability	\$7,759,330	\$9,562,596	\$11,949,249								

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6 to 11 percent initial, 4.5 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

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For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under *GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

Discount Rate The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13

Berea City School District
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percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's proportionate share of the net OPEB liability	\$17,139,119	\$12,766,721	\$9,311,099
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$8,869,771	\$12,766,721	\$17,895,564

Note 15 – Compensated Absences

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

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

Note 16 - Contingencies

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2018, 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. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

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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, 2017	\$0
Current Year Set-Aside Requirement	1,084,153
Current Year Offset	(1,663,765)
Qualifying Disbursements	(182,020)
Total	(\$761,632)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$0

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

Note 18 - Jointly Governed Organizations and Public Entity Risk Pool

Jointly Governed Organizations

Polaris Career Center is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of the students. The board of education is comprised of representatives from the board of each participating school district. The board is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. Berea City School District students may attend the vocational school. The degree of control exercised by any participating school district is limited to its representation on the board. Financial information can be obtained by contacting Mike Robinson, Treasurer of the Polaris Career Center at 7285 Old Oak Blvd., Middleburg Heights, Ohio 44130.

The Educational Community Foundation (Foundation) is a jointly governed organization established to support and enhance educational opportunities for the youth of the communities served by the Berea City School District. The trustees of the Foundation consist of the following voting members: one Berea Board of Education representative; an employee of Berea City School District to be selected by the Superintendent; two students, from any of the communities served by the Berea City School District; a representative from

Berea City School District
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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. Financial information can be obtained by contacting Andi Whitaker, Executive/Development Director of the Foundation at 390 Fair Street, Berea, Ohio 44017.

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 2018, the School District did not make any payments to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Boulevard, Independence, Ohio 44131.

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

Public Entity Risk Pool

The School District participates in the Cincinnati USA Chamber of Commerce Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 6/30/2017	Additions	Deductions	Principal Outstanding 6/30/2018
Permanent Improvement				
2008 Capital Projects 4.0%				
Tax Anticipation Notes	\$335,000	\$0	\$335,000	\$0
Premium on Notes	1,900	0	1,900	0
2013 School Improvement 2.08%				
Tax Anticipation Notes	1,870,000	0	295,000	1,575,000
Total Notes	\$2,206,900	\$0	\$631,900	\$1,575,000

Principal and interest requirements to retire the notes outstanding at June 30, 2018 are as follows:

Fiscal Year Ending June 30	2013 Notes	
	Principal	Interest
2019	\$300,000	\$29,640
2020	310,000	23,296
2021	315,000	16,796
2022	320,000	10,192
2023	330,000	3,432
Total	\$1,575,000	\$83,356

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

Berea City School District
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Note 20 – Long – Term Liabilities

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

	Principal Outstanding 6/30/2017	Additions	Reductions	Principal Outstanding 6/30/2018	Amounts Due in One Year
Certificates of Participation:					
Certificates of Participation - 2010					
Serial Certificates	\$2,575,000	\$0	\$610,000	\$1,965,000	\$630,000
Discount on Certificate of Participation	(37,312)	0	(8,839)	(28,473)	0
Premium on Certificate of Participation	11,668	0	2,764	8,904	0
2014 Certificates of Participation Refunding					
Serial Certificates	13,060,000	0	13,060,000	0	0
Term Certificates	485,000	0	420,000	65,000	30,000
Discount on Certificate of Participation	(223,035)	0	(222,011)	(1,024)	0
2016 Certificates of Participation Refunding					
Serial Certificates	8,685,000	0	105,000	8,580,000	105,000
Premium on Certificate of Participation	258,084	0	3,120	254,964	0
2018 Certificates of Participation Refunding					
Term Certificates	0	14,279,000	0	14,279,000	153,000
Total Certificates of Participation	24,814,405	14,279,000	13,970,034	25,123,371	918,000
General Obligation Bonds:					
2003 School Improvement Refunding					
	960,000	0	960,000	0	0
2007 Energy Conservation Bonds					
	3,020,000	0	3,020,000	0	0
Premium on Bonds	47,407	0	47,407	0	0
2017 School Improvement Bonds					
Serial Bonds	21,480,000	0	1,880,000	19,600,000	730,000
Term Bonds	91,020,000	0	0	91,020,000	0
Premium on Bonds	1,550,319	0	42,000	1,508,319	0
Total General Obligation Bonds	118,077,726	0	5,949,407	112,128,319	730,000
Net Pension Liability					
SERS	29,264,174	0	8,476,800	20,787,374	0
STRS	111,413,375	0	33,682,753	77,730,622	0
Total Net Pension Liability	140,677,549	0	42,159,553	98,517,996	0
Net OPEB Liability					
SERS	11,468,803	0	1,906,207	9,562,596	0
STRS	17,800,656	0	5,033,935	12,766,721	0
Total Net OPEB Liability	29,269,459	0	6,940,142	22,329,317	0
Compensated Absences	3,327,419	343,666	524,396	3,146,689	513,861
Total Governmental Activities Long-Term Liabilities	\$316,166,558	\$14,622,666	\$69,543,532	\$261,245,692	\$2,161,861

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

Berea City School District
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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.

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 which includes the right to renew for 19 successive one-year terms through October 1, 2039, subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 3.20 to 5.00 percent. The School District has the option to purchase the elementary building on any lease payment date by paying the amount necessary to defease the indenture. The COPs were issued for a 26 year period with final maturity during fiscal year 2040. The COPs will be retired through the general fund. The COPs were sold at a discount of \$253,931. Net proceeds of \$13,074,651 (after payment of \$356,418 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2010 COPs.

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
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	\$0	\$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.

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For the Fiscal Year Ended June 30, 2018

On February 23, 2016, the School District issued \$8,900,000 in Certificates of Participation (COPs), for the purpose of partially refunding the COPs issued in fiscal year 2010 for the purpose of building a new elementary school. The COPs issuance included a premium of \$264,473, which is amortized over the life of the COPs, and issuance costs of \$222,380. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing 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 which includes the right to renew for 19 successive one-year terms through October 1, 2030, subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 1.15 to 3.50 percent. The School District has the option to purchase the elementary building on any lease payment date by paying the amount necessary to defease the indenture. The COPs were issued for a 26 year period with final maturity during fiscal year 2031. The COPs will be retired through the general fund.

Net proceeds of \$8,942,092 (after payment of \$222,380 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2010 COPs. As a result, \$7,810,000 of these COPs are considered defeased and the liability for the refunded COPs has been removed from the School District’s financial statements. Accordingly, the trust account assets and liabilities for the defeased COPs are not included in the School District’s financial statements. On June 30, 2018, \$7,810,000 of the defeased bonds are still outstanding.

On December 27, 2017, the School District issued \$14,279,000 in Certificates of Participation (COPs), for the purpose of partially refunding the COPs issued in fiscal year 2014 for the purpose of building a new elementary school. The COPs included issuance costs of \$170,106. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term of five years with includes the right to renew for 19 successive one-year terms through October 1, 2039, subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 3.43 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 22 year period with final maturity during fiscal year 2040. The COPs will be retired through the general fund.

The term certificate maturing on October 1, 2039 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 October 1 in the years and in the principal amounts as follows:

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Year	2018 Certificate of Participation \$14,279,000
2019	\$153,000
2020	35,000
2021	71,000
2022	72,000
2023	73,000
2024	75,000
2025	81,000
2026	83,000
2027	84,000
2028	86,000
2029	92,000
2030	94,000
2031	945,000
2032	1,195,000
2033	1,234,000
2034	1,277,000
2035	1,321,000
2036	1,364,000
2037	1,412,000
2038	1,459,000
2039	1,509,000
Total	12,715,000
Stated Maturity	10/1/2039

The remaining principal amount of the term certificate of \$1,564,000 will mature at the stated maturity.

Certificates of Participation - 2014

Outstanding at June 30, 2017	\$13,321,965
Amount Refunded	(13,450,000)
Principal Payment on Non-Refunded Portion	(30,000)
Premium on Certificates of Participation	222,011
Outstanding at June 30, 2018	\$63,976

Net proceeds of \$14,108,894 (after payment of \$170,106 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2014 COPs. As a result, the \$13,450,000 of these COPs are considered defeased and the liability for the refunded COPs has been removed from the School District's financial statements. Accordingly, the trust account assets and liabilities for the defeased COPs are not included in the School District's financial statements. On June 30, 2018, \$13,450,000 of the defeased bonds are still outstanding.

The School District decreased its total debt service payments by \$604,630 as a result of the advance refunding. The School District also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$429,987, but incurred an accounting loss of \$1,146,257 (difference between amount paid to bond escrow agent and the refunding amount), which is shown in the following table:

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Certificates of Participation - 2014

Serial COPs	\$13,060,000
Term COPs	390,000
Discount on COPs	(211,991)
Bond Insurance Premium on COPs	(82,078)
2014 COPs Accounting Loss	(193,294)
Total Certificates of Participation - 2014	12,962,637
Payment to Refunded Bond Escrow Agent	(14,108,894)
2018 Certificates of Participation Refunding Accounting Loss	(\$1,146,257)

Annual base rent requirements to retire COPs outstanding at June 30, 2018 are as follows:

	Certificates of Participation			
	Serial		Term	
	Principal	Interest	Principal	Interest
2019	\$735,000	\$289,620	\$183,000	\$488,421
2020	760,000	263,763	70,000	484,447
2021	790,000	235,558	71,000	482,104
2022	820,000	212,988	72,000	479,651
2023	835,000	196,438	73,000	477,164
2024 - 2028	4,455,000	678,489	409,000	2,345,348
2029 - 2033	2,150,000	84,370	3,560,000	2,120,254
2034 - 2038	0	0	6,833,000	1,128,556
2039 - 2040	0	0	3,073,000	106,348
Total	\$10,545,000	\$1,961,226	\$14,344,000	\$8,112,293

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 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. During fiscal year 2018, the School District retired \$450,000 of these bonds and called the remaining \$2,570,000 of amounts due in fiscal years 2019 through 2023 as well as the original issuance premium of \$47,407. The bonds did not have a call premium.

On March 2, 2017, the School District issued \$112,500,000 in general obligation bonds, which included \$21,480,000 in serial bonds and \$91,020,000 in term bonds with interest rates varying from 3.84 percent to 5.00 percent. These bonds were issued for the purpose of constructing, renovating, remodeling, rehabilitating, adding to, furnishing, equipping and otherwise improving buildings and facilities. The bonds were issued at a premium of \$1,564,319, which is amortized over the life of the bonds, and issuance costs of \$1,353,238. The bonds were issued for a 36 year period with final maturity during fiscal year 2054. The School District had \$94,466,503 in unspent proceeds including accruals, as of June 30, 2018.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

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

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

At June 30, 2018 the School District's overall legal debt margin was \$8,767,046 with an unvoted debt margin of \$1,320,963. Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2018 are as follows:

Fiscal Year Ending June 30	General Obligation Bonds			
	Serial Bonds		Term Bonds	
	Principal	Interest	Principal	Interest
2019	\$730,000	\$726,175	\$0	\$3,855,975
2020	760,000	700,025	0	3,855,975
2021	790,000	676,925	0	3,855,975
2022	805,000	652,925	0	3,855,975
2023	995,000	626,875	0	3,855,975
2024 - 2028	6,360,000	2,436,337	0	19,279,875
2029 - 2033	9,160,000	947,176	0	19,279,875
2034 - 2038	0	0	12,650,000	18,020,538
2039 - 2043	0	0	17,485,000	14,476,875
2044 - 2048	0	0	23,525,000	9,922,500
2049 - 2053	0	0	30,340,000	4,559,000
2054	0	0	7,020,000	140,400
Total	\$19,600,000	\$6,766,438	\$91,020,000	\$104,958,938

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

There is no repayment schedule for the net pension liability and net OPB liability; however, employer pension and OPEB contributions are made from the following funds: the general fund, the food service fund and the community education funds. For additional information related to the net pension liability and net OPEB liability see Note 13 and 14. Compensated absences will be paid from the general fund, the food service fund and the community education funds. The certificates of participation are paid from the general fund and the general obligation bonds are paid from the debt service fund.

Note 21 – Significant Commitments

Contractual Commitments

At June 30, 2018, the School District’s significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining Contract
Middle School	\$11,792,113	\$4,790,709	\$7,001,404
Softball Fields	1,117,829	1,055,124	62,705
District Facilities	7,036,249	3,393,403	3,642,846
Big Creek Elementary	4,077,006	1,926,870	2,150,136
High School	59,100	39,667	19,433
Fire Hydrant at Roehm Athletic Complex	36,239	0	36,239
	<u>\$24,118,536</u>	<u>\$11,205,773</u>	<u>\$12,912,763</u>

The amount paid above as of June 30, 2018, as well as contracts and retainage payable totaling \$7,339,861 have been capitalized. The remaining commitments amounts were encumbered at fiscal year end.

Encumbrances

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

Major Funds:	
General	\$1,046,410
Building	13,336,081
Other Governmental Funds	1,284,152
Total	<u>\$15,666,643</u>

Required Supplementary Information

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

	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.34791870%	0.39983420%	0.41362290%
School District's Proportionate Share of the Net Pension Liability	\$20,787,374	\$29,264,174	\$23,601,723
School District's Covered Payroll	\$11,404,864	\$12,442,300	\$12,457,449
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	182.27%	235.20%	189.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%

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

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

See accompanying notes to the required supplementary information

2015	2014
0.43617500%	0.43617500%
\$22,074,568	\$25,937,927
\$12,673,622	\$9,402,489
174.18%	275.86%
71.70%	65.52%

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

	2018	2017
School District's Proportion of the Net OPEB Liability	0.35631640%	0.40236190%
School District's Proportionate Share of the Net OPEB Liability	\$9,562,596	\$11,468,803
School District's Covered Payroll	\$11,404,864	\$12,442,300
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	83.85%	92.18%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%

(1) Although this schedule is intended to show information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

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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 Five Fiscal Years (1)**

	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.32721499%	0.33284536%	0.33767048%
School District's Proportionate Share of the Net Pension Liability	\$77,730,622	\$111,413,375	\$93,322,244
School District's Covered Payroll	\$36,229,707	\$35,172,107	\$34,421,322
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	214.55%	316.77%	271.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%

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

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

See accompanying notes to the required supplementary information

2015	2014
0.36280548%	0.36280548%
\$88,246,848	\$105,119,069
\$35,863,107	\$39,619,977
246.07%	265.32%
74.70%	69.30%

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

	2018	2017
School District's Proportion of the Net OPEB Liability	0.32721499%	0.33284536%
School District's Proportionate Share of the Net OPEB Liability	\$12,766,721	\$17,800,656
School District's Covered Payroll	\$36,229,707	\$35,172,107
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	35.24%	50.61%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) Although this schedule is intended to show information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Pension Liability				
Contractually Required Contribution	\$1,677,420	\$1,596,681	\$1,741,922	\$1,641,892
Contributions in Relation to the Contractually Required Contribution	<u>(1,677,420)</u>	<u>(1,596,681)</u>	<u>(1,741,922)</u>	<u>(1,641,892)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$12,425,333	\$11,404,864	\$12,442,300	\$12,457,449
Pension Contributions as a Percentage of Covered Payroll	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	\$267,315	\$209,277	\$191,471	\$237,422
Contributions in Relation to the Contractually Required Contribution	<u>(267,315)</u>	<u>(209,277)</u>	<u>(191,471)</u>	<u>(237,422)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll (2)	<u>2.15%</u>	<u>1.83%</u>	<u>1.54%</u>	<u>1.91%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.65%</u>	<u>15.83%</u>	<u>15.54%</u>	<u>15.09%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
\$1,756,564	\$1,301,304	\$1,770,542	\$1,849,827	\$1,981,450	\$1,465,171
<u>(1,756,564)</u>	<u>(1,301,304)</u>	<u>(1,770,542)</u>	<u>(1,849,827)</u>	<u>(1,981,450)</u>	<u>(1,465,171)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$12,673,622	\$9,402,489	\$13,163,882	\$14,716,207	\$14,634,045	\$14,889,945
<u>13.86%</u>	<u>13.84%</u>	<u>13.45%</u>	<u>12.57%</u>	<u>13.54%</u>	<u>9.84%</u>
\$138,359	\$220,974	\$290,929	\$431,441	\$280,029	\$716,718
<u>(138,359)</u>	<u>(220,974)</u>	<u>(290,929)</u>	<u>(431,441)</u>	<u>(280,029)</u>	<u>(716,718)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.09%</u>	<u>2.35%</u>	<u>2.21%</u>	<u>2.93%</u>	<u>1.91%</u>	<u>4.81%</u>
<u>14.95%</u>	<u>16.19%</u>	<u>15.66%</u>	<u>15.50%</u>	<u>15.45%</u>	<u>14.65%</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Pension Liability				
Contractually Required Contribution	\$5,187,618	\$5,072,159	\$4,924,095	\$4,818,985
Contributions in Relation to the Contractually Required Contribution	<u>(5,187,618)</u>	<u>(5,072,159)</u>	<u>(4,924,095)</u>	<u>(4,818,985)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$37,054,414	\$36,229,707	\$35,172,107	\$34,421,322
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
\$4,662,204	\$5,150,597	\$5,093,110	\$5,120,193	\$5,195,903	\$4,996,303
(4,662,204)	(5,150,597)	(5,093,110)	(5,120,193)	(5,195,903)	(4,996,303)
\$0	\$0	\$0	\$0	\$0	\$0
\$35,863,107	\$39,619,977	\$39,177,769	\$39,386,100	\$39,968,485	\$38,433,100
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
\$358,631	\$396,200	\$391,778	\$393,861	\$399,685	\$384,331
(358,631)	(396,200)	(391,778)	(393,861)	(399,685)	(384,331)
\$0	\$0	\$0	\$0	\$0	\$0
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Berea City School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Net Pension Liability

Changes in Assumptions – SERS

For fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

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

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

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

Changes in Assumptions - STRS

Amounts reported for fiscal year 2018 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

	Fiscal Year 2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

For fiscal year 2018 post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70% of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected

Berea City School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Net OPEB Liability

Changes in Assumptions – SERS

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:	
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

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Combining and Individual Fund Statements and Schedules

Combining Statements– Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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.

Miscellaneous Federal Grants Fund This fund accounts for and reports various restricted monies received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

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

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

Berea City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,447,577	\$1,335,945	\$573,636	\$4,357,158
Accounts Receivable	22,882		0	22,882
Intergovernmental Receivable	1,418,599	0	0	1,418,599
Inventory Held for Resale	11,966	0	0	11,966
Materials and Supplies Inventory	9,281	0	0	9,281
Property Taxes Receivable	0	5,466,558	1,374,364	6,840,922
<i>Total Assets</i>	<u>\$3,910,305</u>	<u>\$6,802,503</u>	<u>\$1,948,000</u>	<u>\$12,660,808</u>
Liabilities				
Accounts Payable	\$122,398	\$0	\$0	\$122,398
Contracts Payable	0		62,705	62,705
Accrued Wages	246,270	0	0	246,270
Interfund Payable	263,589	0	0	263,589
Intergovernmental Payable	163,012	0	0	163,012
Accrued Interest Payable	0	0	2,730	2,730
Notes Payable	0	0	1,575,000	1,575,000
<i>Total Liabilities</i>	<u>795,269</u>	<u>0</u>	<u>1,640,435</u>	<u>2,435,704</u>
Deferred Inflows of Resources				
Unavailable Revenue	713,613	167,138	44,677	925,428
Property Taxes	0	4,560,004	1,149,145	5,709,149
<i>Total Deferred Inflows of Resources</i>	<u>713,613</u>	<u>4,727,142</u>	<u>1,193,822</u>	<u>6,634,577</u>
Fund Balances				
Nonspendable	9,281	0	0	9,281
Restricted	2,421,177	2,075,361	0	4,496,538
Unassigned (Deficit)	(29,035)	0	(886,257)	(915,292)
<i>Total Fund Balances (Deficit)</i>	<u>2,401,423</u>	<u>2,075,361</u>	<u>(886,257)</u>	<u>3,590,527</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$3,910,305</u>	<u>\$6,802,503</u>	<u>\$1,948,000</u>	<u>\$12,660,808</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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$5,060,270	\$1,470,674	\$6,530,944
Intergovernmental	4,554,257	171,052	156,645	4,881,954
Interest	19,345	0	0	19,345
Tuition and Fees	1,131,878	0	0	1,131,878
Extracurricular Activities	234,537	0	0	234,537
Rentals	66,064	0	0	66,064
Charges for Services	602,820	0	0	602,820
Contributions and Donations	64,825	0	247,000	311,825
Miscellaneous	30,099	0	0	30,099
<i>Total Revenues</i>	<u>6,703,825</u>	<u>5,231,322</u>	<u>1,874,319</u>	<u>13,809,466</u>
Expenditures				
Current:				
Instruction:				
Regular	159,310	0	0	159,310
Special	1,440,456	0	0	1,440,456
Support Services:				
Pupil	408,129	0	0	408,129
Instructional Staff	475	0	0	475
Administration	260,600	0	0	260,600
Fiscal	149,661	81,372	0	231,033
Operation and Maintenance of Plant	7,270	0	0	7,270
Pupil Transportation	323	0	0	323
Central	494,692	0	0	494,692
Operation of Non-Instructional Services	1,641,616	0	0	1,641,616
Operation of Food Service	1,772,815	0	0	1,772,815
Extracurricular Activities	332,613	0	0	332,613
Capital Outlay	0	0	1,139,368	1,139,368
Debt Service:				
Principal Retirement	0	5,410,000	450,000	5,860,000
Interest and Fiscal Charges	0	4,647,857	103,124	4,750,981
Certificates of Participation Issuance Costs	0	170,106	0	170,106
<i>Total Expenditures</i>	<u>6,667,960</u>	<u>10,309,335</u>	<u>1,692,492</u>	<u>18,669,787</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>35,865</u>	<u>(5,078,013)</u>	<u>181,827</u>	<u>(4,860,321)</u>
Other Financing Sources (Uses)				
Refunding Certificates of Participation Issued	0	14,279,000	0	14,279,000
Payment to Refunded Bond Escrow Agent	0	(14,108,894)	0	(14,108,894)
Transfers In	5,690	2,573,998	590,000	3,169,688
<i>Total Other Financing Sources (Uses)</i>	<u>5,690</u>	<u>2,744,104</u>	<u>590,000</u>	<u>3,339,794</u>
<i>Net Change in Fund Balances</i>	41,555	(2,333,909)	771,827	(1,520,527)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>2,359,868</u>	<u>4,409,270</u>	<u>(1,658,084)</u>	<u>5,111,054</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$2,401,423</u></u>	<u><u>\$2,075,361</u></u>	<u><u>(\$886,257)</u></u>	<u><u>\$3,590,527</u></u>

Berea City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$0	\$103,017	\$0	\$103,807
Accounts Receivable	0	0	0	14,013
Intergovernmental Receivable	681,572	0	583,025	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$681,572</u>	<u>\$103,017</u>	<u>\$583,025</u>	<u>\$117,820</u>
Liabilities				
Accounts Payable	\$9,032	\$46,940	\$18,144	\$11,910
Accrued Wages	21,660	0	107,964	0
Interfund Payable	130,499	0	112,649	0
Intergovernmental Payable	53,572	0	18,851	0
<i>Total Liabilities</i>	<u>214,763</u>	<u>46,940</u>	<u>257,608</u>	<u>11,910</u>
Deferred Inflows of Resources				
Unavailable Revenue	491,715	0	146,108	3,010
Fund Balances				
Nonspendable	0	0	0	0
Restricted	0	56,077	179,309	102,900
Unassigned (Deficit)	(24,906)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(24,906)</u>	<u>56,077</u>	<u>179,309</u>	<u>102,900</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$681,572</u>	<u>\$103,017</u>	<u>\$583,025</u>	<u>\$117,820</u>

(continued)

Berea City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2018

	<u>Preschool at Risk</u>	<u>Local Grants</u>	<u>Preschool</u>	<u>Food Service</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$0	\$91,095	\$0	\$1,441,025
Accounts Receivable	0	1,500	0	0
Intergovernmental Receivable	31,144	0	7,962	0
Inventory Held for Resale	0	0	0	11,966
Materials and Supplies Inventory	0	0	0	9,281
<i>Total Assets</i>	<u>\$31,144</u>	<u>\$92,595</u>	<u>\$7,962</u>	<u>\$1,462,272</u>
Liabilities				
Accounts Payable	\$0	\$18,777	\$0	\$1,096
Accrued Wages	8,806	0	2,457	36,373
Interfund Payable	2,997	0	5,035	0
Intergovernmental Payable	4,334	0	436	49,547
<i>Total Liabilities</i>	<u>16,137</u>	<u>18,777</u>	<u>7,928</u>	<u>87,016</u>
Deferred Inflows of Resources				
Unavailable Revenue	10,566	0	207	0
Fund Balances				
Nonspendable	0	0	0	9,281
Restricted	4,441	73,818	0	1,365,975
Unassigned (Deficit)	0	0	(173)	0
<i>Total Fund Balances (Deficit)</i>	<u>4,441</u>	<u>73,818</u>	<u>(173)</u>	<u>1,375,256</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$31,144</u>	<u>\$92,595</u>	<u>\$7,962</u>	<u>\$1,462,272</u>

<u>Community Education</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$708,633	\$0	\$0	\$0	\$2,447,577
7,369	0	0	0	22,882
18,914	48,393	31,588	16,001	1,418,599
0	0	0	0	11,966
0	0	0	0	9,281
<u>\$734,916</u>	<u>\$48,393</u>	<u>\$31,588</u>	<u>\$16,001</u>	<u>\$3,910,305</u>
\$11,608	\$3,995	\$0	\$896	\$122,398
49,789	16,019	3,202	0	246,270
0	7,681	2,588	2,140	263,589
32,273	3,443	556	0	163,012
<u>93,670</u>	<u>31,138</u>	<u>6,346</u>	<u>3,036</u>	<u>795,269</u>
2,589	19,368	26,598	13,452	713,613
0	0	0	0	9,281
638,657	0	0	0	2,421,177
0	(2,113)	(1,356)	(487)	(29,035)
<u>638,657</u>	<u>(2,113)</u>	<u>(1,356)</u>	<u>(487)</u>	<u>2,401,423</u>
<u>\$734,916</u>	<u>\$48,393</u>	<u>\$31,588</u>	<u>\$16,001</u>	<u>\$3,910,305</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, 2018*

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities
Revenues				
Intergovernmental	\$1,394,786	\$505,492	\$1,305,659	\$0
Interest	0	2,184	0	0
Tuition and Fees	0	0	0	62
Extracurricular Activities	0	0	0	233,814
Rentals	0	0	0	66,064
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	34,046
Miscellaneous	0	0	0	22,599
<i>Total Revenues</i>	<u>1,394,786</u>	<u>507,676</u>	<u>1,305,659</u>	<u>356,585</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	0
Special	710,296	0	700,586	0
Support Services:				
Pupil	365,765	0	0	0
Instructional Staff	0	0	0	0
Administration	253,905	0	0	0
Fiscal	45,483	0	33,196	0
Operation and Maintenance of Plant	0	0	0	7,270
Pupil Transportation	323	0	0	0
Central	5,604	0	293,027	0
Operation of Non-Instructional Services	39,419	528,141	53,002	899
Operation of Food Service	0	0	0	0
Extracurricular Activities	0	0	0	331,397
<i>Total Expenditures</i>	<u>1,420,795</u>	<u>528,141</u>	<u>1,079,811</u>	<u>339,566</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(26,009)	(20,465)	225,848	17,019
Other Financing Sources (Uses)				
Transfers In	0	0	0	5,690
<i>Net Change in Fund Balances</i>	(26,009)	(20,465)	225,848	22,709
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,103</u>	<u>76,542</u>	<u>(46,539)</u>	<u>80,191</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$24,906)</u>	<u>\$56,077</u>	<u>\$179,309</u>	<u>\$102,900</u>

Preschool at Risk	Local Grants	Preschool	Food Service	Community Education	Title IIA
\$138,960	\$0	\$44,168	\$920,295	\$0	\$202,964
0	0	0	17,161	0	0
0	0	0	0	1,131,816	0
0	723	0	0	0	0
0	0	0	0	0	0
0	0	0	602,820	0	0
0	30,779	0	0	0	0
0	7,500	0	0	0	0
<u>138,960</u>	<u>39,002</u>	<u>44,168</u>	<u>1,540,276</u>	<u>1,131,816</u>	<u>202,964</u>
130,100	29,210	0	0	0	0
0	1,160	0	0	0	0
0	1,308	41,056	0	0	0
0	475	0	0	0	0
0	6,695	0	0	0	0
0	0	1,391	33,731	28,640	6,174
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	183,023
0	2,821	0	0	1,004,505	12,829
0	0	0	1,772,815	0	0
0	1,216	0	0	0	0
<u>130,100</u>	<u>42,885</u>	<u>42,447</u>	<u>1,806,546</u>	<u>1,033,145</u>	<u>202,026</u>
8,860	(3,883)	1,721	(266,270)	98,671	938
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
8,860	(3,883)	1,721	(266,270)	98,671	938
<u>(4,419)</u>	<u>77,701</u>	<u>(1,894)</u>	<u>1,641,526</u>	<u>539,986</u>	<u>(3,051)</u>
<u>\$4,441</u>	<u>\$73,818</u>	<u>(\$173)</u>	<u>\$1,375,256</u>	<u>\$638,657</u>	<u>(\$2,113)</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, 2018

	Title III	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues			
Intergovernmental	\$30,235	\$11,698	\$4,554,257
Interest	0	0	19,345
Tuition and Fees	0	0	1,131,878
Extracurricular Activities	0	0	234,537
Rentals	0	0	66,064
Charges for Services	0	0	602,820
Contributions and Donations	0	0	64,825
Miscellaneous	0	0	30,099
<i>Total Revenues</i>	<u>30,235</u>	<u>11,698</u>	<u>6,703,825</u>
Expenditures			
Current:			
Instruction:			
Regular	0	0	159,310
Special	28,414	0	1,440,456
Support Services:			
Pupil	0	0	408,129
Instructional Staff	0	0	475
Administration	0	0	260,600
Fiscal	1,046	0	149,661
Operation and Maintenance of Plant	0	0	7,270
Pupil Transportation	0	0	323
Central	853	12,185	494,692
Operation of Non-Instructional Services	0	0	1,641,616
Operation of Food Service	0	0	1,772,815
Extracurricular Activities	0	0	332,613
<i>Total Expenditures</i>	<u>30,313</u>	<u>12,185</u>	<u>6,667,960</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(78)	(487)	35,865
Other Financing Sources (Uses)			
Transfers In	0	0	5,690
<i>Net Change in Fund Balances</i>	(78)	(487)	41,555
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(1,278)</u>	<u>0</u>	<u>2,359,868</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$1,356)</u></u>	<u><u>(\$487)</u></u>	<u><u>\$2,401,423</u></u>

Berea City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2018*

	Permanent Improvement	Network Connectivity	Total Nonmajor Capital Projects Funds
Revenues			
Property Taxes	\$1,470,674	\$0	\$1,470,674
Intergovernmental	144,045	12,600	156,645
Contributions and Donations	247,000	0	247,000
<i>Total Revenues</i>	<u>1,861,719</u>	<u>12,600</u>	<u>1,874,319</u>
Expenditures			
Current:			
Capital Outlay	1,126,768	12,600	1,139,368
Debt Service:			
Principal Retirement	450,000	0	450,000
Interest and Fiscal Charges	103,124	0	103,124
<i>Total Expenditures</i>	<u>1,679,892</u>	<u>12,600</u>	<u>1,692,492</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	181,827	0	181,827
Other Financing Sources (Uses)			
Transfers In	590,000	0	590,000
<i>Net Change in Fund Balances</i>	771,827	0	771,827
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(1,658,084)</u>	<u>0</u>	<u>(1,658,084)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$886,257)</u></u>	<u><u>\$0</u></u>	<u><u>(\$886,257)</u></u>

Combining Statements– Internal Service Funds

Internal Service Funds

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

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

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

Berea City School District
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2018

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$0	\$210,495	\$210,495
Accounts Receivable	478	0	478
Prepaid Items	0	170,998	170,998
<i>Total Assets</i>	<u>478</u>	<u>381,493</u>	<u>381,971</u>
Liabilities			
Interfund Payable	\$993,429	\$0	\$993,429
Claims Payable	818,698	0	818,698
<i>Total Liabilities</i>	<u>1,812,127</u>	<u>0</u>	<u>1,812,127</u>
Net Position			
Unrestricted (Deficit)	<u>(\$1,811,649)</u>	<u>\$381,493</u>	<u>(\$1,430,156)</u>

Berea City School District
*Combining Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2018*

	Self Insurance	Workers' Compensation	Total Internal Service Funds
Operating Revenues			
Charges for Services	\$10,455,943	\$241,281	\$10,697,224
Other	478	2,000	2,478
<i>Total Operating Revenues</i>	<u>10,456,421</u>	<u>243,281</u>	<u>10,699,702</u>
Operating Expenses			
Purchased Services	1,029,766	286,238	1,316,004
Claims	10,022,004	0	10,022,004
<i>Total Operating Expenses</i>	<u>11,051,770</u>	<u>286,238</u>	<u>11,338,008</u>
<i>Change in Net Position</i>	(595,349)	(42,957)	(638,306)
<i>Net Position Beginning of Year</i>	<u>(1,216,300)</u>	<u>424,450</u>	<u>(791,850)</u>
<i>Net Position End of Year</i>	<u><u>(\$1,811,649)</u></u>	<u><u>\$381,493</u></u>	<u><u>(\$1,430,156)</u></u>

Berea City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Interfund Services	\$10,455,943	\$241,281	\$10,697,224
Other Cash Receipts	0	129,449	129,449
Cash Payments for Goods and Services	(1,034,128)	(478,870)	(1,512,998)
Cash Payments for Claims	(10,040,580)	0	(10,040,580)
<i>Net Cash Used for Operating Activities</i>	<u>(618,765)</u>	<u>(108,140)</u>	<u>(726,905)</u>
Cash Flows from Noncapital Financing Activities			
Advance In	993,429	0	993,429
Advance Out	(374,664)	0	(374,664)
<i>Net Cash Flows from Noncapital Financing Activities</i>	<u>618,765</u>	<u>0</u>	<u>618,765</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	0	(108,140)	(108,140)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>0</u>	<u>318,635</u>	<u>318,635</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$0</u>	<u>\$210,495</u>	<u>\$210,495</u>
<i>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</i>			
<i>Operating Loss</i>	(\$595,349)	(\$42,957)	(\$638,306)
(Increase) Decrease in Assets			
Accounts Receivable	(478)	0	(478)
Intergovernmental Receivable	0	127,449	127,449
Prepaid Items	0	(170,998)	(170,998)
Increase (Decrease) in Liabilities			
Accounts Payable	(1,520)	0	(1,520)
Intergovernmental Payable	(2,842)	(21,634)	(24,476)
Claims Payable	(18,576)	0	(18,576)
<i>Total Adjustments</i>	<u>(23,416)</u>	<u>(65,183)</u>	<u>(88,599)</u>
<i>Net Cash Used for Operating Activities</i>	<u>(\$618,765)</u>	<u>(\$108,140)</u>	<u>(\$726,905)</u>

Combining Statements – Fiduciary Funds

Fiduciary Funds

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

Agency Funds

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

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

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

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

Berea City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2018

	Balance 06/30/17	Additions	Deductions	Balance 06/30/18
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$107,626	\$120,492	\$85,562	\$142,556
Liabilities				
Due to Students	\$107,626	\$120,492	\$85,562	\$142,556
<i>Employee Benefits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$33,418	\$422,682	\$407,475	\$48,625
Liabilities				
Undistributed Monies	\$33,418	\$422,682	\$407,475	\$48,625
<i>Staff Services</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$26,316	\$22,084	\$22,898	\$25,502
Liabilities				
Undistributed Monies	\$26,316	\$22,084	\$22,898	\$25,502
<i>Payroll</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$228,807	\$14,383,206	\$14,158,912	\$453,101
Liabilities				
Undistributed Monies	\$228,807	\$14,383,206	\$14,158,912	\$453,101
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$396,167	\$14,948,464	\$14,674,847	\$669,784
Liabilities				
Undistributed Monies	\$288,541	\$14,827,972	\$14,589,285	\$527,228
Due to Students	107,626	120,492	85,562	142,556
Total Liabilities	\$396,167	\$14,948,464	\$14,674,847	\$669,784

**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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$55,638,046	\$58,364,342	\$56,700,795	(\$1,663,547)
Intergovernmental	23,293,129	23,632,471	23,180,938	(451,533)
Interest	185,000	321,468	312,305	(9,163)
Tuition and Fees	4,814,565	4,549,835	4,362,323	(187,512)
Extracurricular Activities	108,284	168,969	168,969	0
Rentals	15,000	10,856	10,547	(309)
Contributions and Donations	32,850	29,968	29,968	0
Miscellaneous	266,078	248,833	243,214	(5,619)
<i>Total Revenues</i>	84,352,952	87,326,742	85,009,059	(2,317,683)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	21,491,839	21,430,871	21,360,173	70,698
Fringe Benefits	10,248,734	10,153,275	10,000,759	152,516
Purchased Services	4,551,262	4,479,359	4,457,850	21,509
Materials and Supplies	791,343	549,936	466,197	83,739
Capital Outlay	191,779	209,118	190,913	18,205
Other	45,130	40,454	35,752	4,702
Total Regular	37,320,087	36,863,013	36,511,644	351,369
Special:				
Salaries and Wages	7,870,634	7,762,756	7,750,532	12,224
Fringe Benefits	3,784,497	3,785,369	3,785,369	0
Purchased Services	1,599,817	1,353,298	1,266,340	86,958
Materials and Supplies	24,056	116,108	27,903	88,205
Other	1,887	1,371	579	792
Total Special	13,280,891	13,018,902	12,830,723	188,179
Vocational:				
Salaries and Wages	185,152	202,889	202,875	14
Fringe Benefits	90,529	95,033	94,569	464
Purchased Services	4,084	1,565	847	718
Materials and Supplies	19,309	8,324	7,587	737
Capital Outlay	15,000	28,347	28,347	0
Other	840	0	0	0
Total Vocational	314,914	336,158	334,225	1,933
Total Instruction	\$50,915,892	\$50,218,073	\$49,676,592	\$541,481

(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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupil:				
Salaries and Wages	\$2,257,017	\$2,321,744	\$2,319,766	\$1,978
Fringe Benefits	1,103,959	1,136,336	1,133,921	2,415
Purchased Services	1,400,557	1,448,389	1,444,587	3,802
Materials and Supplies	39,306	29,517	22,857	6,660
Other	2,200	2,200	620	1,580
Total Pupil	4,803,039	4,938,186	4,921,751	16,435
Instructional Staff:				
Salaries and Wages	1,169,039	1,163,454	1,063,420	100,034
Fringe Benefits	546,014	497,029	465,330	31,699
Purchased Services	566,583	512,559	469,440	43,119
Materials and Supplies	102,600	116,753	74,692	42,061
Capital Outlay	23,461	48,937	32,271	16,666
Other	43,928	37,369	23,717	13,652
Total Instructional Staff	2,451,625	2,376,101	2,128,870	247,231
Board of Education:				
Salaries and Wages	7,500	7,453	7,125	328
Fringe Benefits	1,365	1,412	1,412	0
Purchased Services	27,250	24,991	21,048	3,943
Capital Outlay	0	1,768	1,767	1
Other	15,000	15,491	15,474	17
Total Board of Education	51,115	51,115	46,826	4,289
Administration:				
Salaries and Wages	3,001,558	3,128,542	3,127,077	1,465
Fringe Benefits	1,388,640	1,424,758	1,424,545	213
Purchased Services	386,611	347,049	345,900	1,149
Materials and Supplies	34,714	23,347	21,221	2,126
Capital Outlay	6,496	8,374	8,298	76
Other	11,935	8,299	8,299	0
Total Administration	4,829,954	4,940,369	4,935,340	5,029
Fiscal:				
Salaries and Wages	622,959	648,089	647,670	419
Fringe Benefits	309,927	284,921	284,775	146
Purchased Services	272,240	257,513	256,805	708
Materials and Supplies	9,021	6,069	5,318	751
Capital Outlay	9,082	2,665	2,665	0
Other	977,216	1,014,097	1,014,057	40
Total Fiscal	\$2,200,445	\$2,213,354	\$2,211,290	\$2,064

(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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$122,827	\$122,827	\$97,598	\$25,229
Fringe Benefits	62,894	62,894	48,449	14,445
Purchased Services	184,358	173,349	167,011	6,338
Materials and Supplies	5,960	5,061	3,705	1,356
Capital Outlay	14,800	7,004	7,001	3
Other	88,611	84,047	83,531	516
Total Business	479,450	455,182	407,295	47,887
Operation and Maintenance of Plant:				
Salaries and Wages	2,777,333	2,839,815	2,670,117	169,698
Fringe Benefits	1,043,886	1,073,645	1,052,456	21,189
Purchased Services	1,767,418	1,735,738	1,692,101	43,637
Materials and Supplies	325,830	331,693	317,166	14,527
Capital Outlay	63,411	104,902	96,528	8,374
Other	17,254	17,600	15,996	1,604
Total Operation and Maintenance of Plant	5,995,132	6,103,393	5,844,364	259,029
Pupil Transportation:				
Salaries and Wages	3,465,920	3,137,587	3,136,961	626
Fringe Benefits	1,392,725	1,341,850	1,340,399	1,451
Purchased Services	189,490	166,652	164,488	2,164
Materials and Supplies	624,788	516,060	486,903	29,157
Capital Outlay	491,581	1,165,421	1,165,421	0
Total Pupil Transportation	6,164,504	6,327,570	6,294,172	33,398
Central:				
Salaries and Wages	863,753	859,150	859,150	0
Fringe Benefits	420,058	412,855	412,724	131
Purchased Services	409,114	425,036	349,002	76,034
Materials and Supplies	11,346	12,889	10,741	2,148
Capital Outlay	352,490	345,080	343,205	1,875
Other	1,020	1,115	1,115	0
Total Central	2,057,781	2,056,125	1,975,937	80,188
Total Support Services	29,033,045	29,461,395	28,765,845	695,550
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	4,000	4,000	1,110	2,890
Other	20,912	20,912	1,446	19,466
Total Community Services	24,912	24,912	2,556	22,356
Other Non-Instructional Services:				
Materials and Supplies	2,000	2,000	2,000	0
Total Operation of Non-Instructional Services	\$26,912	\$26,912	\$4,556	\$22,356

(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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of Food Service:				
Fringe Benefits	\$0	\$807	\$807	\$0
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	71,000	110,219	110,218	1
Fringe Benefits	20,186	32,468	32,466	2
Materials and Supplies	1,000	1,000	603	397
Capital Outlay	5,500	5,500	5,500	0
Other	32,700	95,855	92,450	3,405
Total Academic and Subject Oriented Activities	130,386	245,042	241,237	3,805
Occupational Oriented Activities:				
Other	0	5,000	5,000	0
Sports Oriented Activities:				
Salaries and Wages	635,158	691,528	611,181	80,347
Fringe Benefits	170,319	232,661	209,726	22,935
Purchased Services	25,847	6,335	6,335	0
Total Sports Oriented Activities	831,324	930,524	827,242	103,282
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	0	40,220	40,057	163
Fringe Benefits	0	10,325	10,305	20
Purchased Services	5,970	8,256	4,889	3,367
Materials and Supplies	4,000	3,275	147	3,128
Capital Outlay	2,461	901	886	15
Other	9,000	9,000	0	9,000
Total School and Public Service				
Co-Curricular Activities	21,431	71,977	56,284	15,693
Total Extracurricular Activities	983,141	1,252,543	1,129,763	122,780
Capital Outlay:				
Site Improvement Services				
Capital Outlay	93,587	93,587	93,587	0
Debt Service:				
Principal Retirement	745,000	745,000	745,000	0
Interest and Fiscal Charges	860,966	860,966	715,515	145,451
Total Debt Service	1,605,966	1,605,966	1,460,515	145,451
<i>Total Expenditures</i>	82,658,543	82,659,283	81,131,665	1,527,618
<i>Excess of Revenues Over (Under) Expenditures</i>	\$1,694,409	\$4,667,459	\$3,877,394	(\$790,065)

(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, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Advances In	\$0	\$482,762	\$482,762	\$0
Advances Out	0	0	(769,775)	(769,775)
Transfers Out	(590,000)	(3,187,151)	(3,169,688)	17,463
<i>Total Other Financing Sources (Uses)</i>	<u>(590,000)</u>	<u>(2,704,389)</u>	<u>(3,456,701)</u>	<u>(752,312)</u>
<i>Net Change in Fund Balance</i>	1,104,409	1,963,070	420,693	(1,542,377)
<i>Fund Balance Beginning of Year</i>	16,393,310	16,393,310	16,393,310	0
Prior Year Encumbrances Appropriated	1,293,028	1,293,028	1,293,028	0
<i>Fund Balance End of Year</i>	<u>\$18,790,747</u>	<u>\$19,649,408</u>	<u>\$18,107,031</u>	<u>(\$1,542,377)</u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Interest	\$1,317,899	\$1,184,274	\$1,184,274	\$0
Expenditures				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay	0	2,213,920	15,015	2,198,905
Architecture and Engineering Services				
Purchased Services	1,084,285	8,619,958	7,563,391	1,056,567
Capital Outlay	127,946	176,751	124,118	52,633
Total Architecture and Engineering Services	1,212,231	8,796,709	7,687,509	1,109,200
Building Acquisition and Construction Services:				
Purchased Services	0	90,377	89,877	500
Capital Outlay	0	124,202	124,202	0
Total Building Acquisition and Construction Services	0	214,579	214,079	500
Building Improvement Services:				
Capital Outlay	29,524	28,394,499	16,113,114	12,281,385
Other Facilities Acquisition and Construction Services:				
Capital Outlay	73,742,540	35,364,588	0	35,364,588
Total Capital Outlay	74,984,295	74,984,295	24,029,717	50,954,578
Debt Service:				
Bond Issuance Cost	884	884	0	884
<i>Total Expenditures</i>	<u>74,985,179</u>	<u>74,985,179</u>	<u>24,029,717</u>	<u>50,955,462</u>
<i>Net Change in Fund Balance</i>	(73,667,280)	(73,800,905)	(22,845,443)	50,955,462
<i>Fund Balance Beginning of Year</i>	112,475,468	112,475,468	112,475,468	0
Prior Year Encumbrances Appropriated	34,285	34,285	34,285	0
<i>Fund Balance End of Year</i>	<u>\$38,842,473</u>	<u>\$38,708,848</u>	<u>\$89,664,310</u>	<u>\$50,955,462</u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$2,022,996	\$2,027,263	\$1,341,424	(\$685,839)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	426,258	253,599	253,599	0
Fringe Benefits	231,226	168,443	168,443	0
Purchased Services	107,624	199,004	199,003	1
Materials and Supplies	84,435	49,550	49,550	0
Capital Outlay	0	38,012	38,012	0
Total Instruction	849,543	708,608	708,607	1
Support Services:				
Pupil:				
Purchased Services	495,680	429,769	429,769	0
Administration:				
Salaries and Wages	186,836	179,518	179,518	0
Fringe Benefits	85,950	84,776	84,776	0
Total Administration	272,786	264,294	264,294	0
Fiscal:				
Other	61,970	45,483	45,483	0
Pupil Transportation:				
Purchased Services	800	323	323	0
Central:				
Purchased Services	32,934	6,006	6,006	0
Total Support Services	\$864,170	\$745,875	\$745,875	\$0

(continued)

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title VI-B Fund (continued)
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	\$207,466	\$39,871	\$39,871	\$0
<i>Total Expenditures</i>	<u>1,921,179</u>	<u>1,494,354</u>	<u>1,494,353</u>	<u>1</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	101,817	532,909	(152,929)	(685,838)
Other Financing Sources (Uses)				
Advances Out	<u>0</u>	<u>0</u>	<u>(89,190)</u>	<u>(89,190)</u>
<i>Net Change in Fund Balance</i>	101,817	532,909	(242,119)	(775,028)
<i>Fund Deficit Beginning of Year</i>	(101,417)	(101,417)	(101,417)	0
Prior Year Encumbrances Appropriated	<u>89,190</u>	<u>89,190</u>	<u>89,190</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>\$89,590</u></u>	<u><u>\$520,682</u></u>	<u><u>(\$254,346)</u></u>	<u><u>(\$775,028)</u></u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$553,402	\$505,493	\$505,492	(\$1)
Interest	0	2,184	2,184	0
<i>Total Revenues</i>	<u>553,402</u>	<u>507,677</u>	<u>507,676</u>	<u>(1)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	459,021	448,972	443,141	5,831
Materials and Supplies	150,343	93,683	80,827	12,856
Capital Outlay	44,058	65,042	60,108	4,934
<i>Total Expenditures</i>	<u>653,422</u>	<u>607,697</u>	<u>584,076</u>	<u>23,621</u>
<i>Net Change in Fund Balance</i>	(100,020)	(100,020)	(76,400)	23,620
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>100,020</u>	<u>100,020</u>	<u>100,020</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$23,620</u>	<u>\$23,620</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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,656,332	\$1,664,288	\$1,081,262	(\$583,026)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	555,111	449,809	449,809	0
Fringe Benefits	218,614	235,052	235,052	0
Materials and Supplies	19,368	3,559	3,559	0
Capital Outlay	80,075	196,364	196,364	0
Total Instruction	873,168	884,784	884,784	0
Support Services:				
Fiscal:				
Other	45,324	33,196	33,196	0
Pupil Transportation:				
Other	4,100	0	0	0
Central:				
Salaries and Wages	280,744	208,387	208,387	0
Fringe Benefits	147,374	103,387	103,387	0
Purchased Services	55,424	22,398	22,398	0
Materials and Supplies	43,000	733	733	0
Capital Outlay	24,146	1,204	1,204	0
Other	4,100	0	0	0
Total Central	554,788	336,109	336,109	0
Total Support Services	604,212	369,305	369,305	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	41,029	27,796	27,796	0
Materials and Supplies	14,559	3,610	3,610	0
Total Operation of Non-Instructional Services	55,588	31,406	31,406	0
Total Expenditures	1,532,968	1,285,495	1,285,495	0
Excess of Revenues Over (Under) Expenditures	\$123,364	\$378,793	(\$204,233)	(\$583,026)

(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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other Financing Sources (Uses)				
Advances Out	\$0	\$0	(\$16,107)	(\$16,107)
<i>Net Change in Fund Balance</i>	123,364	378,793	(220,340)	(599,133)
<i>Fund Deficit Beginning of Year</i>	(123,245)	(123,245)	(123,245)	0
Prior Year Encumbrances Appropriated	16,107	16,107	16,107	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$16,226</u>	<u>\$271,655</u>	<u>(\$327,478)</u>	<u>(\$599,133)</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$3,000	\$62	\$62	\$0
Extracurricular Activities	259,848	234,454	234,454	0
Rentals	41,600	61,064	61,064	0
Contributions and Donations	26,300	34,046	34,046	0
Miscellaneous	11,900	20,795	20,795	0
<i>Total Revenues</i>	<i>342,648</i>	<i>350,421</i>	<i>350,421</i>	<i>0</i>
Expenditures				
Current:				
Support Services:				
Pupil:				
Materials and Supplies	0	630	0	630
Operation and Maintenance of Plant:				
Purchased Services	6,500	7,270	7,270	0
Total Support Services	6,500	7,900	7,270	630
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	2,500	2,500	549	1,951
Capital Outlay	2,000	2,000	350	1,650
Total Operation of Non-Instructional Services	4,500	4,500	899	3,601
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	35,494	25,220	22,849	2,371
Materials and Supplies	36,284	33,009	6,527	26,482
Capital Outlay	8,350	4,364	573	3,791
Other	34,597	44,924	28,347	16,577
Total Academic and Subject Oriented Activities	114,725	107,517	58,296	49,221
Sports Oriented Activities:				
Salaries and Wages	0	3,260	3,260	0
Fringe Benefits	0	854	854	0
Purchased Services	166,393	166,263	166,263	0
Materials and Supplies	7,282	33,682	32,411	1,271
Capital Outlay	65,625	39,199	36,013	3,186
Other	24,040	40,890	37,249	3,641
Total Sports Oriented Activities	\$263,340	\$284,148	\$276,050	\$8,098

(continued)

Berea City School District
*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
District Managed Student Activities Fund (continued)
For the Fiscal Year Ended June 30, 2018*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
School and Public Service				
Co-Curricular Activities:				
Other	\$2,210	\$2,210	\$1,220	\$990
Total Extracurricular Activities	380,275	393,875	335,566	58,309
<i>Total Expenditures</i>	391,275	406,275	343,735	62,540
<i>Excess of Revenues Over (Under) Expenditures</i>	(48,627)	(55,854)	6,686	62,540
Other Financing Sources (Uses)				
Advances Out	0	0	(29)	(29)
Transfers In	0	0	5,690	5,690
<i>Total Other Financing Sources (Uses)</i>	0	0	5,661	5,661
<i>Net Change in Fund Balance</i>	(48,627)	(55,854)	12,347	68,201
<i>Fund Balance Beginning of Year</i>	66,724	66,724	66,724	0
Prior Year Encumbrances Appropriated	9,773	9,773	9,773	0
<i>Fund Balance End of Year</i>	<u>\$27,870</u>	<u>\$20,643</u>	<u>\$88,844</u>	<u>\$68,201</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$168,540	\$168,540	\$132,713	(\$35,827)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	99,528	82,433	82,432	1
Fringe Benefits	60,325	44,590	44,590	0
<i>Total Expenditures</i>	<u>159,853</u>	<u>127,023</u>	<u>127,022</u>	<u>1</u>
<i>Net Change in Fund Balance</i>	8,687	41,517	5,691	(35,826)
<i>Fund Deficit Beginning of Year</i>	<u>(8,688)</u>	<u>(8,688)</u>	<u>(8,688)</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$1)</u>	<u>\$32,829</u>	<u>(\$2,997)</u>	<u>(\$35,826)</u>

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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Extracurricular Activities	\$0	\$723	\$723	\$0
Contributions and Donations	23,113	48,057	48,056	(1)
Miscellaneous	0	7,500	7,500	0
<i>Total Revenues</i>	<u>23,113</u>	<u>56,280</u>	<u>56,279</u>	<u>(1)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	0	179	179	0
Purchased Services	5,849	647	0	647
Materials and Supplies	66,337	68,247	22,501	45,746
Capital Outlay	2,432	8,722	7,201	1,521
Total Regular	<u>74,618</u>	<u>77,795</u>	<u>29,881</u>	<u>47,914</u>
Special:				
Materials and Supplies	67	1,445	1,249	196
Vocational:				
Materials and Supplies	817	817	0	817
Total Instruction	<u>75,502</u>	<u>80,057</u>	<u>31,130</u>	<u>48,927</u>
Support Services:				
Pupil:				
Purchased Services	0	7,500	0	7,500
Materials and Supplies	200	1,412	1,280	132
Capital Outlay	28	28	28	0
Total Pupil	<u>228</u>	<u>8,940</u>	<u>1,308</u>	<u>7,632</u>
Instructional Staff:				
Materials and Supplies	465	1,065	475	590
Capital Outlay	74	74	0	74
Total Instructional Staff	<u>539</u>	<u>1,139</u>	<u>475</u>	<u>664</u>
Administration:				
Materials and Supplies	<u>\$10,000</u>	<u>\$9,000</u>	<u>\$7,495</u>	<u>\$1,505</u>

(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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Pupil Transportation:				
Purchased Services	\$200	\$200	\$0	\$200
Total Support Services	<u>10,967</u>	<u>19,279</u>	<u>9,278</u>	<u>10,001</u>
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	667	4,367	2,656	1,711
Capital Outlay	171	171	171	0
Other	<u>0</u>	<u>0</u>	<u>20</u>	<u>(20)</u>
Total Operation of Non-Instructional Services	<u>838</u>	<u>4,538</u>	<u>2,847</u>	<u>1,691</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Other	0	400	0	400
Sports Oriented Activities:				
Materials and Supplies	511	1,000	450	550
School and Public Service				
Co-Curricular Activities:				
Materials and Supplies	<u>0</u>	<u>1,250</u>	<u>766</u>	<u>484</u>
<i>Total Extracurricular Activities</i>	<u>511</u>	<u>2,650</u>	<u>1,216</u>	<u>1,434</u>
<i>Total Expenditures</i>	<u>87,818</u>	<u>106,524</u>	<u>44,471</u>	<u>62,053</u>
<i>Net Change in Fund Balance</i>	(64,705)	(50,244)	11,808	62,052
<i>Fund Balance Beginning of Year</i>	77,552	77,552	77,552	0
Prior Year Encumbrances Appropriated	<u>152</u>	<u>152</u>	<u>152</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$12,999</u>	<u>\$27,460</u>	<u>\$89,512</u>	<u>\$62,052</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$11,129	\$52,466	\$44,504	(\$7,962)
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	31,903	28,933	28,933	0
Fringe Benefits	15,991	14,706	14,706	0
Total Pupil	47,894	43,639	43,639	0
Fiscal:				
Other	64	1,391	1,391	0
<i>Total Expenditures</i>	47,958	45,030	45,030	0
<i>Net Change in Fund Balance</i>	(36,829)	7,436	(526)	(7,962)
<i>Fund Deficit Beginning of Year</i>	(4,509)	(4,509)	(4,509)	0
<i>Fund Balance (Deficit) End of Year</i>	(\$41,338)	\$2,927	(\$5,035)	(\$7,962)

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, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$955,000	\$920,295	\$920,295	\$0
Interest	100	17,161	17,161	0
Charges for Services	635,000	602,762	602,762	0
Contributions and Donations	550	0	0	0
Miscellaneous	4,000	0	0	0
<i>Total Revenues</i>	<u>1,594,650</u>	<u>1,540,218</u>	<u>1,540,218</u>	<u>0</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	<u>50,000</u>	<u>50,000</u>	<u>33,731</u>	<u>16,269</u>
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	640,858	640,858	640,699	159
Fringe Benefits	353,349	353,349	333,400	19,949
Purchased Services	426,146	426,146	304,763	121,383
Materials and Supplies	805,419	805,419	514,954	290,465
Capital Outlay	<u>812,582</u>	<u>812,582</u>	<u>662,765</u>	<u>149,817</u>
Total Operation of Non-Instructional Services	<u>3,038,354</u>	<u>3,038,354</u>	<u>2,456,581</u>	<u>581,773</u>
<i>Total Expenditures</i>	<u>3,088,354</u>	<u>3,088,354</u>	<u>2,490,312</u>	<u>598,042</u>
<i>Net Change in Fund Balance</i>	(1,493,704)	(1,548,136)	(950,094)	598,042
<i>Fund Balance Beginning of Year</i>	1,490,978	1,490,978	1,490,978	0
Prior Year Encumbrances Appropriated	<u>211,647</u>	<u>211,647</u>	<u>211,647</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$208,921</u></u>	<u><u>\$154,489</u></u>	<u><u>\$752,531</u></u>	<u><u>\$598,042</u></u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Community Education Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Tuition and Fees	\$1,002,000	\$1,110,372	\$1,110,373	\$1
Miscellaneous	200	0	0	0
<i>Total Revenues</i>	<u>1,002,200</u>	<u>1,110,372</u>	<u>1,110,373</u>	<u>1</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	11,300	10,456	28,640	(18,184)
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	598,585	598,585	589,388	9,197
Fringe Benefits	312,807	312,807	330,533	(17,726)
Purchased Services	59,890	60,734	44,359	16,375
Materials and Supplies	46,134	46,134	19,207	26,927
Capital Outlay	18,315	18,315	5,029	13,286
Other	7,250	7,250	7,130	120
Total Operation of Non-Instructional Services	<u>1,042,981</u>	<u>1,043,825</u>	<u>995,646</u>	<u>48,179</u>
<i>Total Expenditures</i>	<u>1,054,281</u>	<u>1,054,281</u>	<u>1,024,286</u>	<u>29,995</u>
<i>Net Change in Fund Balance</i>	(52,081)	56,091	86,087	29,996
<i>Fund Balance Beginning of Year</i>	594,081	594,081	594,081	0
Prior Year Encumbrances Appropriated	<u>13,539</u>	<u>13,539</u>	<u>13,539</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$555,539</u></u>	<u><u>\$663,711</u></u>	<u><u>\$693,707</u></u>	<u><u>\$29,996</u></u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title IIA Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$247,932	\$247,486	\$199,093	(\$48,393)
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	1,339	6,174	6,174	0
Central:				
Salaries and Wages	130,729	112,498	112,498	0
Fringe Benefits	55,596	46,529	46,529	0
Purchased Services	27,896	17,728	17,728	0
Materials and Supplies	1,000	209	209	0
Other	800	0	0	0
Total Central	216,021	176,964	176,964	0
Total Support Services	217,360	183,138	183,138	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	15,353	12,830	12,830	0
<i>Total Expenditures</i>	232,713	195,968	195,968	0
<i>Excess of Revenues Over (Under) Expenditures</i>	15,219	51,518	3,125	(48,393)
Other Financing Sources (Uses)				
Advances Out	0	0	(2,772)	(2,772)
<i>Net Change in Fund Balance</i>	15,219	51,518	353	(51,165)
<i>Fund Deficit Beginning of Year</i>	(15,218)	(15,218)	(15,218)	0
Prior Year Encumbrances Appropriated	2,772	2,772	2,772	0
<i>Fund Balance (Deficit) End of Year</i>	\$2,773	\$39,072	(\$12,093)	(\$51,165)

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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$39,070	\$47,000	\$29,189	(\$17,811)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	21,279	19,111	19,111	0
Fringe Benefits	7,400	7,400	7,400	0
Materials and Supplies	3,079	1,735	1,735	0
Total Instruction	31,758	28,246	28,246	0
Support Services:				
Fiscal:				
Other	992	1,046	1,046	0
Central:				
Purchased Services	2,234	1,011	1,011	0
Materials and Supplies	2,453	0	0	0
Total Central	4,687	1,011	1,011	0
Total Support Services	5,679	2,057	2,057	0
<i>Total Expenditures</i>	37,437	30,303	30,303	0
<i>Net Change in Fund Balance</i>	1,633	16,697	(1,114)	(17,811)
<i>Fund Deficit Beginning of Year</i>	(1,632)	(1,632)	(1,632)	0
<i>Fund Balance (Deficit) End of Year</i>	\$1	\$15,065	(\$2,746)	(\$17,811)

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$25,442	\$25,442	\$9,149	(\$16,293)
Expenditures				
Current:				
Support Services:				
Central:				
Purchased Services	25,442	14,607	14,607	0
<i>Net Change in Fund Balance</i>	0	10,835	(5,458)	(16,293)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	\$10,835	(\$5,458)	(\$16,293)

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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$5,671,331	\$5,766,715	\$5,935,210	\$168,495
Intergovernmental	170,000	170,000	171,052	1,052
<i>Total Revenues</i>	<u>5,841,331</u>	<u>5,936,715</u>	<u>6,106,262</u>	<u>169,547</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	95,000	95,000	81,372	13,628
Debt Service:				
Principal Retirement	3,470,000	6,040,000	6,040,000	0
Interest and Fiscal Charges	4,686,807	4,690,804	4,690,804	0
Certificate of Participation Issuance Costs	0	170,106	170,106	0
<i>Total Debt Service</i>	<u>8,156,807</u>	<u>10,900,910</u>	<u>10,900,910</u>	<u>0</u>
<i>Total Expenditures</i>	<u>8,251,807</u>	<u>10,995,910</u>	<u>10,982,282</u>	<u>13,628</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,410,476)</u>	<u>(5,059,195)</u>	<u>(4,876,020)</u>	<u>183,175</u>
Other Financing Sources (Uses)				
Refunding Certificates of Participation Issued	0	13,771,053	14,279,000	507,947
Payments to Refunded Bond Escrow Agent	0	(14,108,894)	(14,108,894)	0
Transfers In	0	2,573,998	2,573,998	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>2,236,157</u>	<u>2,744,104</u>	<u>507,947</u>
<i>Net Change in Fund Balance</i>	<u>(2,410,476)</u>	<u>(2,823,038)</u>	<u>(2,131,916)</u>	<u>691,122</u>
<i>Fund Balance Beginning of Year</i>	<u>3,467,861</u>	<u>3,467,861</u>	<u>3,467,861</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,057,385</u>	<u>\$644,823</u>	<u>\$1,335,945</u>	<u>\$691,122</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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,243,878	\$1,329,126	\$846,772	(\$482,354)
Intergovernmental	232,596	226,099	144,045	(82,054)
Contributions and Donations	250,000	247,000	247,000	0
<i>Total Revenues</i>	<u>1,726,474</u>	<u>1,802,225</u>	<u>1,237,817</u>	<u>(564,408)</u>
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	60,000	60,016	60,016	0
Capital Outlay	416,157	416,157	416,157	0
Total Instructional Staff	476,157	476,173	476,173	0
Fiscal:				
Other	21,000	21,652	21,652	0
Total Support Services	497,157	497,825	497,825	0
Capital Outlay:				
Building Improvement Services:				
Capital Outlay	1,439,649	1,438,981	1,421,543	17,438
Debt Service:				
Principal Retirement	450,000	450,000	450,000	0
Interest and Fiscal Charges	115,175	115,175	63,775	51,400
Total Debt Service	565,175	565,175	513,775	51,400
<i>Total Expenditures</i>	<u>2,501,981</u>	<u>2,501,981</u>	<u>2,433,143</u>	<u>68,838</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(775,507)	(699,756)	(1,195,326)	(495,570)
Other Financing Sources (Uses)				
Transfers In	540,000	590,000	590,000	0
<i>Net Change in Fund Balance</i>	(235,507)	(109,756)	(605,326)	(495,570)
<i>Fund Balance Beginning of Year</i>	37,873	37,873	37,873	0
Prior Year Encumbrances Appropriated	997,806	997,806	997,806	0
<i>Fund Balance End of Year</i>	<u>\$800,172</u>	<u>\$925,923</u>	<u>\$430,353</u>	<u>(\$495,570)</u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Network Connectivity Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$12,600	\$12,600	\$12,600	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	12,600	12,600	12,600	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Berea City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$10,868,632	\$10,676,027	\$10,455,943	(\$220,084)
Expenses				
Purchased Services	1,425,000	1,425,000	1,034,128	390,872
Claims	9,000,000	9,702,092	10,035,490	(333,398)
<i>Total Expenses</i>	<u>10,425,000</u>	<u>11,127,092</u>	<u>11,069,618</u>	<u>57,474</u>
<i>Excess of Revenues Over (Under) Expenses Before Advances</i>	443,632	(451,065)	(613,675)	(162,610)
Advances In	0	769,775	769,775	0
Advances Out	<u>0</u>	<u>0</u>	<u>(374,664)</u>	<u>(374,664)</u>
<i>Net Change in Fund Equity</i>	443,632	318,710	(218,564)	(537,274)
<i>Fund Equity Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$443,632</u>	<u>\$318,710</u>	<u>(\$218,564)</u>	<u>(\$537,274)</u>

Berea City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Workers' Compensation Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$350,000	\$241,282	\$241,281	(\$1)
Other	0	129,449	129,449	0
<i>Total Revenues</i>	350,000	370,731	370,730	(1)
Expenses				
Purchased Services	350,000	478,870	478,870	0
<i>Net Change in Fund Equity</i>	0	(108,139)	(108,140)	(1)
<i>Fund Equity Beginning of Year</i>	318,635	318,635	318,635	0
<i>Fund Equity End of Year</i>	<u>\$318,635</u>	<u>\$210,496</u>	<u>\$210,495</u>	<u>(\$1)</u>

Berea City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Scholarship Trust Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$151	\$153	\$2
Expenses	0	0	0	0
<i>Net Change in Fund Equity</i>	0	151	153	2
<i>Fund Equity Beginning of Year</i>	13,511	13,511	13,511	0
<i>Fund Equity End of Year</i>	\$13,511	\$13,662	\$13,664	\$2

Statistical Section



Taylor Mitchell • 11th Grade

Statistical Section

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

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

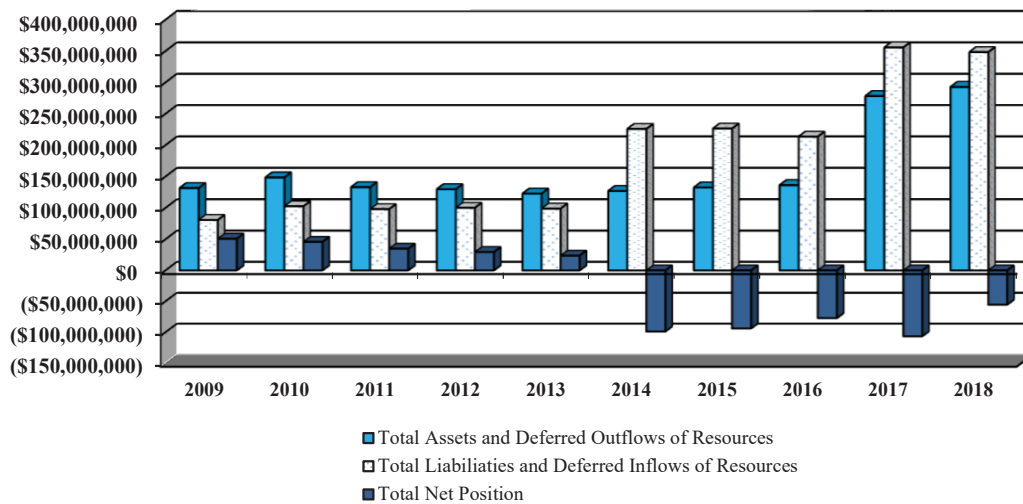
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental Activities:				
Net Investment in Capital Assets	\$10,836,395	\$17,647,068	\$14,326,886	\$12,126,538
Restricted for:				
Capital Projects	0	0	1,467,073	2,853,456
Debt Service	5,624,696	2,850,111	2,994,724	3,125,971
Set Asides	389,213	229,621	193,440	99,686
Other Purposes	2,354,730	2,010,455	2,934,178	2,982,140
Unrestricted (Deficit)	31,675,782	23,173,431	13,141,808	8,405,570
<i>Total Net Position of Governmental Activities</i>	<u>\$50,880,816</u>	<u>\$45,910,686</u>	<u>\$35,058,109</u>	<u>\$29,593,361</u>

- (1) The School District reported the impact of GASB Statement No. 68 beginning in fiscal year 2014.
(2) The School District reported the impact of GASB Statement No. 75 beginning in fiscal year 2017.

Net Position



2013	2014 (1)	2015	2016	2017 (2)	2018
\$13,489,578	\$14,028,113	\$13,782,338	\$14,073,293	\$16,438,747	\$23,844,288
1,325,817	614,126	191,417	1,585,366	1,470,269	2,485,689
3,337,903	2,956,126	3,736,492	1,652,894	2,266,997	141,560
0	28,983	0	0	0	0
2,644,355	2,344,096	2,614,592	2,683,067	3,102,103	3,095,793
3,063,523	(118,758,867)	(107,118,676)	(97,228,488)	(129,874,910)	(85,066,243)
<u>\$23,861,176</u>	<u>(\$98,787,423)</u>	<u>(\$86,793,837)</u>	<u>(\$77,233,868)</u>	<u>(\$106,596,794)</u>	<u>(\$55,498,913)</u>

Berea City School District

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2009	2010	2011	2012
Expenses				
Governmental Activities:				
Regular Instruction	\$36,391,830	\$45,065,039	\$48,818,126	\$41,353,215
Special Instruction	11,547,898	10,038,403	8,879,849	10,245,263
Vocational Instruction	809,220	825,472	747,511	755,157
Adult/Continuing Instruction	217,180	227,267	167	0
Pupil Support	5,062,514	5,264,854	5,233,024	5,613,451
Instructional Staff Support	7,184,673	7,503,450	5,898,656	6,585,844
Board of Education	39,173	40,655	40,279	33,962
Administration	4,979,545	4,847,968	4,481,530	4,976,072
Fiscal	1,767,988	1,644,105	1,713,498	1,867,747
Business	839,474	732,957	836,727	615,697
Operation and Maintenance of Plant	8,874,736	7,582,239	7,697,334	7,484,540
Pupil Transportation	4,092,193	4,039,473	3,577,492	4,737,450
Central	2,415,876	2,203,808	2,750,598	3,169,134
Operation of Non-Instructional Services	3,876,038	3,409,255	2,561,931	3,466,400
Extracurricular Activities	1,707,738	1,793,990	1,711,255	1,733,246
Interest and Fiscal Charges	772,958	1,721,024	2,190,396	2,124,918
<i>Total Governmental Activities Expenses</i>	<u>90,579,034</u>	<u>96,939,959</u>	<u>97,138,373</u>	<u>94,762,096</u>
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
Regular Instruction	1,070,598	1,094,550	1,359,352	1,037,994
Special Instruction	813,165	1,549,202	1,736,219	1,274,859
Adult/Continuing	200,570	232,937	170	0
Pupil Support	3,750	2,999	2,207	1,769
Instructional Staff Support	142,636	184,976	0	0
Fiscal	0	0	0	
Business	136,431	107,659	101,338	79,724
Operation and Maintenance of Plant	26,854	122,319	33,459	178,773
Pupil Transportation	65,579	74,205	95,206	67,061
Central	0	0	0	0
Operation of Non-Instructional Services	2,303,752	2,172,752	2,157,619	2,110,236
Extracurricular Activities	270,131	270,030	524,532	598,101
Operating Grants and Contributions				
Regular Instruction	353,705	809,913	766,495	496,491
Special Instruction	1,499,683	1,537,002	2,064,492	1,070,960
Vocational Instruction	0	0	0	0
Pupil Support	760,077	968,944	1,087,625	831,186
Instructional Staff Support	557,453	859,369	1,157,931	557,118
Administration	100,509	89,783	179,389	125,451
Fiscal	0	0	0	0
Business	0	5,803	0	7,814
Operation and Maintenance of Plant	367	4,082	478	0
Pupil Transportation	15,131	189,203	40,381	168,815
Central	21,474	12,959	5,000	622,915
Operation of Non-Instructional Services	1,643,553	1,626,109	1,838,840	1,587,131
Extracurricular Activities	83,779	149,800	46,262	0
Capital Grants and Contributions				
Regular Instruction	0	0	0	250,000
Instructional Staff Support	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	36,000	25,149	25,025	16,200
Extracurricular Activities	0	0	0	0
Interest and Fiscal Charges	0	0	326,576	326,576
<i>Total Governmental Activities Program Revenues</i>	<u>\$10,105,197</u>	<u>\$12,089,853</u>	<u>\$13,548,596</u>	<u>\$11,409,174</u>

2013	2014	2015 (1)	2016	2017	2018 (2) (3)
\$39,608,990	\$36,199,890	\$33,899,991	\$34,675,549	\$38,742,810	\$12,312,233
13,517,350	16,507,159	12,957,488	14,369,441	14,924,379	5,506,454
557,365	461,608	449,327	281,881	304,519	94,264
0	0	0	0	0	0
5,486,171	5,060,741	5,296,091	5,180,499	5,753,491	2,571,937
6,429,274	1,936,743	2,026,693	1,873,500	2,210,710	1,045,776
29,421	30,936	31,884	40,802	28,976	48,601
4,689,371	5,149,936	4,962,719	5,075,784	5,516,878	1,834,766
1,889,015	1,886,716	1,929,973	2,078,462	2,343,485	2,087,469
908,587	930,614	1,102,810	658,200	503,791	346,703
7,089,550	6,640,901	6,907,464	5,570,470	6,288,109	4,520,998
4,589,088	5,703,126	5,719,081	5,877,604	6,281,638	5,925,401
2,974,477	2,497,201	2,058,421	1,949,975	2,673,824	1,305,965
3,323,805	4,208,485	3,257,825	3,207,160	3,458,007	2,849,116
1,980,304	1,498,499	1,018,512	1,404,707	1,368,948	1,383,137
2,645,105	1,721,028	1,152,966	1,210,442	2,773,750	5,502,748
95,717,873	90,433,583	82,771,245	83,454,476	93,173,315	47,335,568
1,254,464	1,764,837	1,790,405	1,446,786	2,217,870	2,050,604
1,823,523	2,565,414	1,681,630	1,470,301	2,179,966	2,548,435
0	0	0	0	0	0
1,249	0	0	750	0	0
0	0	0	20,319	0	0
0	0	0	22,967	10,398	11,333
96,770	136,140	64,857	24,214	4,446	0
69,586	80,579	69,241	74,130	91,336	5,557
77,436	58,826	142,936	207,648	186,044	182,616
0	0	0	0	0	0
2,056,037	1,803,214	1,780,337	1,683,701	1,674,661	1,723,781
656,322	598,546	418,124	416,581	467,138	473,677
118,881	188,555	221,274	193,444	223,091	174,834
1,153,964	2,205,144	4,011,352	4,219,640	3,996,264	3,998,854
0	0	20,724	27,112	34,668	37,293
713,117	894,215	796,230	673,554	591,930	443,272
315,957	33,821	0	17,489	8,208	10,808
97,373	189,657	227,549	241,772	308,439	279,443
0	0	5,527	93,586	119,384	109,130
0	0	0	0	1,316	0
965	0	0	1,113	0	891
21,150	2,789	1,884	665	918	355
361,531	456,851	386,804	340,446	547,407	496,492
1,859,766	1,625,303	1,684,954	1,641,179	1,639,355	1,535,570
144,556	23,717	30,969	122,434	29,813	46,154
0	3,000	0	8,117	373,090	1,354,178
47,379	0	0	0	247,000	247,000
0	7,000	0	0	0	0
0	12,600	14,400	4,483	4,483	4,483
167,000	0	0	0	0	0
0	0	0	0	0	0
\$11,037,026	\$12,650,208	\$13,349,197	\$12,952,431	\$14,957,225	\$15,734,760

(continued)

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

	2009	2010	2011	2012
Net (Expense)/Revenue	<u>(\$80,473,837)</u>	<u>(\$84,850,106)</u>	<u>(\$83,589,777)</u>	<u>(\$83,352,922)</u>
General Revenues				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	53,974,253	49,940,417	49,482,680	50,612,454
Debt Service	1,133,718	1,068,671	1,030,334	1,033,395
Capital Outlay	1,341,588	1,294,683	934,134	1,303,640
Grants and Entitlements not Restricted to Specific Programs	25,357,616	26,020,444	20,908,683	23,706,710
Unrestricted Contributions	0	0	66,896	0
Gain on Sale of Capital Assets	0	0	0	243,452
Investment Earnings	692,009	307,078	88,002	34,505
Miscellaneous	350,843	1,248,683	226,471	954,018
<i>Total Governmental Activities General Revenue</i>	<u>82,850,027</u>	<u>79,879,976</u>	<u>72,737,200</u>	<u>77,888,174</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$2,376,190</u>	<u>(\$4,970,130)</u>	<u>(\$10,852,577)</u>	<u>(\$5,464,748)</u>

- (1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in fiscal year 2015.
- (2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in fiscal year 2018.
- (3) During 2018, there was a large decrease in expenses as a result from changes in assumptions and benefit terms related to pension.

2013	2014	2015 (1)	2016 (1)	2017 (1)	2018 (1)
<u>(\$84,680,847)</u>	<u>(\$77,783,375)</u>	<u>(\$69,422,048)</u>	<u>(\$70,502,045)</u>	<u>(\$78,216,090)</u>	<u>(\$31,600,808)</u>
52,931,241	54,324,820	54,892,650	55,882,938	50,318,517	54,514,378
1,077,944	928,565	1,410,043	146,897	4,109,314	5,134,082
1,280,245	1,310,611	728,822	1,314,500	1,192,802	1,468,167
22,622,495	22,999,655	23,876,897	22,430,197	21,679,782	21,045,208
51,316	51,639	39,419	0	0	0
0	0	0	0	0	0
20,181	8,164	7,265	37,954	146,467	262,005
965,240	149,550	460,538	249,528	466,464	274,849
<u>78,948,662</u>	<u>79,773,004</u>	<u>81,415,634</u>	<u>80,062,014</u>	<u>77,913,346</u>	<u>82,698,689</u>
<u>(\$5,732,185)</u>	<u>\$1,989,629</u>	<u>\$11,993,586</u>	<u>\$9,559,969</u>	<u>(\$302,744)</u>	<u>\$51,097,881</u>

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

	2009	2010 (1)	2011	2012
General Fund				
Nonspendable	NA	\$187,165	\$171,517	\$187,478
Restricted	NA	0	206,582	99,686
Committed	NA	0	0	0
Assigned	NA	180,745	196,107	1,745,897
Unassigned	NA	29,008,560	14,900,858	6,907,662
Reserved	\$6,053,850	NA	NA	NA
Unreserved (Deficit)	25,745,798	NA	NA	NA
<i>Total General Fund</i>	31,799,648	29,376,470	15,475,064	8,940,723
All Other Governmental Funds				
Nonspendable	NA	32,883	11,072	10,900
Restricted	NA	22,754,429	9,008,264	7,508,663
Unassigned (Deficit)	NA	(530,612)	(234,765)	(758,626)
Reserved	965,712	NA	NA	NA
Unreserved, Undesignated, Reported in:				
Special Revenue funds	907,538	NA	NA	NA
Debt Service funds	3,081,356	NA	NA	NA
Capital Projects funds (Deficit)	(1,448,894)	NA	NA	NA
<i>Total All Other Governmental Funds</i>	3,505,712	22,256,700	8,784,571	6,760,937
<i>Total Governmental Funds</i>	\$35,305,360	\$51,633,170	\$24,259,635	\$15,701,660

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

2013	2014	2015	2016	2017	2018
\$185,814	\$212,861	\$173,388	\$119,475	\$116,634	\$57,477
0	28,983	0	0	0	0
0	0	0	0	0	138,451
1,416,139	285,566	609,623	795,952	708,842	550,292
0	4,414,093	14,216,177	21,679,341	21,156,885	20,160,403
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
<u>1,601,953</u>	<u>4,941,503</u>	<u>14,999,188</u>	<u>22,594,768</u>	<u>21,982,361</u>	<u>20,906,623</u>
10,809	10,212	9,386	8,906	9,455	9,281
7,344,944	5,687,075	6,340,491	4,612,923	119,667,006	100,712,580
(1,100,574)	(2,191,354)	(3,388,561)	(1,335,522)	(1,715,265)	(915,292)
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
<u>6,255,179</u>	<u>3,505,933</u>	<u>2,961,316</u>	<u>3,286,307</u>	<u>117,961,196</u>	<u>99,806,569</u>
<u>\$7,857,132</u>	<u>\$8,447,436</u>	<u>\$17,960,504</u>	<u>\$25,881,075</u>	<u>\$139,943,557</u>	<u>\$120,713,192</u>

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

	2009	2010	2011	2012
Revenues				
Property Taxes	\$57,002,404	\$52,524,445	\$51,029,228	\$51,417,177
Intergovernmental	30,097,350	32,323,880	28,419,803	29,207,458
Interest	692,009	307,078	88,002	34,505
Tuition and Fees	4,018,410	4,003,556	3,711,286	3,780,047
Extracurricular Activities	503,326	526,446	580,322	708,113
Rentals	102,356	122,822	31,032	174,798
Charges for Services	1,395,370	1,317,925	1,255,224	1,177,577
Contributions and Donations	192,852	234,725	153,717	354,898
Miscellaneous	350,843	1,248,683	226,471	954,018
<i>Total Revenues</i>	<u>94,354,920</u>	<u>92,609,560</u>	<u>85,495,085</u>	<u>87,808,591</u>
Expenditures				
Current:				
Instruction:				
Regular	34,960,310	38,432,683	39,077,887	38,236,513
Special	11,594,623	10,312,422	10,734,786	10,350,252
Vocational	809,189	843,469	910,458	768,027
Adult/Continuing	218,090	235,330	167	0
Support Services:				
Pupil	5,056,856	5,372,728	5,743,923	5,680,392
Instructional Staff	7,031,107	8,203,956	8,253,865	6,645,875
Board of Education	39,173	40,655	40,279	33,962
Administration	5,094,343	4,859,059	5,120,714	4,949,479
Fiscal	1,761,506	1,693,464	1,808,492	2,017,012
Business	828,027	746,207	888,137	780,589
Operation and Maintenance of Plant	8,762,671	8,090,494	8,583,494	7,547,015
Pupil Transportation	3,930,569	4,112,181	4,771,895	4,610,385
Central	2,715,901	2,751,609	3,059,261	3,015,167
Operation of Non-Instructional Services	3,840,731	3,741,752	3,670,827	3,490,834
Extracurricular Activities	1,729,082	1,832,564	1,761,982	1,745,513
Capital Outlay	1,587,501	7,643,405	14,970,422	3,305,605
Debt Service:				
Principal Retirement	1,242,802	1,275,000	1,320,000	1,375,000
Interest and Fiscal Charges	773,209	1,324,505	2,152,031	2,083,398
Debt Issuance Costs	0	490,946	0	0
<i>Total Expenditures</i>	<u>91,975,690</u>	<u>102,002,429</u>	<u>112,868,620</u>	<u>96,635,018</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<u>2,379,230</u>	<u>(9,392,869)</u>	<u>(27,373,535)</u>	<u>(8,826,427)</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	0	0
Certificates of Participation Issued	0	26,000,000	0	0
Premium on General Obligation Bonds	0	0	0	0
Premium on Certificates of Participation	0	127,260	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Discount on Certificates of Participation	0	(406,581)	0	0
Transfers In	605,412	572,338	1,005,734	570,437
Transfers Out	(605,412)	(572,338)	(1,005,734)	(570,437)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>25,720,679</u>	<u>0</u>	<u>0</u>
Special Item				
Sale of CA Thomas Elementary	0	0	0	268,452
<i>Net Change in Fund Balances</i>	<u>\$2,379,230</u>	<u>\$16,327,810</u>	<u>(\$27,373,535)</u>	<u>(\$8,557,975)</u>
Debt Service as a Percentage of Noncapital Expenditures	2.2%	2.7%	3.7%	3.7%

2013	2014	2015	2016	2017	2018
\$55,022,732	\$57,550,637	\$57,215,966	\$58,226,212	\$55,293,938	\$61,150,597
28,235,695	29,000,164	31,535,412	29,924,108	28,615,793	28,207,656
20,181	8,164	7,265	39,318	521,038	1,627,411
3,981,655	4,018,423	5,055,528	3,815,856	5,460,488	4,498,408
695,598	598,546	409,016	404,938	433,106	403,521
68,650	79,031	70,429	73,197	124,466	71,621
1,095,096	1,009,180	855,786	766,205	633,355	602,820
386,584	129,911	147,662	192,101	367,468	341,793
965,240	149,550	460,538	249,528	274,619	274,103
90,471,431	92,543,606	95,757,602	93,691,463	91,724,271	97,177,930
37,335,907	35,321,823	34,343,286	34,864,569	36,074,257	36,380,449
13,674,321	16,154,620	13,090,313	14,232,343	14,286,503	14,014,668
584,269	454,754	489,976	283,808	285,446	334,293
0	0	0	0	0	0
5,531,744	5,013,480	5,328,640	5,359,881	5,386,938	5,292,070
6,677,925	1,980,267	2,044,328	1,910,149	2,060,714	2,040,209
29,421	30,981	31,897	40,738	28,575	48,237
4,717,817	5,092,297	5,114,218	5,099,125	5,074,548	5,036,326
1,888,299	1,871,639	1,919,004	2,045,894	2,224,571	2,383,479
911,931	902,132	1,073,329	658,971	469,412	408,672
7,173,156	6,535,277	5,880,086	5,566,073	5,683,973	5,803,600
4,648,162	4,750,302	5,206,133	4,999,087	5,474,561	6,247,930
3,004,102	2,457,830	2,067,684	1,947,997	2,414,948	2,252,932
3,467,797	4,142,443	3,271,791	3,106,638	3,237,037	3,420,439
2,014,019	1,566,036	1,022,526	1,415,283	1,327,908	1,463,966
2,758,857	2,176,308	2,133,519	1,114,388	1,896,516	19,209,529
1,870,000	1,855,000	1,900,000	1,930,000	2,150,000	6,605,000
2,028,232	1,648,113	1,327,804	1,195,949	2,296,963	5,466,496
0	356,418	0	222,380	1,353,238	170,106
98,315,959	92,309,720	86,244,534	85,993,273	91,726,108	116,578,401
(7,844,528)	233,886	9,513,068	7,698,190	(1,837)	(19,400,471)
0	0	0	0	112,500,000	0
0	13,685,000	0	8,900,000	0	14,279,000
0	0	0	0	1,564,319	0
0	0	0	264,473	0	0
0	(13,074,651)	0	(8,942,092)	0	(14,108,894)
0	(253,931)	0	0	0	0
571,137	0	39,212	2,225,942	464,158	3,169,688
(571,137)	0	(39,212)	(2,225,942)	(464,158)	(3,169,688)
0	356,418	0	222,381	114,064,319	170,106
0	0	0	0	0	0
(\$7,844,528)	\$590,304	\$9,513,068	\$7,920,571	\$114,062,482	(\$19,230,365)
4.0%	3.9%	3.8%	3.7%	4.9%	12.5%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2009	\$957,151,850	\$499,507,070	\$4,161,882,629	\$25,320,360	\$27,923,091
2010	887,703,940	488,684,970	3,932,539,743	23,880,323	26,335,030
2011	889,364,590	488,484,510	3,936,711,714	23,832,328	27,082,191
2012	888,117,120	489,346,920	3,935,611,543	24,692,430	28,059,580
2013	829,921,220	460,919,440	3,688,116,171	30,559,960	34,727,227
2014	834,432,190	463,754,130	3,709,103,771	33,200,280	37,727,591
2015	835,121,070	466,729,860	3,719,574,086	35,071,880	39,854,409
2016	823,937,040	451,072,190	3,642,883,514	36,528,700	41,509,886
2017	825,589,220	430,825,830	3,589,757,286	40,412,290	45,923,057
2018	826,049,630	450,089,880	3,646,112,886	44,823,660	50,935,977

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

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property has been phased out, and during the phase out period, all business tangible personal property was assessed at 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was 2010).

The tangible personal property values associated with each year were the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Tangible Personal Property General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
\$25,866,283	\$406,141,512	\$1,507,845,563	\$4,595,947,232	\$74.90	\$39.84
0	0	1,400,269,233	3,958,874,773	75.00	41.51
0	0	1,401,681,428	3,963,793,905	74.90	41.41
0	0	1,402,156,470	3,963,671,122	75.00	41.62
0	0	1,321,400,620	3,722,843,399	78.90	47.93
0	0	1,331,386,600	3,746,831,362	78.90	48.07
0	0	1,336,922,810	3,759,428,495	78.70	48.08
0	0	1,311,537,930	3,684,393,401	78.00	48.22
0	0	1,296,827,340	3,635,680,343	82.20	52.43
0	0	1,320,963,170	3,697,048,863	82.20	52.33

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

	2009	2010	2011	2012	2013
Unvoted Millage					
Operating	\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
Voted Millage - by levy					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	\$6.35	\$6.87	\$6.88	\$6.88	\$7.41
Commercial/Industrial and Public Utility Real	11.85	12.26	12.24	12.32	13.04
General Business and Public Utility Personal	31.40	31.40	31.40	31.40	31.40
1985 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	2.83	3.07	3.07	3.07	3.31
Commercial/Industrial and Public Utility Real	3.50	3.63	3.62	3.64	3.85
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	3.40	3.69	3.69	3.69	3.97
Commercial/Industrial and Public Utility Real	4.04	4.17	4.17	4.19	4.44
General Business and Public Utility Personal	6.90	6.90	6.90	6.90	6.90
1994 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	3.50	3.79	3.79	3.79	4.09
Commercial/Industrial and Public Utility Real	3.87	4.00	4.00	4.02	4.26
General Business and Public Utility Personal	5.90	5.90	5.90	5.90	5.90
2000 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	4.44	4.80	4.81	4.81	5.18
Commercial/Industrial and Public Utility Real	4.32	4.47	4.47	4.49	4.76
General Business and Public Utility Personal	5.90	5.90	5.90	5.90	5.90
2002 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	4.93	5.34	5.34	5.35	5.76
Commercial/Industrial and Public Utility Real	5.32	5.50	5.50	5.53	5.86
General Business and Public Utility Personal	5.90	5.90	5.90	5.90	5.90
2006 Operating -continuing					
Effective Millage Rates					
Residential/Agricultural Real	4.80	5.19	5.20	5.20	5.25
Commercial/Industrial and Public Utility Real	4.86	5.03	5.03	5.05	5.25
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	3.90
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00	3.90
General Business and Public Utility Personal	0.00	0.00	0.00	0.00	3.90
1992 Bond Levy (debt service)	0.80	0.90	0.80	0.90	0.90
2016 Bond Levy (debt service)	0.00	0.00	0.00	0.00	0.00

2014	2015	2016	2017	2018
\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
\$7.42	\$7.43	\$7.54	\$7.54	\$7.54
13.10	13.25	13.91	13.90	13.66
31.40	31.40	31.40	31.40	31.40
3.31	3.31	3.36	3.36	3.37
3.88	3.92	4.11	4.11	4.04
6.90	6.90	6.90	6.90	6.90
3.98	3.99	4.04	4.04	4.05
4.46	4.51	4.74	4.74	4.65
6.90	6.90	6.90	6.90	6.90
4.09	4.09	4.16	4.15	4.16
4.28	4.33	4.54	4.54	4.46
5.90	5.90	5.90	5.90	5.90
5.18	5.19	5.27	5.27	5.27
4.77	4.83	5.07	5.07	4.98
5.90	5.90	5.90	5.90	5.90
5.77	5.78	5.85	5.86	5.86
5.88	5.90	5.90	5.90	5.79
5.90	5.90	5.90	5.90	5.90
5.25	5.25	5.25	5.25	5.25
5.25	5.25	5.25	5.25	5.16
5.25	5.25	5.25	5.25	5.25
3.90	3.90	3.90	3.90	3.90
3.90	3.90	3.90	3.90	3.83
3.90	3.90	3.90	3.90	3.90
0.90	0.70	0.00	0.00	0.00
0.00	0.00	0.00	4.20	4.20

(continued)

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

	2009	2010	2011	2012	2013
1976 Permanent Improvement Continuing					
Effective Millage Rates					
Residential/Agricultural Real	\$0.18	\$0.19	\$0.19	\$0.19	\$0.21
Commercial/Industrial and Public Utility Real	0.34	0.35	0.35	0.35	0.37
General Business and Public Utility Personal	0.90	0.90	0.90	0.90	0.90
1996 Permanent Improvement Continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.69	0.74	0.74	0.74	0.80
Commercial/Industrial and Public Utility Real	0.72	0.74	0.74	0.74	0.79
General Business and Public Utility Personal	1.00	1.00	1.00	1.00	1.00
Total voted millage by type of property					
Residential/Agricultural Real	\$31.92	\$34.58	\$34.51	\$34.62	\$40.78
Commercial/Industrial and Public Utility Real	39.62	41.05	40.92	41.23	47.42
General Business and Public Utility Personal	70.85	70.95	70.85	70.95	74.85
Total millage by type of property					
Residential/Agricultural Real	\$35.97	\$38.63	\$38.56	\$38.67	\$44.83
Commercial/Industrial and Public Utility Real	43.67	45.10	44.97	45.28	51.47
General Business and Public Utility Personal	74.90	75.00	74.90	75.00	78.90
Total Weighted Average Tax Rate					
	\$39.84	\$41.51	\$41.41	\$41.62	\$47.93
Overlapping Rates by Taxing District					
Berea City					
Effective Millage Rates					
Residential/Agricultural Real	\$13.00	\$13.03	\$13.13	\$13.13	\$12.75
Commercial/Industrial and Public Utility Real	13.60	13.63	13.56	13.56	13.31
General Business and Public Utility Personal	18.60	17.20	17.20	17.20	16.80
Middleburg Heights City					
Effective Millage Rates					
Residential/Agricultural Real	4.61	4.65	4.65	4.65	4.71
Commercial/Industrial and Public Utility Real	4.80	4.83	4.83	4.83	4.88
General Business and Public Utility Personal	5.45	5.45	5.45	5.45	5.45
Brook Park City					
Effective Millage Rates					
Residential/Agricultural Real	4.64	4.67	4.67	4.67	4.73
Commercial/Industrial and Public Utility Real	4.63	4.68	4.68	4.68	4.67
General Business and Public Utility Personal	4.75	4.75	4.75	4.75	4.80
Cleveland City					
Effective Millage Rates					
Residential/Agricultural Real	12.70	12.70	12.70	12.70	12.70
Commercial/Industrial and Public Utility Real	12.70	12.70	12.70	12.70	12.70
General Business and Public Utility Personal	12.70	12.70	12.70	12.70	12.70
Fairview Park City					
Effective Millage Rates					
Residential/Agricultural Real	11.51	11.57	11.58	11.58	11.61
Commercial/Industrial and Public Utility Real	11.71	11.72	11.73	11.74	11.73
General Business and Public Utility Personal	11.80	11.80	11.80	11.80	11.80

2014	2015	2016	2017	2018
\$0.21	\$0.21	\$0.21	\$0.21	\$0.21
0.38	0.38	0.39	0.40	0.39
0.90	0.90	0.90	0.90	0.90
0.80	0.80	0.81	0.81	0.82
0.79	0.80	0.84	0.84	0.83
1.00	1.00	1.00	1.00	1.00
\$40.81	\$40.65	\$40.39	\$44.59	\$44.63
47.59	47.77	48.65	52.85	51.99
74.85	74.65	73.95	78.15	78.15
\$44.86	\$44.70	\$44.44	\$48.64	\$48.68
51.64	51.82	52.70	56.90	56.04
78.90	78.70	78.00	82.20	82.20
\$48.07	\$48.08	\$48.22	\$82.20	\$52.43
\$12.76	\$12.76	\$12.78	\$12.78	\$12.79
13.31	13.32	13.38	13.38	13.37
16.80	16.80	16.80	16.80	16.80
4.71	4.71	4.71	4.71	4.71
4.88	4.88	4.91	4.91	4.89
5.45	5.45	5.45	5.45	5.45
4.73	4.73	4.74	4.74	4.74
4.67	4.68	4.68	4.68	4.68
4.75	4.75	4.75	4.75	4.75
12.70	12.70	12.70	12.70	12.70
12.70	12.70	12.70	12.70	12.70
12.70	12.70	12.70	12.70	12.70
11.61	11.61	11.56	11.56	11.56
11.73	11.75	11.79	11.79	11.79
11.80	11.80	11.80	11.80	11.80

(continued)

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

	2009	2010	2011	2012	2013
Olmsted Falls City					
Effective Millage Rates					
Residential/Agricultural Real	\$10.25	\$10.00	\$11.40	\$11.61	\$11.69
Commercial/Industrial and Public Utility Real	11.23	9.72	10.97	11.16	11.34
General Business and Public Utility Personal	15.70	14.50	14.25	14.45	14.45
Cuyahoga County					
Effective Millage Rates					
Residential/Agricultural Real	17.76	17.79	18.46	12.78	13.22
Commercial/Industrial and Public Utility Real	18.70	18.73	18.87	13.11	12.99
General Business and Public Utility Personal	20.60	20.60	19.05	13.22	20.80
Polaris J.V.S.D.					
Effective Millage Rates					
Residential/Agricultural Real	1.94	1.97	2.01	2.04	2.33
Commercial/Industrial and Public Utility Real	1.94	1.97	2.18	2.18	2.13
General Business and Public Utility Personal	2.40	2.40	2.40	2.40	2.40
Cuyahoga County Public Library					
Effective Millage Rates					
Residential/Agricultural Real	2.50	2.50	2.50	2.50	2.50
Commercial/Industrial and Public Utility Real	2.50	2.50	2.50	2.50	2.50
General Business and Public Utility Personal	2.50	2.50	2.50	2.50	2.50
Cleveland Metroparks					
Effective Millage Rates					
Residential/Agricultural Real	1.67	1.81	1.81	1.82	2.75
Commercial/Industrial and Public Utility Real	1.72	1.72	1.72	1.74	2.70
General Business and Public Utility Personal	1.85	1.85	1.85	1.85	2.75
Cleveland Cuyahoga Port Authority					
Effective Millage Rates					
Residential/Agricultural Real	0.09	0.10	0.10	0.10	0.11
Commercial/Industrial and Public Utility Real	0.11	0.11	0.11	0.11	0.11
General Business and Public Utility Personal	0.13	0.13	0.13	0.13	0.13
Cuyahoga Community College					
Effective Millage Rates					
Residential/Agricultural Real	2.40	2.60	3.08	3.08	3.10
Commercial/Industrial and Public Utility Real	2.57	2.58	3.02	3.02	3.06
General Business and Public Utility Personal	2.80	2.80	3.10	3.10	3.10

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

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

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

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

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio and Ohio Department of Taxation

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

2014	2015	2016	2017	2018
\$10.60	\$10.60	\$10.50	\$9.80	\$9.80
10.32	10.56	10.55	9.85	9.85
13.35	13.35	13.35	12.65	12.65
13.94	14.05	14.05	13.88	13.91
14.05	14.01	13.87	14.01	14.01
14.05	14.05	14.05	14.05	14.05
2.33	2.33	2.29	2.98	2.99
2.14	2.17	2.27	2.96	2.94
2.40	2.40	2.40	3.09	3.09
2.50	2.50	2.47	2.47	2.48
2.50	2.50	2.50	2.50	2.50
2.50	2.50	2.50	2.50	2.50
2.75	2.71	2.71	2.71	2.72
2.74	2.75	2.75	2.74	2.74
2.75	2.75	2.75	2.75	2.75
0.14	0.11	0.11	0.11	0.11
0.11	0.11	0.12	0.12	0.12
0.13	0.13	0.13	0.13	0.13
3.10	4.00	3.94	3.95	4.46
3.07	3.99	4.00	3.99	4.49
3.10	4.00	4.00	4.00	4.50

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
2008	\$65,523,211	\$58,920,679	89.92%	\$1,700,979	\$60,621,658	92.52%
2009	58,299,388	56,230,956	96.45	2,040,999	58,271,955	99.95
2010	58,469,967	52,974,409	90.60	3,956,993	56,931,402	97.37
2011	58,241,431	55,834,655	95.86	3,578,785	59,413,440	102.01
2012	63,666,931	60,646,452	95.26	1,879,820	62,526,272	98.21
2013	64,016,614	58,980,806	92.13	1,944,222	60,925,028	95.17
2014	64,540,119	60,082,521	93.09	1,573,779	61,656,300	95.53
2015	62,695,041	60,196,116	96.01	1,477,262	61,673,378	98.37
2016	69,358,945	67,268,407	96.99	1,894,592	69,162,999	99.72
2017	69,228,399	66,818,863	96.52	1,928,302	68,747,165	99.30

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 2018 information cannot be presented because all collections have not been made by June 30, 2018.
- (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**2018 and 2009(1)*

Name of Taxpayer	2018	
	Assessed Value	Percent of Real Property Assessed Value
City of Cleveland	\$51,410,710	4.03 %
The Islander Company, LLC	13,912,530	1.09
Southland Shopping Center, LLC	12,410,790	0.97
CP Snow Properties, LLC	5,815,260	0.46
Middleburg - Legacy Place	5,583,730	0.44
Ford Motor Company	5,250,000	0.41
Cleveland Airport South Property LLC	4,972,980	0.39
M W P Company	4,656,940	0.36
Airport Executive Park, LLC	4,000,230	0.31
Brook Park Land Developer	3,959,770	0.31
Totals	\$111,972,940	8.77 %
Total Real Property Assessed Valuation	\$1,276,139,510	
Name of Taxpayer	2009	
	Assessed Value	Percent of Real Property Assessed Value
City of Cleveland	\$58,172,400	3.99 %
Cleveland Electric Illuminating	19,855,010	1.36
Ford Motor Company	18,999,030	1.30
Galileo Southland LLC.	17,120,960	1.18
The Islander Company, LLC.	10,240,190	0.70
M W P Company	8,445,420	0.58
Middleburg - Legacy Place	5,682,400	0.39
Albrecht Inc	5,207,690	0.36
Ozre Lodging LLC.	4,733,130	0.33
CP Snow Properties, LLC.	4,705,330	0.32
Totals	\$153,161,560	10.51 %
Total Real Property Assessed Valuation	\$1,456,658,920	

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

(1) The amounts presented represent the assessed values upon which 2018 and 2009 collections were based.

Berea City School District
Principal Taxpayers
Public Utilities Real Property Tax
2018 and 2009(1)

Name of Taxpayer	2018	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$26,106,270	58.24 %
American Transmission System	12,122,810	27.05
Columbia Gas of Ohio Inc	5,175,100	11.54
Totals	<u>\$43,404,180</u>	<u>96.83 %</u>
Total Public Utility Assessed Valuation	<u>\$44,823,660</u>	

Name of Taxpayer	2009	
	Assessed Value	Percent of Public Utility
Cleveland Electric Illuminating	\$19,985,390	78.93 %
American Transmission System	3,239,060	12.79
Columbia Gas of Ohio	2,516,700	9.94
East Ohio Gas Company	961,290	3.80
Totals	<u>\$26,702,440</u>	<u>105.46 %</u>
Total Public Utility Assessed Valuation	<u>\$25,320,360</u>	

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

(1) The amounts presented represent the assessed values upon which 2018 and 2009 collections were based.

Berea City School District
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities*
June 30, 2018

	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	\$112,128,319	100.00 %	\$112,128,319
Certificates of Participation	25,123,371	100.00	25,123,371
Total Direct	137,251,690		137,251,690
Overlapping:			
Cuyahoga County	1,544,316,977	4.70	72,582,898
Greater Cleveland Regional Transit	126,876,963	4.72	5,988,593
City of Middleburg Heights	7,103,841	100.00	7,103,841
City of Brook Park	15,693,829	94.76	14,871,472
City of Berea	25,729,955	93.42	24,036,924
City of Olmsted Falls	3,646,391	3.25	118,508
City of Fairview Park	20,668,152	0.10	20,668
City of Cleveland	783,389,000	1.20	9,400,668
Total Overlapping	2,527,425,108		134,123,572
Total	\$2,664,676,798		\$271,375,262

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 2018 collection year.

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

	2009	2010	2011	2012
Assessed Valuation	<u>\$1,507,845,563</u>	<u>\$1,400,269,233</u>	<u>\$1,401,681,428</u>	<u>\$1,402,156,470</u>
Debt Limit - 9% of Assessed Value (1)	<u>\$135,706,101</u>	<u>\$126,024,231</u>	<u>\$126,151,329</u>	<u>\$126,194,082</u>
Amount of Debt Applicable to Debt Limit				
Certificates of Participation	0	26,000,000	26,000,000	26,000,000
General Obligation Bonds	14,555,000	13,280,000	11,960,000	10,585,000
Notes	2,585,000	2,340,000	2,085,000	1,820,000
Less Amount Available in Debt Service	<u>(3,205,289)</u>	<u>(3,486,071)</u>	<u>(3,595,079)</u>	<u>(3,696,184)</u>
Total	13,934,711	38,133,929	36,449,921	34,708,816
Exemptions:				
Certificates of Participation	0	26,000,000	26,000,000	26,000,000
Energy Conservation Bonds	<u>6,205,000</u>	<u>5,845,000</u>	<u>5,470,000</u>	<u>5,080,000</u>
Amount of Debt Subject to Limit	<u>7,729,711</u>	<u>6,288,929</u>	<u>4,979,921</u>	<u>3,628,816</u>
Overall Debt Margin	<u>\$127,976,390</u>	<u>\$119,735,302</u>	<u>\$121,171,408</u>	<u>\$122,565,266</u>
Legal Debt Margin as a Percentage of the Debt Limit	8.49%	8.55%	8.64%	8.74%
Unvoted Debt Limit - 10% of Assessed Value (2)	\$1,507,846	\$1,400,269	\$1,401,681	\$1,402,156
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$1,507,846</u>	<u>\$1,400,269</u>	<u>\$1,401,681</u>	<u>\$1,402,156</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100%	100%	100%	100%
Additional Limit for Unvoted Debt:				
Debt Limit - .9% of Assessed Value	\$13,570,610	\$12,602,423	\$12,615,133	\$12,619,408
Certificates of Participation	0	26,000,000	26,000,000	26,000,000
Energy Conservation Bonds	<u>6,205,000</u>	<u>5,845,000</u>	<u>5,470,000</u>	<u>5,080,000</u>
Additional Unvoted Debt Margin	<u>\$7,365,610</u>	<u>(\$19,242,577)</u>	<u>(\$18,854,867)</u>	<u>(\$18,460,592)</u>

Source: Cuyahoga Fiscal Officer and School District Financial Records

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

2013	2014	2015	2016	2017	2018
<u>\$1,321,400,620</u>	<u>\$1,331,386,600</u>	<u>\$1,336,922,810</u>	<u>\$1,311,537,930</u>	<u>\$1,296,827,340</u>	<u>\$1,320,963,170</u>
<u>\$118,926,056</u>	<u>\$119,824,794</u>	<u>\$120,323,053</u>	<u>\$118,038,414</u>	<u>\$116,714,461</u>	<u>\$118,886,685</u>
25,500,000	25,790,000	25,155,000	25,640,000	24,805,000	24,889,000
9,215,000	7,885,000	6,620,000	5,295,000	116,480,000	110,620,000
4,545,000	3,985,000	3,410,000	2,815,000	2,205,000	1,575,000
<u>(3,870,286)</u>	<u>(3,535,427)</u>	<u>(3,998,187)</u>	<u>(2,243,594)</u>	<u>(4,409,270)</u>	<u>(2,075,361)</u>
35,389,714	34,124,573	31,186,813	31,506,406	139,080,730	135,008,639
25,500,000	25,790,000	25,155,000	25,640,000	24,805,000	24,889,000
<u>4,675,000</u>	<u>4,250,000</u>	<u>3,855,000</u>	<u>3,445,000</u>	<u>3,020,000</u>	<u>0</u>
<u>5,214,714</u>	<u>4,084,573</u>	<u>2,176,813</u>	<u>2,421,406</u>	<u>111,255,730</u>	<u>110,119,639</u>
<u>\$113,711,342</u>	<u>\$115,740,221</u>	<u>\$118,146,240</u>	<u>\$115,617,008</u>	<u>\$5,458,731</u>	<u>\$8,767,046</u>
8.61%	8.69%	8.84%	8.82%	0.42%	0.66%
\$1,321,401	\$1,331,387	\$1,336,923	\$1,311,538	\$1,296,827	\$1,320,963
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$1,321,401</u>	<u>\$1,331,387</u>	<u>\$1,336,923</u>	<u>\$1,311,538</u>	<u>\$1,296,827</u>	<u>\$1,320,963</u>
100%	100%	100%	100%	100%	100%
\$11,892,606	\$11,982,479	\$12,032,305	\$11,803,841	\$11,671,446	\$11,888,669
25,500,000	0	0	0	0	0
<u>4,675,000</u>	<u>4,250,000</u>	<u>3,855,000</u>	<u>3,445,000</u>	<u>3,020,000</u>	<u>0</u>
<u>(\$18,282,394)</u>	<u>\$7,732,479</u>	<u>\$8,177,305</u>	<u>\$8,358,841</u>	<u>\$8,651,446</u>	<u>\$11,888,669</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		
2009	\$14,770,438	0.32	\$265.89	\$0	\$14,770,438	1.33	\$265.89
2010	13,473,142	0.34	242.54	26,000,000	39,473,142	3.21	710.59
2011	12,131,033	0.31	215.64	25,742,839	37,873,872	2.79	673.23
2012	10,734,025	0.27	197.86	25,756,135	36,490,160	2.60	672.62
2013	9,300,454	0.25	171.43	25,269,431	34,569,885	2.46	637.22
2014	7,960,410	0.21	146.73	25,423,146	33,383,556	2.38	617.73
2015	6,685,366	0.18	123.23	24,802,630	31,487,996	2.24	580.41
2016	5,351,035	0.15	98.63	25,639,899	30,990,934	2.21	571.25
2017	118,077,726	3.25	2,176.51	24,814,405	142,892,131	10.18	2,633.91
2018	112,128,319	3.03	2,066.84	25,123,371	137,251,690	9.77	2,529.94

Source: School District Records

- (1) The estimated actual value can be found on S13.
- (2) The population can be found on S27.
- (3) The personal income can be found on S27.
- (4) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

Berea City School District
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Household Income</u>	<u>Median Age</u>	<u>Unemployment Rate</u>
2009	55,550	\$1,106,748,953	\$19,923	\$50,654	38.0	6.6%
2010	55,550	1,231,464,090	22,169	50,654	39.8	9.0
2011	56,257	1,358,575,269	24,149	52,800	37.9	8.6
2012	54,251	1,404,216,035	26,126	56,362	40.5	7.7
2013	54,251	1,404,216,035	26,126	47,945	40.5	7.1
2014	54,042	1,401,687,354	25,937	54,329	40.5	7.9
2015	54,251	1,404,232,884	25,884	56,626	40.5	5.6
2016	54,251	1,404,232,884	25,884	56,626	40.5	5.6
2017	54,251	1,404,232,884	25,884	56,626	40.5	6.6
2018	54,251	1,404,216,035	25,884	56,626	40.5	6.4

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

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

Employer	Nature of Business	2018	
		Number of Employees	Percentage of Total Employment
Baldwin Wallace University	Higher Education	3,145	5.73%
Southwest General Hospital	Hospital	2,603	4.74
United Parcel Service	Delivery	2,111	3.85
Department of Interior	Government	1,649	3.01
Ford Motor Company	Automobile	1,599	2.91
Berea City School District	Education	872	1.59
Day Star Staffing (Malley's)	Employment Agency	798	1.45
Quadax	Manufacturing	690	1.26
OHNH EMP LLC	Manufacturing	675	1.23
Marc Glassman Inc	Warehouse	641	1.17
Total		<u>14,783</u>	
Total Employment within the School District		<u>54,872</u>	

Employer	Nature of Business	2009	
		Number of Employees	Percentage of Total Employment
Ford Motor Company	Automobile	3,800	7.09%
NASA	Government	3,600	6.72
Southwest General Hospital	Hospital	2,849	5.32
United Parcel Service	Delivery	2,555	4.77
Sears Roebuck & Company	Retail	1,360	2.54
Berea City School District	Education	1,100	2.05
Baldwin Wallace University	Higher Education	953	1.78
Berea Children's Home	Treatment Facility	695	1.30
Marc Glassman	Warehouse	635	1.19
City of Middleburg Heights	Municipal Government	457	0.85
Total		<u>18,004</u>	
Total Employment within the School District		<u>53,562</u>	

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

Berea City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of Students Receiving Free and Reduced Lunch</u>
2009	\$90,579,034	7,181	\$12,614	3.36	513	14.0	29.21%
2010	96,939,959	7,098	13,657	8.27	528	13.4	34.5
2011	97,138,373	7,018	13,841	1.35	495	14.2	37.5
2012	94,762,096	7,121	13,307	(3.86)	506	14.1	33.8
2013	95,717,873	6,980	13,713	3.05	502	13.9	34.7
2014	90,433,583	6,694	13,510	(1.48)	479	14.0	34.7
2015	82,771,245	6,789	12,192	(9.75)	440	15.4	33.1
2016	83,454,476	6,549	12,743	4.52	449	14.6	32.0
2017	93,173,315	6,373	14,620	14.73	437	14.6	34.6
2018 (1)	47,335,568	5,977	7,920	(45.83)	432	13.8	34.6

Source: School District Records
Ohio Department of Education

(1) Total Expenses decreased during 2018 due to changes in assumptions and benefit terms related to pensions.

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

	2009	2010	2011	2012	2013
Big Creek Elementary School					
Constructed in 1954					
Total Building Square Footage	116,620	116,620	116,620	116,620	116,620
Enrollment Grades K-6	876	764	764	0	0
Enrollment Grades K-4 (2)	0	0	0	718	780
Student Capacity	1,010	1,010	1,010	1,010	1,010
Regular Instruction Classrooms	49	49	49	49	49
Regular Instruction Teachers	42	45	35	37	37
Special Instruction Teachers	8	6	6	7	14
Brookpark Elementary School					
Constructed in 1956					
Total Building Square Footage	96,900	96,900	96,900	96,900	96,900
Enrollment Grades K-6	765	673	661	0	0
Enrollment Grades K-4 (2)	0	0	0	658	757
Student Capacity	836	836	836	836	836
Regular Instruction Classrooms	56	56	56	56	56
Regular Instruction Teachers	30	31	30	32	32
Special Instruction Teachers	14	10	11	9	14
Brookview Elementary School					
Constructed in 1965					
Total Building Square Footage	53,400	53,400	53,400	53,400	53,400
Enrollment Grades K-6	489	480	494	0	0
Enrollment Grades K-4 (2)	0	0	0	514	543
Student Capacity	437	437	437	437	437
Regular Instruction Classrooms	31	31	31	31	31
Regular Instruction Teachers	24	24	25	26	21
Special Instruction Teachers	5	3	3	4	9
Fairwood Elementary School (1)					
Constructed in 1948					
Total Building Square Footage	51,876	0	0	0	0
Enrollment Grades 7-12	346	0	0	0	0
Student Capacity	419	0	0	0	0
Regular Instruction Classrooms	26	0	0	0	0
Regular Instruction Teachers	18	0	0	0	0
Special Instruction Teachers	6	0	0	0	0
Parknoll Elementary School					
Constructed in 1961					
Total Building Square Footage	41,746	41,746	41,746	0	0
Enrollment Grades K-5	383	350	378	0	0
Student Capacity	334	334	334	0	0
Regular Instruction Classrooms	24	24	24	0	0
Regular Instruction Teachers	18	16	20	0	0
Special Instruction Teachers	4	3	4	0	0
Riveredge Elementary School					
Constructed in 1960					
Total Building Square Footage	44,384	44,384	44,384	0	0
Enrollment Grades K-6	196	169	158	0	0
Student Capacity	355	355	355	0	0
Regular Instruction Classrooms	25	25	25	0	0
Regular Instruction Teachers	12	11	10	0	0
Special Instruction Teachers	8	4	5	0	0
Smith Elementary School (1)					
Constructed in 1966					
Total Building Square Footage	42,000	42,000	42,000	42,000	42,000
Enrollment Grades K-6	180	480	481	0	0
Student Capacity	336	336	336	336	336
Regular Instruction Classrooms	21	21	21	0	0
Regular Instruction Teachers	9	23	24	0	0
Special Instruction Teachers	7	0	4	0	0

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

	2009	2010	2011	2012	2013
Grindstone Elementary School (1)					
Constructed in 2011					
Total Building Square Footage	NA	NA	NA	105,000	105,000
Enrollment Grades K-4	NA	NA	NA	820	901
Student Capacity	NA	NA	NA	820	820
Regular Instruction Classrooms	NA	NA	NA	43	43
Regular Instruction Teachers	NA	NA	NA	38	40
Special Instruction Teachers	NA	NA	NA	10	16
Ford Middle School (3)					
Constructed in 1961					
Total Building Square Footage	165,800	165,800	165,800	165,800	165,800
Enrollment Grades 6-8	1,021	1,000	1,003	0	0
Enrollment Grades 5-6 (3)	0	0	0	1,038	999
Student Capacity	1,175	1,175	1,175	1,175	1,175
Regular Instruction Classrooms	66	66	66	66	66
Regular Instruction Teachers	49	51	48	42	49
Special Instruction Teachers	13	13	11	14	14
Roehm Middle School					
Constructed in 1956					
Total Building Square Footage	133,804	133,804	133,804	133,804	133,804
Enrollment Grades 6-8	630	627	631	777	703
Student Capacity	1,163	1,163	1,163	1,163	1,163
Regular Instruction Classrooms	47	47	47	47	47
Regular Instruction Teachers	36	29	32	40	41
Special Instruction Teachers	7	8	8	9	13
Berea Midpark High School (4)					
Constructed in 1928					
Total Building Square Footage	264,266	264,266	264,266	264,266	264,266
Enrollment Grades 9-12	1,100	1,065	1,100	0	0
Enrollment Grades 10-12 (4)	0	0	0	1,170	1,064
Student Capacity	1,582	1,582	1,582	1,582	1,582
Regular Instruction Classrooms	67	67	67	67	67
Regular Instruction Teachers	50	42	45	45	44
Special Instruction Teachers	18	16	13	12	15
Middleburg Heights Junior High (5)					
Constructed in 1962					
Total Building Square Footage	236,563	236,563	236,563	236,563	236,563
Enrollment Grades 9-12	1,377	1,430	1,348	0	0
Enrollment Grades 7-9 (5)	0	0	0	1,426	1,233
Student Capacity	1,418	1,418	1,418	1,418	1,418
Regular Instruction Classrooms	55	55	55	55	55
Regular Instruction Teachers	65	72	65	60	55
Special Instruction Teachers	15	11	12	11	13

(1) Mobile units were added to Smith Elementary property, during the 2010 and 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.

(2) With the School District's restructuring after Grindstone Elementary School was built, Big Creek Elementary, Brookview Elementary and Brookpark Memorial Elementary were reconfigured to house grades K through 4.

(3) With the School District's restructuring after Grindstone Elementary School was built, Ford Middle School was renamed to Ford intermediate School and reconfigured to house grades 5 to 6.

(4) With the School District's restructuring after Grindstone Elementary School was built, Berea High School was renamed to Berea Midpark High School and reconfigured to house grades 10 to 12.

(5) With the School District's restructuring after Grindstone Elementary School was built, Midpark High School was renamed to Middleburg Heights Junior High and reconfigured to house grades 7 to 9.

Source: School District's Records

2014	2015	2016	2017	2018
105,000	105,000	105,000	105,000	105,000
899	890	831	791	700
820	820	820	820	820
43	43	43	43	43
39	40	40	40	33
20	12	14	14	8
165,800	165,800	165,800	165,800	165,800
0	0	0	0	0
925	905	955	917	878
1,175	1,175	1,185	1,185	1,185
66	66	66	66	66
47	39	47	47	47
11	12	16	16	16
133,804	133,804	27,290	27,290	27,290
0	0	0	0	0
1,163	1,163	0	0	0
47	0	0	0	0
0	0	0	0	0
0	0	0	0	0
264,266	264,266	264,266	264,266	264,266
0	0	0	0	0
1,672	1,682	1,615	1,549	1,422
1,582	1,582	1,582	1,582	1,582
67	67	67	67	67
88	67	60	60	60
16	21	20	20	20
236,563	236,563	236,563	236,563	236,563
0	0	0	0	0
1,471	1,541	1,433	1,405	1,381
1,418	1,418	1,418	1,418	1,418
55	55	55	55	55
73	69	62	62	57
21	28	32	32	21

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

Degree	2009	2010	2011	2012
Bachelor's Degree	56	51	42	67
Bachelor + 15	16	14	9	20
Bachelor + 30	43	40	32	25
Master's Degree	309	329	322	317
Master + 15	35	41	40	47
Master + 30	20	16	14	16
PhD	34	37	36	14
Total	513	528	495	506

Source: School District Records

2013	2014	2015	2016	2017	2018
31	36	18	36	20	24
15	7	4	4	2	11
24	23	21	20	25	22
325	296	286	278	264	123
51	54	57	60	63	128
24	21	23	22	27	101
32	42	31	29	36	41
502	479	440	449	437	450

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

Fiscal Year	Berea Attendance Rate	State Average	Berea Graduation Rate	State Average
2009	95.00	94.30	92.60	84.60
2010	94.30	94.30	94.30	84.60
2011	95.30	93.00	91.10	90.00
2012	95.30	93.00	91.10	90.00
2013	92.20	94.20	93.40	82.40
2014	95.00	94.30	92.70	82.20
2015	95.30	94.10	93.10	83.80
2016	93.50	94.00	90.90	83.00
2017	94.00	93.90	91.70	83.60
2018	93.90	NA	89.80	84.10

Source: Ohio Department of Education Local Report Cards

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

Function/Program	2009	2010	2011	2012	2013
Regular Instruction					
Elementary Classroom Teachers	151.00	154.00	137.00	137.00	131.00
Intermediate School Classroom Teachers	88.00	85.00	82.00	83.00	92.00
Junior High Schools Classroom Teachers	NA	NA	NA	NA	NA
High School Classroom Teachers	118.00	114.00	108.00	108.00	99.00
(1) Non-Teaching Support Staff Elementary	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff Intermediate	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff Junior High	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff High School	NA	NA	NA	NA	NA
Special Instruction					
Elementary Classroom Teachers	47.00	36.00	60.00	47.00	53.00
Gifted Education Teachers	4.00	5.00	5.00	5.00	5.00
Intermediate School Classroom Teachers	NA	NA	NA	NA	NA
Junior High Schools Classroom Teachers	28.50	29.00	28.00	30.00	28.00
High School Classroom Teachers	33.50	28.00	25.00	24.00	28.00
(1) Non-Teaching Support Staff Elementary	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff Intermediate	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff Junior High	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff High School	NA	NA	NA	NA	NA
Vocational Instruction					
High School Classroom Teachers	7.00	7.00	5.00	7.00	4.00
Pupil Support Services					
Guidance Counselors	16.50	17.00	18.00	18.00	18.00
Librarians	6.00	7.00	5.50	6.00	6.00
Psychologists	4.00	4.00	4.00	4.00	4.00
Speech and Language Pathologists	12.00	13.00	13.00	16.00	16.00
(1) Non-Teaching Support Staff Central	5.00	5.00	5.00	4.00	4.00
Instructional Support Service					
(1) Non-Teaching Support Staff Elementary	81.50	92.00	75.50	54.00	65.00
(1) Non-Teaching Support Staff Middle	38.00	32.00	33.00	29.00	28.00
(1) Non-Teaching Support Staff High	33.00	33.00	33.00	38.00	33.00
(1) Non-Teaching Support Staff Central	9.00	9.00	9.00	8.00	3.00
Administration					
Elementary	10.00	10.00	8.00	7.00	7.00
Intermediate School	NA	NA	NA	NA	NA
Junior High Schools	6.00	6.00	6.00	6.00	6.00
High School	8.00	8.00	8.00	8.00	6.00
Central	2.00	2.00	2.00	2.00	2.00
(1) Non-Teaching Support Staff	18.00	18.00	18.00	24.00	26.00
Business					
Central	3.00	3.00	3.00	3.00	2.00

2014	2015	2016	2017	2018
120.00	110.00	123.00	125.00	125.00
49.00	39.00	47.00	47.00	49.00
74.00	69.00	62.00	59.00	59.00
88.00	67.00	56.00	66.00	66.00
24.00	26.00	28.00	28.00	28.00
5.00	5.00	5.00	5.00	5.00
7.00	5.00	5.00	5.00	5.00
6.00	2.00	4.00	4.00	4.00
48.00	53.00	49.00	48.00	48.00
5.00	4.00	4.00	4.00	4.00
10.00	11.00	16.00	15.00	15.00
31.50	28.00	32.00	18.00	18.00
16.50	17.00	20.00	29.00	29.00
38.00	34.00	31.00	30.00	30.00
13.00	8.00	8.00	8.00	8.00
6.00	16.00	13.00	13.00	13.00
10.00	12.00	12.00	12.00	12.00
4.00	3.00	4.00	4.00	4.00
15.00	15.00	15.00	15.00	15.00
5.00	5.00	5.00	5.00	5.00
2.00	2.00	1.00	1.00	1.00
11.00	11.00	12.00	11.00	11.00
5.00	8.00	9.00	9.00	9.00
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
7.00	7.00	7.00	7.00	7.00
3.00	2.00	2.00	2.00	2.00
4.00	6.00	6.00	5.00	5.00
5.00	4.00	4.00	6.00	6.00
2.00	4.00	4.00	2.00	2.00
23.00	28.00	28.00	28.00	28.00
2.00	2.00	2.00	2.00	2.00

(continued)

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

Function/Program	2009	2010	2011	2012	2013
Fiscal					
Treasurer Department	7.00	7.00	7.00	7.00	7.00
Operation of Plant					
Custodial Dept.	65.00	65.00	61.00	46.00	46.00
Maintenance Dept.	16.00	16.00	16.00	16.00	16.00
Pupil Transportation					
Bus Drivers	46.50	45.00	45.00	62.00	62.00
Bus Aides	7.00	7.00	12.00	15.00	15.00
Mechanics	5.00	5.00	5.00	5.00	5.00
Transportation support staff	4.00	4.00	3.00	3.00	4.00
Central					
Community Relations	2.50	2.00	2.00	2.00	2.00
Technology	18.00	18.00	16.00	14.00	12.00
Personnel	5.00	5.00	5.00	4.00	4.00
Extracurricular					
Athletic Department	2.00	2.00	4.00	4.00	4.00
Food Service Program					
Elementary	16.50	16.50	14.00	14.00	14.00
Intermediate	NA	NA	NA	NA	NA
Junior High School	16.50	16.50	14.00	14.00	14.00
High School	11.00	11.00	11.00	11.00	11.00
Central	1.00	1.00	1.00	1.00	1.00
Adult Education/Community Service					
Preschool	11.00	11.00	12.00	12.00	12.00
Extended Care	24.00	24.00	18.00	25.00	22.00
Adult Education	2.00	2.00	0.00	0.00	0.00
Totals	<u>989.00</u>	<u>975.00</u>	<u>937.00</u>	<u>923.00</u>	<u>917.00</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.

2014	2015	2016	2017	2018
6.00	8.00	9.00	9.00	9.00
46.00	41.00	36.00	52.00	52.00
12.00	13.00	13.00	16.00	16.00
68.00	80.00	80.00	80.00	80.00
12.00	17.00	15.00	15.00	15.00
4.00	4.00	4.00	4.00	4.00
3.00	4.00	4.00	4.00	4.00
2.00	1.00	1.00	1.00	1.00
12.00	12.00	11.00	17.00	17.00
4.00	4.00	4.00	4.00	4.00
2.00	1.00	1.00	3.00	3.00
11.00	11.00	10.00	10.00	10.00
5.00	3.00	4.00	4.00	4.00
5.00	4.00	4.00	4.00	4.00
5.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
11.00	8.00	8.00	11.00	11.00
15.00	14.00	14.00	18.00	18.00
0.00	0.00	0.00	0.00	0.00
<u>863.00</u>	<u>833.00</u>	<u>837.00</u>	<u>870.00</u>	<u>872.00</u>

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Dave Yost • Auditor of State

BEREA CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 8, 2019**