



Dave Yost • Auditor of State



**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2014**

<u>FEDERAL GRANTOR</u> <i>Pass Through Grantor</i>		Federal		Non-Cash		Non-Cash
Program Title	Grant Year	CFDA Number	Receipts	Receipts	Expenditures	Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<b><i>Passed Through Ohio Department of Education</i></b>						
Nutrition Cluster						
School Breakfast Program	2014	10.553	134,964		134,964	
National School Lunch Program	2014	10.555	830,172	79,490	830,172	79,490
Total Nutrition Cluster			<u>965,136</u>	<u>79,490</u>	<u>965,136</u>	<u>79,490</u>
Total U.S. Department of Agriculture			<u>965,136</u>	<u>79,490</u>	<u>965,136</u>	<u>79,490</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<b><i>Passed Through Ohio Department of Education</i></b>						
Title I	2013	84.010	71,541		99,565	
Title I	2014	84.010	937,641		1,051,502	
Total Title I			<u>1,009,182</u>	<u>-</u>	<u>1,151,067</u>	<u>-</u>
Special Education Cluster						
IDEA Part B	2013	84.027	58,515		73,473	
IDEA Part B	2014	84.027	1,591,052		1,587,335	
Subtotal IDEA Part B			<u>1,649,567</u>	<u>-</u>	<u>1,660,808</u>	<u>-</u>
Preschool Disability Grant	2013	84.173	438		1,534	
Preschool Disability Grant	2014	84.173	43,210		48,031	
Subtotal Preschool Disability Grant			<u>43,648</u>	<u>-</u>	<u>49,565</u>	<u>-</u>
Total Special Education Cluster			<u>1,693,215</u>	<u>-</u>	<u>1,710,373</u>	<u>-</u>
Title III LEP	2013	84.365	4,775		4,775	
Title III LEP	2014	84.365	19,424		21,168	
Total Title III			<u>24,199</u>	<u>-</u>	<u>25,943</u>	<u>-</u>
Improving Teacher Quality, Title II-A	2013	84.367	31,754		41,628	
Improving Teacher Quality, Title II-A	2014	84.367	162,173		155,260	
Total Improving Teacher Quality, Title II-A			<u>193,927</u>	<u>-</u>	<u>196,888</u>	<u>-</u>
Race to the Top	2013	84.395	18,190		35,083	
Race to the Top	2014	84.395	47,950		46,301	
Total Race to the Top			<u>66,140</u>	<u>-</u>	<u>81,384</u>	<u>-</u>
Total U.S. Department of Education			<u>2,986,663</u>	<u>-</u>	<u>3,165,655</u>	<u>-</u>
<b>Total Federal Financial Assistance</b>			<u><u>3,951,799</u></u>	<u><u>79,490</u></u>	<u><u>4,130,791</u></u>	<u><u>79,490</u></u>

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

**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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



# Dave Yost • Auditor of State

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

Berea City School District  
Cuyahoga County  
390 Fair St.  
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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2014.

### ***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*.

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***Purpose of this Report***

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D" and a long, sweeping tail on the "y".

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

December 22, 2014





# Dave Yost • Auditor of State

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

Berea City School District  
Cuyahoga County  
390 Fair St.  
Berea, Ohio 44017

To the Board of Education:

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

We have audited the Berea City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the District's major federal program for the year ended June 30, 2014. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal program.

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

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on the Major Federal Program***

In our opinion, the Berea City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2014.

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

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

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

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

***Report on the Schedule of Federal Awards Receipts and Expenditures***

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Berea City School District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 22, 2014. We conducted our audit to opine on the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



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

December 22, 2014

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**BEREA CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2014**

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

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

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

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# Berea City School District

## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014



*Carrigan R.*  
3<sup>rd</sup> Grade  
Grindstone Elementary

**BEREA, OHIO**

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# INTRODUCTORY SECTION



*Xander W.*  
2<sup>nd</sup> Grade  
Grindstone Elementary School

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# Berea, Ohio City School District

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2014



*Rachael B.*  
6<sup>th</sup> Grade  
Ford Intermediate School

Issued by:      **Treasurer's Office**  
                 **Ryan C. Ghizzoni    Treasurer/CFO**  
                 **Dale A. Cummins    Assistant Treasurer**

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**Berea City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2014*

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## Administration Building

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

December 22, 2014

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, 2014. 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 2014, the School District was audited by the Auditor of State's Office. Their unmodified opinion is included in the financial section of this CAFR.

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

### **School District Organization**

Berea City School District is one of the 616 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is an independent school district that provides education to 6,694 students in grades kindergarten through twelfth. The projected enrollment for fiscal year 2015 is 6,412. Additionally, the School District provides preschool, and after school, services to a large number of students and community members. The School District has ten school buildings, ranging from 2 to 80 years of age. Berea City School District is located in northeastern Ohio, approximately twelve miles southwest of downtown Cleveland. Berea City School District includes the cities of Brook Park, Middleburg Heights, most of the City of Berea, and small portions of the cities of Olmsted Falls and Cleveland.

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

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

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

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

### **Reporting Entity**

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

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

### **Economic Condition and Outlook**

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

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

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

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

## **Relevant Financial Policies**

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

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

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

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

## **Major Initiatives**

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

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

### **Academics**

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

### **Communications**

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

### **Facilities**

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

**Finances**

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

**Student Services**

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

**Technology**

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

***Primary accomplishments for 2014 were as follows:*****Finances**

1. Completed implementation of electronic filing system for accounts payable, payroll and student activities.
2. Balanced annual budget for the next two fiscal years.
3. Established an adequate minimum cash balance metric for the School District to maintain through the next two fiscal years.
4. Implemented a new electronic ticketing system.
5. Awarded the Association of School Business Officials International's (ASBO) Certificate of Excellence in Financial Reporting for fiscal year 2013, and received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), for 22 consecutive years for the School District's Comprehensive Annual Financial Report.

**Communications**

1. Successfully implemented rebranding of school buildings to new Berea Titan logo and mascot.

**Technology**

1. Purchased and distributed new technology equipment for Brookview and Brook Park Memorial with the use of Federal Title I revenue.

**Academics**

1. Published School District profile report
2. Ranked for the 14th consecutive year as one of the top school districts for music education in the nation by the NAMM Foundation.
3. 71 percent of students taking an Advanced Placement (AP) Exam scored a "3" or higher.
4. Berea-Midpark High School earned the Top AFS School award, for their commitment to enhancing global education.

**Student Services**

1. Successfully formed 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.

**Business Services**

1. Completed district-wide consolidation project.
2. Commenced demolition of Roehm Middle School.
3. Successfully completed re-design of School District bus routes.

***Specific goals/action steps for 2015 are:*****Goal: Academics**

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

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

**Strategies include:**

1. Cultivate communities of professional learning and practice as educators develop his or her own personal learning network.
2. Develop teacher and principal leaders within our School District to initiate, network and build capacity for 21st century skills and new literacies; to provide multiple paths for professional networking and staff development beyond the traditional school structure locally, regionally, nationally and internationally that is sustainable; to develop curriculum projects that incorporate 21st century skills and instruction.
3. Develop a multiple-tiered approach to provide staff with opportunities to collaborate within the School District both vertically and horizontally; to develop a framework of job- embedded professional development as well as ways for common collaboration for staff that is scheduled throughout the school year in face-to-face meetings and through the utilization of online applications.

4. Provide small focused experiences that have system-wide impact and are conducted in a relatively short period of time; to design professional learning experiences in order to provide a collective “mastery experience,” to develop individual and collective efficacy for the system as well as strengthen classroom practice through the development of teacher- based teams collaborating about curriculum, instruction and assessment focusing on the following:
  - a. Develop a deeper understanding on instructional practices to support teaching and learning aligned to the Ohio New Learning Standard’s Berea City School District Consensus Maps.
  - b. Design professional development to develop, implement and revise common summative assessments and practices.
  - c. Implement common formative assessment practices lesson planning and delivery for measured growth and mastery learning.
  - d. Design lessons/units of study that incorporate instructional shifts in Ohio's New Learning Standards and teaching and learning for 21st Century Technology Integration for all subjects.

#### **Action Steps**

1. Recommend for development, purchase and implementation to the Board of Education curricular material for fine art courses.
  - a. Secondary - Resources to include materials and equipment to address 21<sup>st</sup> Century Graphic Arts course adoption.
  - b. Secondary - Study and review current Photography course to move into 21st century model of digital photography.
  - c. School District - promote opportunities of community engagement focusing on Artists in Schools.
2. Recommend for purchase and implementation to the Board of Education curricular material for English-Language Arts adoption.
  - a. Grades K-4 - Supplemental resources to address phonics, vocabulary and writing materials aligned to Ohio New Learning Standards.
  - b. Grades 6-10 - Supplemental resources to address literary and nonliterary text selections aligned to the Ohio New Learning Standards.
  - c. Secondary - Complete an adoption for College Composition and College Prep courses based upon curriculum research and Ohio New Learning Standards for English Language Arts.
  - d. Secondary - Complete an adoption for Communication for 21st Century and British Literature courses based upon curriculum research and Ohio New Learning Standards for English Language Arts.

- e. complete an adoption of K-4 Language Arts Materials based upon curriculum research and core academic standards adopted by the Ohio Department of Education based on the Ohio New Learning Standards for English Language Arts.
3. Recommend for purchase and implementation to the Board of Education curricular materials to support information technologies and literacies for the School District library programs.
    - a. Purchase of literary and nonliterary text selections to promote reading across disciplines for the School District library collections.
    - b. Purchase of literary and nonliterary digital content and databases to promote reading across disciplines for the School District library collections.
    - c. Conduct a School District-wide study to research and review access to a digital landscape and options involved in technology compatibility, implementation and affordability of a digital solution for Berea City School District. The review needs to address digital content to include the catalog of eBooks and audiobooks – including textbooks and novel sets – in every subject to support curriculum and help meet instructional goals, such as, Informational texts and literary nonfiction, entertaining fiction, literature and classroom reads, supplemental curriculum materials, professional development and study guides and test prep for student, staff and community access.
  4. Recommend for the purchase and implementation to the Board of Education curricular material for *Mathematics* adoption.
    - a. **Grades K-1** - Complete an adoption for Mathematics based upon curriculum research and the Ohio New Learning Standards for Mathematics.
  5. Recommend for purchase and implementation to Board of Education curricular material for *World Language* adoption.
    - a. Complete an adoption for world language courses based upon curriculum research and the Ohio New Learning Standards for Foreign Language.
  6. Recommend for purchase curricular software to address critical need and gap analysis areas based upon student learning needs and differentiated instruction.
  7. Research and study to determine an Instructional Improvement System to move learning forward, i.e. Mastery Connect.
  8. Research and study to determine web-based tools and digital content for teachers and students that align with the Ohio New Learning Standards in core areas:
    - a. English Language Arts, Mathematics, Science and Social Studies.
  9. Recommend for purchase and implementation assessment and testing resources to support teaching and learning for college and career readiness.
  10. Maximize staff utilization to ensure effective use of instructional time and human resources.

11. Develop a collaborative schedule for Pre K-12 staff that allows time during the day for departments/grade levels to meet on a daily basis while maximizing Pre K -12 staff resources.
12. Provide support services for students that have not passed State assessments or are identified as students that potentially might struggle with such assessments targeting grade 3 and the OGT.
13. Utilize effective alternate education models and programs to service students on home instruction, in need of credit recovery and potential dropouts.
14. Continue to develop building level instructional teams to promote collaboration, focus on student learning and results.
15. Research and study for intermediate and junior high models of practice.

**Goal: Communications**

**Action Steps**

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

**Goal: Facilities**

**Action Steps**

1. Provide ability for all fall and spring sport teams the ability to have night games by lighting Lou Groza Field through partnership with the City of Berea.
2. Complete demolition of Roehm Middle School and renovation of Roehm Athletic Complex.
3. Replace both boilers at Brookview Elementary School.
4. Begin implementation of sustainable transportation bus replacement program.
5. Complete School District-wide paving study to determine sustainable pavement replacement cycle for subsequent fiscal years.

**Goal: Finances**

**Action Steps**

1. Complete implementation of new accounting, payroll and human resource software system to increase the effectiveness and efficiency of both long range and day to day business related tasks.



2. Use benchmark data to provide Board of Education and administrative team with usable, reliable data to make budgetary and operational decisions.
3. Explore potential to integrate credit card payments for all student related payments once new software integration is complete.
4. Continue rollout and training of board adopted student activity manual with building level staff to ensure established best practices are being followed.
5. Move School District towards a paperless workflow for all financial, personnel and payroll related procedures.

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

For the 18<sup>th</sup> consecutive year, the School District has published its Community Resource Directory, a project which began as part of a “needs assessment” by the District’s Volunteer Council, to determine what volunteer resources were available in our communities and what areas were still needed. This year’s Directory features nearly 150 school and community organizations that share contact information, services provided, meeting information, facilities that may be available for public use, volunteer needs, and scholarships that may be offered. In cooperation with the Cuyahoga County Library System, the Directories also include important phone numbers (“Action by Phone”), both regionally and within the three communities served, including governmental entities. Each year the School District publishes approximately 1,500 Directories at no charge to the contributing organization or the users.

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

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

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

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

## Awards

***GFOA Certificate of Achievement*** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Berea City School District for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2013.

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 Certificate*** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Berea City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013.

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting. This award certifies that the Comprehensive Annual Financial Report substantially conformed to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing business officials. Management believes that our current report will conform to ASBO's principals and standards.

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


## Acknowledgments

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

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

Respectfully submitted,

  
Ryan Ghizzoni  
Treasurer/CFO

  
Michael Sheppard  
Superintendent



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Berea City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**



Executive Director/CEO

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# Association of School Business Officials International



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

## **Berea City School District**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

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



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director

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**Berea City School District**  
*Principal Officials*  
*For the Fiscal Year Ended June 30, 2014*

**Board of Education**

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

**Treasurer/CFO**

Mr. Ryan C. Ghizzoni

**Assistant Treasurer**

Mrs. Dale A. Cummins

**Administration**

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

# RESIDENTS OF THE DISTRICT

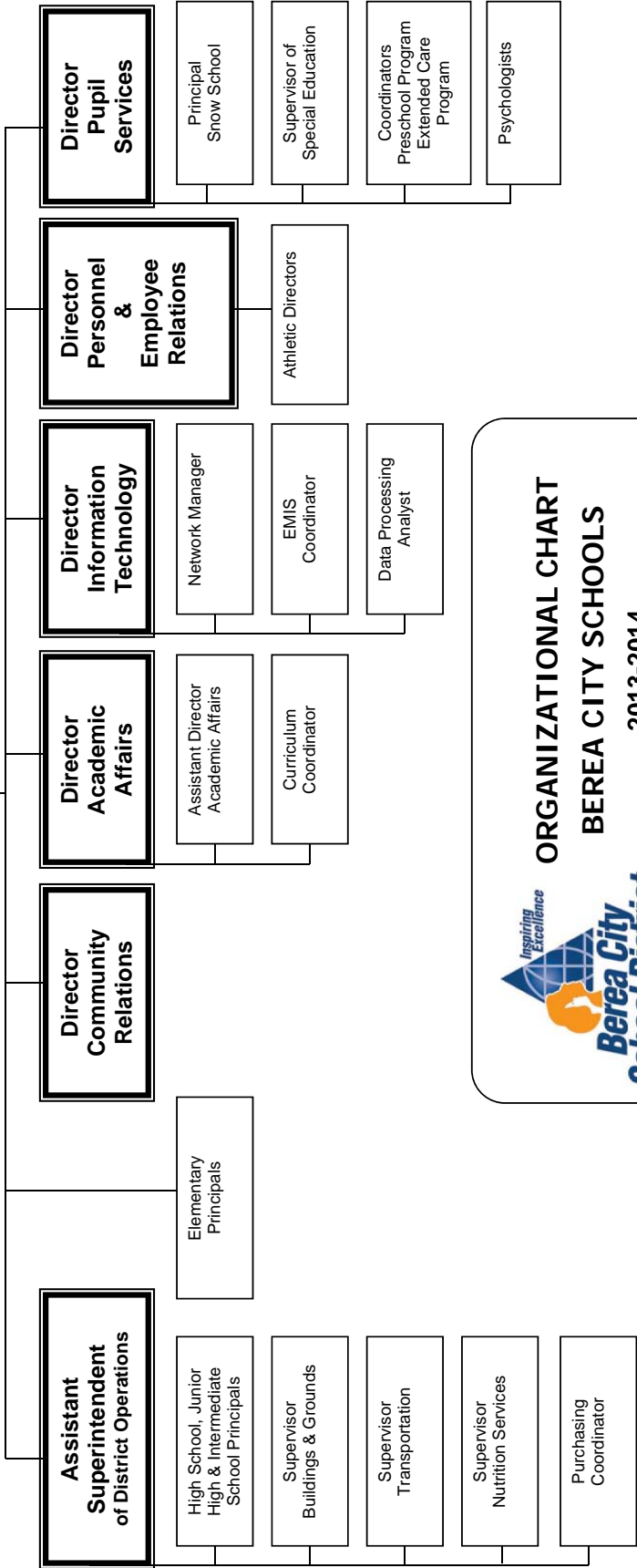
## BOARD OF EDUCATION

**Treasurer**

Financial Department

**Superintendent**

City/County Personnel assigned to the Berea City School District

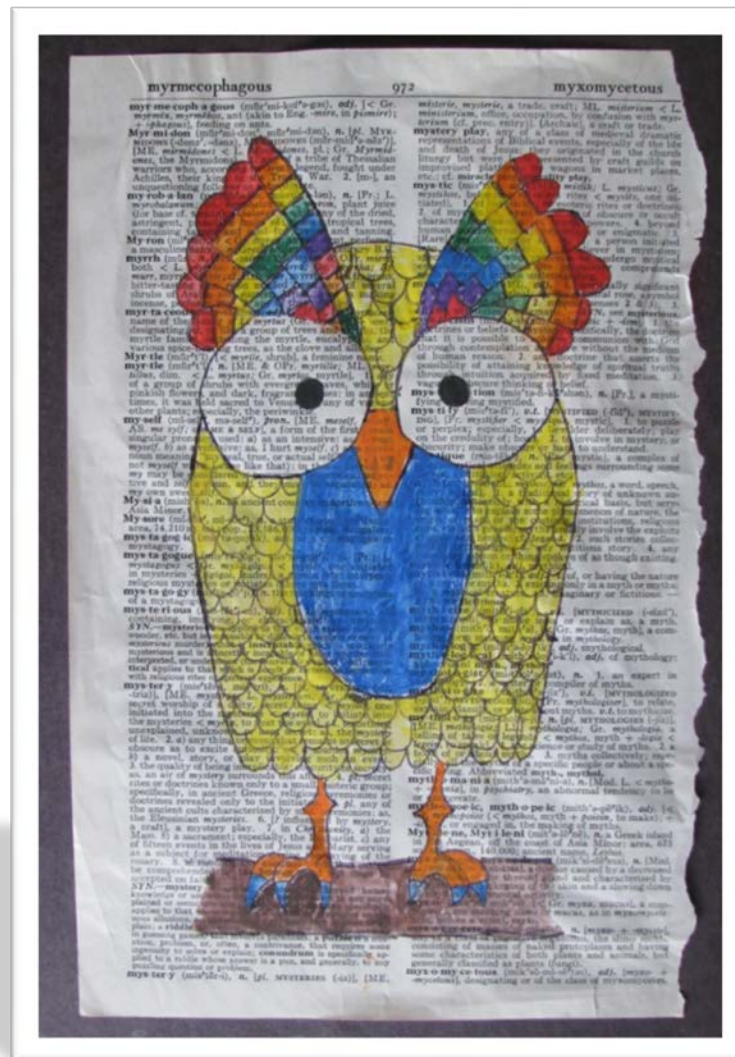




**ORGANIZATIONAL CHART**  
**BEREA CITY SCHOOLS**  
 2013-2014



# FINANCIAL SECTION



Daniella M.  
5<sup>th</sup> Grade  
Ford Intermediate School

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Berea City School District  
Cuyahoga County  
390 Fair St.  
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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Berea City School District, Cuyahoga County, Ohio, as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* 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 schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014, 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 22, 2014



*Solomon S.*  
2<sup>nd</sup> Grade  
Grindstone Elementary

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*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, 2014. 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 2014 are as follows:

- The net position of the School District increased \$2.0 million and revenues increased \$2.4 million from fiscal year 2013 levels.
- Total program expenses were \$90.4 million, a \$5.3 million decrease from fiscal year 2013 expenses of \$95.7 million.
- Outstanding debt decreased from \$39.0 million in 2013 to \$37.4 million in 2014.

**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 2014?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets and deferred outflows of resources and liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*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 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, debt service fund and the permanent improvement capital projects fund.

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

**The School District as a Whole**

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

Table 1 provides a summary of the School District's net position for 2014 compared to the two prior fiscal years:



**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

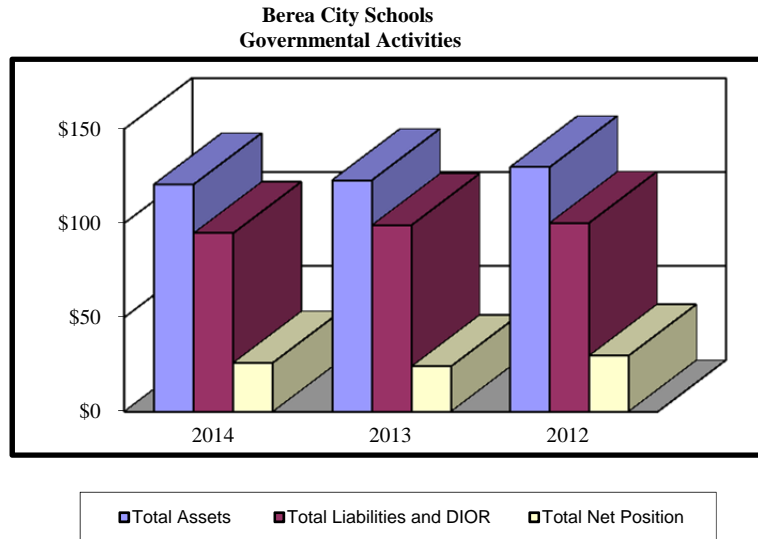
**Table 1**  
**Net Position**  
**Governmental Activities**  
(In Millions)

	2014	2013	2012
<b>Assets</b>			
Current and Other Assets	\$71.3	\$73.5	\$80.3
Capital Assets, Net	49.0	49.3	49.4
<i>Total Assets</i>	<u>120.3</u>	<u>122.8</u>	<u>129.7</u>
<b>Deferred Outflows of Resources</b>	<u>0.3</u>	<u>0.0</u>	<u>0.0</u>
<b>Liabilities</b>			
Current and Other Liabilities	(13.4)	(14.8)	(13.2)
Long-Term Liabilities	(36.9)	(38.1)	(40.1)
Total Liabilities	<u>(50.3)</u>	<u>(52.9)</u>	<u>(53.3)</u>
<b>Deferred Inflows of Resources</b>	<u>(44.4)</u>	<u>(46.0)</u>	<u>(46.8)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	14.0	13.5	12.1
Restricted	6.0	7.3	9.1
Unrestricted	5.9	3.1	8.4
<i>Total Net Position</i>	<u><u>\$25.9</u></u>	<u><u>\$23.9</u></u>	<u><u>\$29.6</u></u>

Graph 1  
**Net Position of Governmental Activities**  
(In Millions)

	2014	2013	2012
Total Assets and Deferred Outflows of Resources	\$120.6	\$122.8	\$129.7
Total Liabilities and Deferred Inflows of Resources	<u>94.7</u>	<u>98.9</u>	<u>100.1</u>
Total Net Position	<u><u>\$25.9</u></u>	<u><u>\$23.9</u></u>	<u><u>\$29.6</u></u>

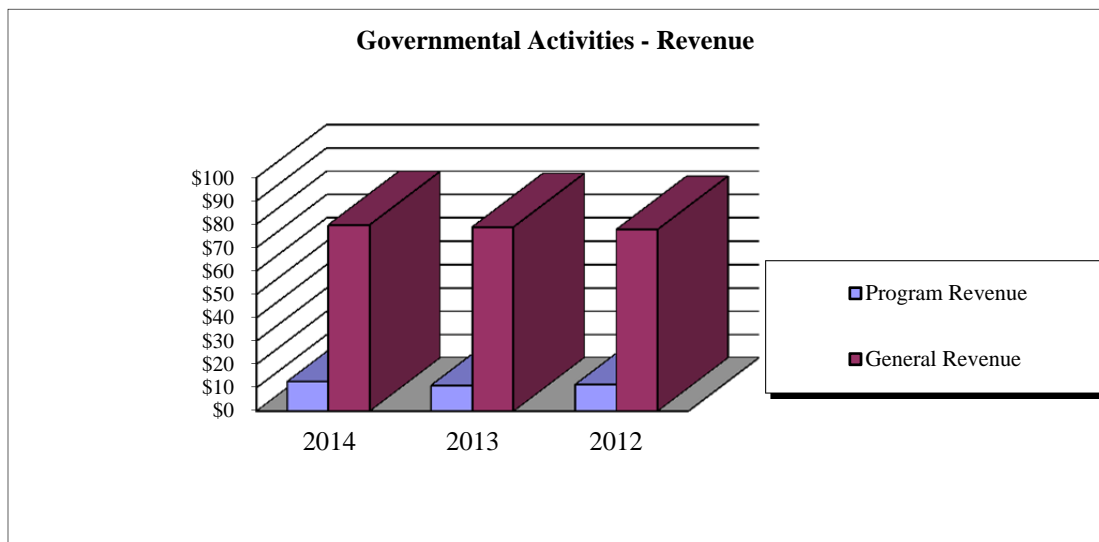
**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*



Total net position increased by \$2.0 million. Total liabilities and deferred inflows of resources were \$94.7 million, a \$4.2 million decrease from fiscal year 2013. The decrease was due to less contracts payable, and intergovernmental payable, as well as decreases in the School District's note, bond and certificates of participation debt. The School District refunded \$12.9 million of the outstanding certificates of participation.

Graph 2  
 Revenue for Governmental Activities  
 (In Millions)

	2014	2013	2012
Program Revenue	\$12.6	\$11.1	\$11.4
General Revenue	79.8	78.9	77.8



**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

Program revenue increased \$1.5 million to \$12.6 million, due primarily to an increase in charges for services and operating grants. The vast majority of revenue supporting governmental activities is general revenue. General revenue increased in fiscal year 2014 to \$79.8 million from \$78.9 million in fiscal year 2013. General revenue comprised 86.3 percent of total revenues. Taxes comprised \$56.6 million of general revenue in 2014, compared to \$55.4 million of general revenue in 2013 and \$52.9 million in 2012. The increase in charges for services was due to the School District receiving additional excess cost revenues in fiscal year 2014 compared to fiscal year 2013. The increase in taxes was due to the first full year of tax collection on the passage of a 3.9 mill levy in March of 2012.

Expenses decreased from \$95.7 in fiscal year 2013 to \$90.4 million in 2014. The majority of the decrease in 2014 was in pupil and instructional staff,

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

	2014	2013	2012
Revenues	\$92.4	\$90.0	\$89.2
Expenses	90.4	95.7	94.7

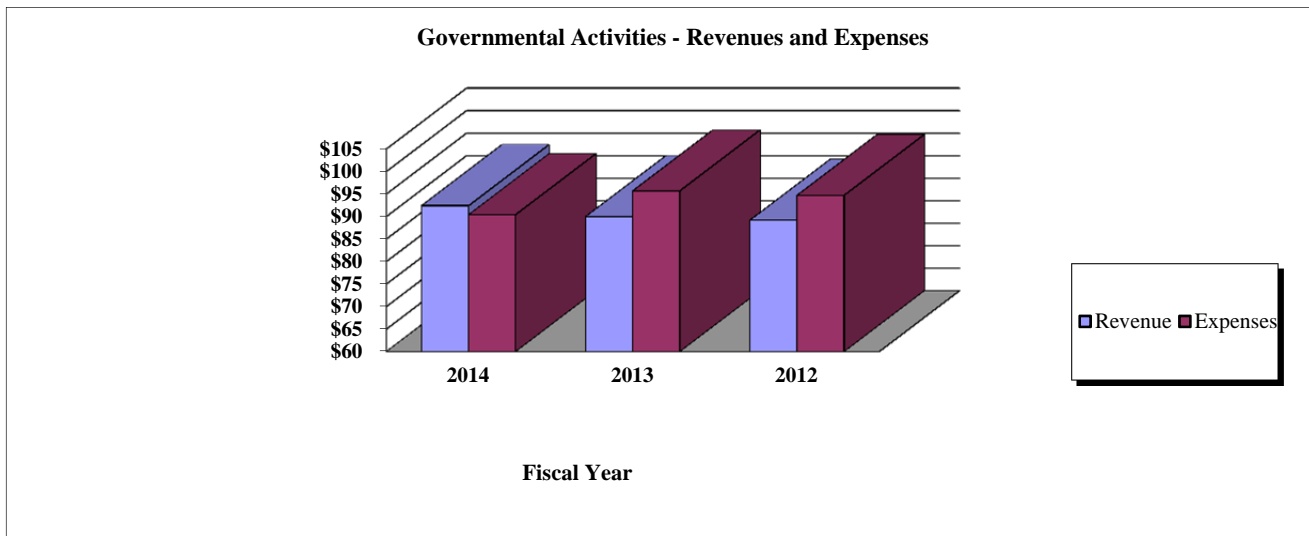


Table 2 shows the changes in the net position for fiscal year 2014 for Governmental Activities compared to the two prior fiscal years.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

Table 2  
Change in Net Position  
(In Millions)

	2014	2013	2012
<b>Revenues</b>			
<b><i>Program Revenues</i></b>			
Charges for Services	\$7.0	\$6.0	\$5.3
Operating Grants and Contributions	5.6	4.9	5.5
Capital Grants and Contributions	0.0	0.2	0.6
<b><i>Total Program Revenues</i></b>	<b>12.6</b>	<b>11.1</b>	<b>11.4</b>
<b><i>General Revenues</i></b>			
Property Taxes	56.6	55.4	52.9
Grants and Entitlements	23.0	22.6	23.7
Unrestricted Contributions	0.1	0.1	0.1
Other	0.2	0.9	1.1
<b><i>Total General Revenues</i></b>	<b>79.8</b>	<b>78.9</b>	<b>77.8</b>
<b><i>Total Revenues</i></b>	<b>92.4</b>	<b>90.0</b>	<b>89.2</b>
<b>Expenses</b>			
Instruction	53.2	53.8	52.4
Support Services:			
Pupil and Instructional Staff	7.0	11.9	12.2
Board of Education, Administration, Fiscal and Business	8.0	7.5	7.5
Operation and Maintenance of Plant	6.6	7.1	7.5
Pupil Transportation	5.7	4.6	4.7
Central	2.5	2.9	3.2
Operation of Non-Instructional Services	4.2	3.3	3.4
Extracurricular Activities	1.5	2.0	1.7
Interest and Fiscal Charges	1.7	2.6	2.1
<b><i>Total Expenses</i></b>	<b>90.4</b>	<b>95.7</b>	<b>94.7</b>
<b><i>Change in Net Position</i></b>	<b>2.0</b>	<b>(5.7)</b>	<b>(5.5)</b>
Net Position Beginning of Year	23.9	29.6	35.1
Net Position End of Year	<u>\$25.9</u>	<u>\$23.9</u>	<u>\$29.6</u>

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to voters to maintain a constant level of service. Property taxes made up 70.9 percent of general revenues for governmental activities for Berea City School District in fiscal year 2014.

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

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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

	2014		2013		2012	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$53.2	\$46.4	\$53.8	\$49.3	\$52.4	\$48.3
Support Services:						
Pupil and Instructional Staff	7.0	6.1	11.9	10.8	12.2	10.8
Board of Education, Administration, Fiscal and Business	8.0	7.7	7.5	7.3	7.5	7.3
Operation and Maintenance of Plant	6.6	6.6	7.1	7.0	7.5	7.3
Pupil Transportation	5.7	5.6	4.6	4.5	4.7	4.5
Central	2.5	2.0	2.9	2.6	3.2	2.5
Operation of Non-Instructional Services	4.2	0.8	3.3	(0.5)	3.4	(0.2)
Extracurricular Activities	1.5	0.9	2.0	1.0	1.7	1.1
Interest and Fiscal Charges	1.7	1.7	2.6	2.6	2.1	1.7
<b>Total</b>	<b>\$90.4</b>	<b>\$77.8</b>	<b>\$95.7</b>	<b>\$84.6</b>	<b>\$94.7</b>	<b>\$83.3</b>

The dependence upon general tax revenues for governmental activities is apparent. Over 87.2 percent of instruction activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 86.1 percent as shown in Table 3. The community, as a whole, is by far the primary support for Berea City School District students.

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

Information about the School District's governmental funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. Governmental funds have total revenues of \$92.5 million and expenditures of \$92.3 million. The net change in the governmental funds fund balance for the year was most significant in the general fund, where the fund balance increased from a fund balance of \$1.6 million to a fund balance of \$4.9 million. The increase in the general fund is due to increases in taxes and intergovernmental revenues, as well as a decrease in expenditures. The net change in the debt service fund was a decrease of \$.3 million due to an adjustment of past auditor and treasurer fees. The net change in the permanent improvement capital projects fund is a decrease of \$.8 million. The decrease is due to more debt payments being paid out in fiscal year 2014.

***General fund Budgeting Highlights***

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

During the course of fiscal 2014 the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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For the general fund, final budget basis revenue was \$84.9 million, which was below original budget estimates of \$136.2 million. The variance is due to a change in final budgeted property taxes and intergovernmental revenue.

Total final estimated expenditures on the budget basis (cash outlays plus encumbrances) were \$82.3 million, \$2.6 million above budget basis revenues.

***Capital Assets and Debt Administration***

**Capital Assets**

Table 4 shows fiscal year 2014 balances compared to the prior two fiscal years:

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

	2014	2013	2012
Land and Improvements	\$2.1	\$2.2	\$2.3
Buildings and Improvements	44.8	44.8	44.6
Furniture and Equipment	0.5	0.8	0.8
Vehicles	1.5	1.5	1.7
<b>Total</b>	<b>\$48.9</b>	<b>\$49.3</b>	<b>\$49.4</b>

The decrease of \$.3 million in capital assets in fiscal year 2014 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 9 to the basic financial statements.

Ohio law requires school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2014 this amounted to \$1,137,082 for the set aside. The School District had qualifying disbursements or offsets exceeding this requirement. See Note 20 for additional information regarding set asides.

**Debt**

At June 30, 2014 the School District had \$33.4 million in bonds and certificates of participation, \$1.9 million due within one year.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
2003 School Improvement Refunding Bonds	\$3.5	\$4.3	\$5.1
2005 Bus Acquisition/Energy Bonds	0.0	0.1	0.2
2006 Bus/Motor Vehicle Acquisition Bonds	0.2	0.2	0.3
2007 Energy Conservation Bonds	<u>4.3</u>	<u>4.7</u>	<u>5.1</u>
Total General Obligation Bonds	8.0	9.3	10.7
2009 Certificates of Participation	25.4	25.2	25.8
2008 Tax Anticipation Notes	1.3	1.5	1.8
2013 Tax Anticipation Notes	<u>2.7</u>	<u>3.0</u>	<u>0.0</u>
Total Tax Anticipation Notes	<u>4.0</u>	<u>4.5</u>	<u>1.8</u>
Total Bonds, Certificate of Participation and Notes	<u><u>\$37.4</u></u>	<u><u>\$39.0</u></u>	<u><u>\$38.3</u></u>

On March 1, 2003 the School District issued \$9.2 million in general obligation bonds to refund \$9,205,000 of the 1993 School Improvement Bonds. On July 1, 2004 the School District issued \$.7 million in bus acquisition and \$.3 million in energy conservation bonds. On August 30, 2005 the School District issued \$.7 million in bus acquisition and motor vehicle acquisition bonds. On December 6, 2006 the School District issued \$.3 million in maintenance vehicle acquisition bonds. On June 7, 2007 the School District issued \$6.4 million in energy conservation improvement bonds. On August 29, 2007 the School District issued \$2.9 million in tax anticipation notes for capital improvements. On November 4, 2009 the School District issued Certificates of Participation in the amount of \$26 million at a net interest rate of 4.7 percent for the purpose of building a new elementary building. On May 21, 2014, the School District issued refunding Certificates of Participation, in the amount of \$13,685,000, to partially refund the Certificates of Participation previously issued, in the amount of \$12,870,000. This lease purchase agreement will mature in October of 2039. On February 6, 2013, the School District issued \$3,000,000 in Tax Anticipation Notes.

At June 30, 2014, the School District's overall legal debt margin was \$115.7 million with an unvoted debt margin of \$1.3 million. The debt is well within permissible limits. The School District maintains an A-1 bond rating. For more information refer to Notes 17 and 18 to the basic financial statements.

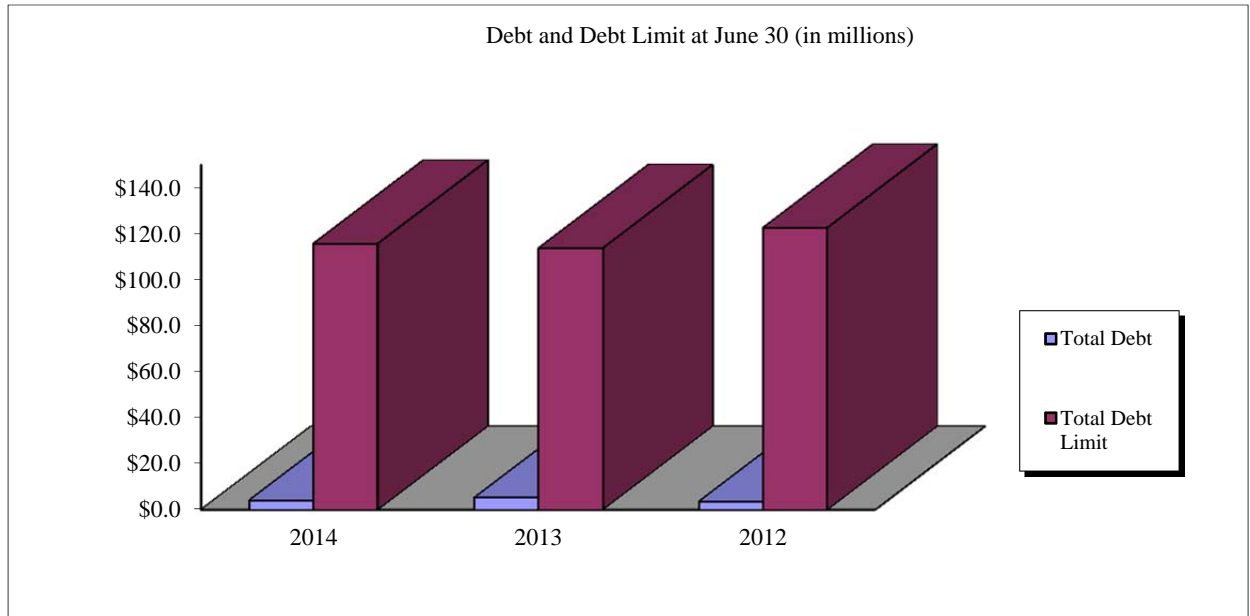
Graph 4  
 Debt and Debt Limit at June 30  
 (In Millions)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Debt Applicable to Limit	\$4.1	\$5.2	\$3.6
Total Debt Limit (1)	115.7	113.7	122.6

(1) Debt limit is 9 percent of assessed value for debt and 0.1 percent of unvoted debt.

**Berea City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*Unaudited*

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### **Current Financial Related Activities**

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

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

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

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

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





*Kadence F.*  
4<sup>th</sup> Grade  
Grindstone Elementary

**Berea City School District**  
*Statement of Net Position*  
*June 30, 2014*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$11,166,406
Cash and Cash Equivalents with Escrow Agents	4,258
Accounts Receivable	93,209
Intergovernmental Receivable	2,334,820
Prepaid Items	1,637
Inventory Held for Resale	15,930
Materials and Supplies Inventory	201,293
Taxes Receivable	57,370,615
Unamortized Bond Insurance Premium	97,979
Non-depreciable Capital Assets	893,217
Depreciable Capital Assets, Net	48,073,102
<i>Total Assets</i>	120,252,466
<b>Deferred Outflows of Resources</b>	
Deferred Charge on Refunding	318,500
<b>Liabilities</b>	
Accounts Payable	623,276
Accrued Wages	5,348,372
Matured Compensated Absences Payable	1,002,566
Retainage Payable	4,258
Intergovernmental Payable	1,851,238
Accrued Interest Payable	498,940
Notes Payable	3,997,988
Claims Payable	92,350
Long-Term Liabilities:	
Due Within One Year	2,405,070
Due In More Than One Year	34,510,147
<i>Total Liabilities</i>	50,334,205
<b>Deferred Inflows of Resources</b>	
Property Taxes	44,353,138
Deferred Gain on Refunding	32,818
<i>Total Deferred Inflows of Resources</i>	44,385,956
<b>Net Position</b>	
Net Investment in Capital Assets	14,028,113
Restricted for:	
Capital Projects	614,126
Debt Service	2,956,126
District Managed Student Activity	106,403
Locally Funded Programs	233,015
State Funded Programs	114,526
Federal Funded Programs	1,870,009
Set Asides	28,983
Unclaimed Monies	20,143
Unrestricted	5,879,361
<i>Total Net Position</i>	\$25,850,805

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instruction:					
Regular	\$36,199,890	\$1,764,837	\$188,555	\$3,000	(\$34,243,498)
Special	16,507,159	2,565,414	2,205,144	0	(11,736,601)
Vocational	461,608	0	0	0	(461,608)
Support Services:					
Pupil	5,060,741	0	894,215	0	(4,166,526)
Instructional Staff	1,936,743	0	33,821	0	(1,902,922)
Board of Education	30,936	0	0	0	(30,936)
Administration	5,149,936	0	189,657	0	(4,960,279)
Fiscal	1,886,716	0	0	0	(1,886,716)
Business	930,614	136,140	0	0	(794,474)
Operation and Maintenance of Plant	6,640,901	80,579	0	7,000	(6,553,322)
Pupil Transportation	5,703,126	58,826	2,789	0	(5,641,511)
Central	2,497,201	0	456,851	12,600	(2,027,750)
Operation of Non-Instructional Services:					
Food Service Operations	2,129,093	897,784	986,587	0	(244,722)
Other Non-Instructional Services	2,079,392	905,430	638,716	0	(535,246)
Extracurricular Activities	1,498,499	598,546	23,717	0	(876,236)
Interest and Fiscal Charges	1,721,028	0	0	0	(1,721,028)
<i>Totals</i>	<u>\$90,433,583</u>	<u>\$7,007,556</u>	<u>\$5,620,052</u>	<u>\$22,600</u>	<u>(77,783,375)</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					54,324,820
Debt Service					928,565
Capital Outlay					1,310,611
Grants and Entitlements not Restricted to Specific Programs					22,999,655
Unrestricted Contributions					51,639
Investment Earnings					8,164
Miscellaneous					149,550
<i>Total General Revenues</i>					<u>79,773,004</u>
Change in Net Position					1,989,629
<i>Net Position Beginning of Year</i>					<u>23,861,176</u>
<i>Net Position End of Year</i>					<u>\$25,850,805</u>

See accompanying notes to the basic financial statements

**Berea City School District***Balance Sheet**Governmental Funds**June 30, 2014*

	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$2,753,030	\$3,331,485	\$2,031,249	\$2,582,902	\$10,698,666
Cash and Cash Equivalents with Escrow Agents	0	0	4,258	0	4,258
<b>Restricted Assets</b>					
Equity in Pooled Cash and Cash Equivalents	49,126	0	0	0	49,126
<b>Receivables:</b>					
Accounts Receivable	93,209	0	0	0	93,209
Intergovernmental Receivable	1,339,709	0	0	995,111	2,334,820
Interfund Receivable	348,648	0	0	0	348,648
Prepaid Items	1,637	0	0	0	1,637
Inventory Held for Resale	2,321	0	0	13,609	15,930
Materials and Supplies Inventory	191,081	0	0	10,212	201,293
Property Taxes Receivable	55,154,477	918,078	1,298,060	0	57,370,615
<b>Total Assets</b>	<b>\$59,933,238</b>	<b>\$4,249,563</b>	<b>\$3,333,567</b>	<b>\$3,601,834</b>	<b>\$71,118,202</b>
<b>Liabilities</b>					
Accounts Payable	\$363,324	\$0	\$0	\$259,952	\$623,276
Accrued Wages	5,078,409	0	0	269,963	5,348,372
Matured Compensated Absences Payable	1,002,566	0	0	0	1,002,566
Retainage Payable	0	0	4,258	0	4,258
Interfund Payable	0	0	0	348,648	348,648
Intergovernmental Payable	1,705,138	0	0	146,100	1,851,238
Accrued Interest Payable	0	0	9,186	0	9,186
Notes Payable	0	0	3,997,988	0	3,997,988
<b>Total Liabilities</b>	<b>8,149,437</b>	<b>0</b>	<b>4,011,432</b>	<b>1,024,663</b>	<b>13,185,532</b>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenue	4,157,751	50,672	64,652	859,021	5,132,096
Property Taxes	42,684,547	663,464	1,005,127	0	44,353,138
<b>Total Deferred Inflows of Resources</b>	<b>46,842,298</b>	<b>714,136</b>	<b>1,069,779</b>	<b>859,021</b>	<b>49,485,234</b>
<b>Fund Balances</b>					
Nonspendable	212,861	0	0	10,212	223,073
Restricted	28,983	3,535,427	0	2,151,648	5,716,058
Assigned	285,566	0	0	0	285,566
Unassigned (Deficit)	4,414,093	0	(1,747,644)	(443,710)	2,222,739
<b>Total Fund Balances (Deficit)</b>	<b>4,941,503</b>	<b>3,535,427</b>	<b>(1,747,644)</b>	<b>1,718,150</b>	<b>8,447,436</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$59,933,238</b>	<b>\$4,249,563</b>	<b>\$3,333,567</b>	<b>\$3,601,834</b>	<b>\$71,118,202</b>

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, 2014*

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**Total Governmental Fund Balances** \$8,447,436

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 48,966,319

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	2,858,842
Intergovernmental	859,021
Tuition and Fees	1,412,685
Rentals	<u>1,548</u>

Total 5,132,096

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 is included in the statement of net position in governmental activities in the statement of net position. 326,264

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (489,754)

Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds 318,500

Deferred inflows of resources represent deferred gains on refundings, which are not reported in the funds (32,818)

Unamortized bond insurance premiums do not provide current financial resources and, therefore, are not reported in the funds. 97,979

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Certificates of Participation	(25,790,000)
Discount on Certificates of Participation	418,675
Premium on Certificates of Participation	(51,821)
General Obligation Bonds	(7,885,000)
Premium on Bonds	(75,410)
Compensated Absences	<u>(3,531,661)</u>

Total (36,915,217)

*Net Position of Governmental Activities* \$25,850,805

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, 2014*

	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$55,263,169	\$955,095	\$1,332,373	\$0	\$57,550,637
Intergovernmental	23,736,981	123,848	329,640	4,809,695	29,000,164
Interest	8,038	0	0	126	8,164
Tuition and Fees	3,112,993	0	0	905,430	4,018,423
Extracurricular Activities	339,963	0	0	258,583	598,546
Rentals	79,031	0	0	0	79,031
Charges for Services	111,396	0	0	897,784	1,009,180
Contributions and Donations	51,639	0	3,000	75,272	129,911
Miscellaneous	113,258	0	6,820	29,472	149,550
<i>Total Revenues</i>	<u>82,816,468</u>	<u>1,078,943</u>	<u>1,671,833</u>	<u>6,976,362</u>	<u>92,543,606</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	35,154,722	0	0	167,101	35,321,823
Special	14,260,808	0	0	1,893,812	16,154,620
Vocational	454,754	0	0	0	454,754
Support Services:					
Pupil	4,187,749	0	0	825,731	5,013,480
Instructional Staff	1,979,851	0	0	416	1,980,267
Board of Education	30,981	0	0	0	30,981
Administration	4,880,102	0	0	212,195	5,092,297
Fiscal	1,393,642	477,997	0	0	1,871,639
Business	902,132	0	0	0	902,132
Operation and Maintenance of Plant	6,528,637	0	0	6,640	6,535,277
Pupil Transportation	4,735,781	0	0	14,521	4,750,302
Central	2,056,295	0	0	401,535	2,457,830
Operation of Non-Instructional Services	4,648	0	0	2,051,707	2,056,355
Operation of Food Service	5,028	0	0	2,081,060	2,086,088
Extracurricular Activities	1,220,531	0	0	345,505	1,566,036
Capital Outlay	0	0	1,738,036	438,272	2,176,308
Debt Service:					
Principal Retirement	525,000	755,000	425,000	150,000	1,855,000
Interest and Fiscal Charges	1,156,257	180,805	311,051	0	1,648,113
Certificate of Participation Issuance Costs	356,418	0	0	0	356,418
<i>Total Expenditures</i>	<u>79,833,336</u>	<u>1,413,802</u>	<u>2,474,087</u>	<u>8,588,495</u>	<u>92,309,720</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,983,132</u>	<u>(334,859)</u>	<u>(802,254)</u>	<u>(1,612,133)</u>	<u>233,886</u>
<b>Other Financing Sources (Uses)</b>					
Certificates of Participation Issued	13,685,000	0	0	0	13,685,000
Discount on Certificates of Participation	(253,931)	0	0	0	(253,931)
Payment to Refunded Bond Escrow Agent	(13,074,651)	0	0	0	(13,074,651)
<i>Total Other Financing Sources (Uses)</i>	<u>356,418</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>356,418</u>
<i>Net Change in Fund Balances</i>	3,339,550	(334,859)	(802,254)	(1,612,133)	590,304
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,601,953</u>	<u>3,870,286</u>	<u>(945,390)</u>	<u>3,330,283</u>	<u>7,857,132</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$4,941,503</u>	<u>\$3,535,427</u>	<u>(\$1,747,644)</u>	<u>\$1,718,150</u>	<u>\$8,447,436</u>

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, 2014*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$590,304</b>
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
Capital Asset Additions	1,644,259
Depreciation	<u>(1,788,016)</u>
Total	(143,757)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	
	(181,068)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Delinquent Property Taxes	(986,641)
Intergovernmental	(436,129)
Tuition and Fees	1,401,602
Rentals	<u>1,548</u>
Total	(19,620)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Certificate of Participation	525,000
General Obligation Bonds	1,330,000
Payment to Refunded Bond Escrow Agent	<u>13,074,651</u>
Total	14,929,651
Bond insurance premiums are debt service expenditures in governmental funds when paid, but are reported as unamortized bond insurance premiums on the statement of net position and are allocated as an expense over the life of the outstanding debt.	
	98,302
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	(87,587)
Amortization of Accounting Loss	(2,589)
Amortization of Accounting Gain	8,748
Amortization of Unamortized Bond Insurance Premium	(323)
Amortization of Certificates of Participation Discount	(1,382)
Amortization of Certificates of Participation Premium	174
Amortization of Bond Premium	<u>10,044</u>
Total	(72,915)
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.	
	88,865
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.	
	130,936
Other financing sources and uses in the governmental funds (increased) decreased long-term liabilities in the statement of net position.	
Refunding Certificates of Participation Issued	(13,685,000)
Discount on Certificates of Participation	<u>253,931</u>
Total	<u>(13,431,069)</u>
<i>Change in Net Position of Governmental Activities</i>	
	<u><u>\$1,989,629</u></u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$89,223,305	\$56,028,374	\$52,791,774	(\$3,236,600)
Intergovernmental	40,117,839	25,190,806	23,736,981	(1,453,825)
Interest	13,585	8,531	8,038	(493)
Tuition and Fees	5,416,864	3,176,163	3,112,506	(63,657)
Extracurricular Activities	641,144	164,480	339,963	175,483
Rentals	118,255	74,259	69,969	(4,290)
Charges for Services	188,270	118,226	111,396	(6,830)
Contributions and Donations	96,237	24,951	51,639	26,688
Miscellaneous	378,823	122,723	113,258	(9,465)
<i>Total Revenues</i>	<u>136,194,322</u>	<u>84,908,513</u>	<u>80,335,524</u>	<u>(4,572,989)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	38,285,033	36,372,355	35,802,823	569,532
Special	13,529,111	14,333,368	14,270,932	62,436
Vocational	502,460	500,460	487,109	13,351
Support Services:				
Pupil	4,257,560	4,387,293	4,382,014	5,279
Instructional Staff	2,317,718	2,247,654	2,004,133	243,521
Board of Education	28,550	30,550	28,742	1,808
Administration	4,660,105	4,859,587	4,856,424	3,163
Fiscal	1,674,167	1,417,968	1,411,962	6,006
Business	1,000,717	974,779	933,185	41,594
Operation and Maintenance of Plant	7,181,125	6,903,364	6,799,455	103,909
Pupil Transportation	4,138,260	4,749,644	4,748,900	744
Central	1,895,391	2,124,969	2,112,723	12,246
Operation of Non-Instructional Services	17,882	17,965	4,648	13,317
Operation of Food Service	5,028	5,028	5,028	0
Extracurricular Activities	1,286,241	1,354,313	1,230,002	124,311
Debt Service:				
Principal Retirement	525,000	525,000	525,000	0
Interest and Fiscal Charges	1,556,870	1,158,706	1,156,257	2,449
Certificate of Participation Issuance Costs	356,418	356,418	356,418	0
<i>Total Expenditures</i>	<u>83,217,636</u>	<u>82,319,421</u>	<u>81,115,755</u>	<u>1,203,666</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>\$52,976,686</u>	<u>\$2,589,092</u>	<u>(\$780,231)</u>	<u>(\$3,369,323)</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, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Other Financing Sources (Uses)</b>				
Refunding Certificates of Participation Issued	\$0	\$0	\$13,685,000	\$13,685,000
Discount on Certificates of Participation	(253,931)	(253,931)	(253,931)	0
Payment to Refunded Certificates of Participation Escrow Agent	(13,074,651)	(13,074,651)	(13,074,651)	0
Advances In	270,423	160,004	160,004	0
Advances Out	0	0	(344,214)	(344,214)
Transfers Out	(569,173)	(197,935)	0	197,935
<i>Total Other Financing Sources (Uses)</i>	<u>(13,627,332)</u>	<u>(13,366,513)</u>	<u>172,208</u>	<u>13,538,721</u>
<i>Net Change in Fund Balance</i>	39,349,354	(10,777,421)	(608,023)	10,169,398
<i>Fund Balance Beginning of Year</i>	1,619,020	1,619,020	1,619,020	0
Prior Year Encumbrances Appropriated	<u>1,036,987</u>	<u>1,036,987</u>	<u>1,036,987</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$42,005,361</u>	<u>(\$8,121,414)</u>	<u>\$2,047,984</u>	<u>\$10,169,398</u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Fund Net Position*  
*Internal Service Fund*  
*June 30, 2014*

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	<u>Self Insurance</u>
<b>Assets</b>	
<i>Current Assets</i>	
Equity in Pooled Cash and Cash Equivalents	\$418,614
<b>Liabilities</b>	
<i>Current Liabilities:</i>	
Claims Payable	<u>92,350</u>
<b>Net Position</b>	
Unrestricted	<u><u>\$326,264</u></u>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2014*

	Self Insurance
<b>Operating Revenues</b>	
Charges for Services	\$2,367,325
<b>Operating Expenses</b>	
Purchased Services	22,141
Claims	2,214,248
<i>Total Operating Expenses</i>	<i>2,236,389</i>
<i>Change in Net Position</i>	130,936
<i>Net Position Beginning of Year</i>	<i>195,328</i>
<i>Net Position End of Year</i>	<i>\$326,264</i>

See accompanying notes to the basic financial statements

**Berea City School District**  
*Statement of Cash Flows*  
*Internal Service Fund*  
For the Fiscal Year Ended June 30, 2014

	Self Insurance
<i><b>Increase (Decrease) in Cash and Cash Equivalents</b></i>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services	\$2,367,325
Cash Payments for Goods and Services	(22,141)
Cash Payments for Claims	(2,243,164)
<i>Net Increase in Cash and Cash Equivalents</i>	102,020
<i>Cash and Cash Equivalents Beginning of Year</i>	316,594
<i>Cash and Cash Equivalents End of Year</i>	\$418,614
 <i><b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b></i>	
<i>Operating Income</i>	\$130,936
Decrease in Claims Payable	(28,916)
<i>Net Cash Provided by Operating Activities</i>	\$102,020
 See accompanying notes to the basic financial statements	

**Berea City School District**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2014*

	Private Purpose Trust Fund	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$13,431	\$103,466
<b>Liabilities</b>		
Undistributed Monies	0	\$31,266
Due to Students	0	72,200
<i>Total Liabilities</i>	0	\$103,466
<b>Net Position</b>		
Held in Trust for Scholarships:	\$13,431	

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, 2014*

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

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, 2014*

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

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by the State and federal agencies. This Board of Education controls the School District's eleven instructional/support facilities staffed by 341 classified employees, 479 certificated full-time personnel, and 44 administrators who provide services to 6,694 students and other community members.

***Reporting Entity***

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

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

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

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

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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

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

The School District participates in three jointly governed organizations and one public entity risk pool. These organizations are presented in Note 19 to the financial statements. These organizations are:

Jointly Governed Organizations:

Polaris Career Center  
Educational Community Foundation  
Ohio Schools' Council Association

Public Entity Risk Pool:

Ohio School Boards Association Workers' Compensation Group Rating Program

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

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

***A. Fund Accounting***

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

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

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



**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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

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

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

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

***Internal Service Fund*** This fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The only internal service fund of the School District accounts for self-insurance claims for the health reimbursement account program.

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

***B. 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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental activity is self-financing or draws from the general revenues of the School District.

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

***C. Measurement Focus***

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

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

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

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

***D. 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 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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

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

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

***Deferred 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, represents 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 include a deferred charge on refunding reported in the government-wide statement of net position. 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.

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 as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, unavailable revenue and deferred charge on refunding.. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the 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 and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. 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.

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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***E. Cash and Cash Equivalents***

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

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

Berea City School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2014. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share, which is the price the investment could be sold for on June 30, 2014.

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 2014 amounted to \$8,038 which includes \$6,011 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.

***F. 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 or enabling legislation. Restricted assets in the general fund include amounts for set aside and unclaimed monies.

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2014, 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.

***H. 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.

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

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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***J. Deferred Charge on Refunding***

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

***K. Capital Assets***

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

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

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

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

***L. Interfund Balances***

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

***M. Compensated Absences***

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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

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

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

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and 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. Bonds are recognized as a liability on the governmental fund financial statements when due.

***O. 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.

***P. Fund Balance***

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

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

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of

**Berea City School District**  
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Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

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

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

***R. Internal Activity***

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

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

***S. Estimates***

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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***T. 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 – Accountability and Compliance**

***A. Accountability***

The following funds had deficit fund balances at June 30, 2014:

<b>Special Revenue Funds</b>	
Title VI-B	\$80,679
Title I	335,506
Preschool at Risk	14,332
Race to the Top	7,512
Title III	5,681
<b>Capital Projects Fund</b>	
Permanent Improvement	1,747,644

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.

***B. Compliance***

The general fund and self insurance fund had total final appropriations in excess of estimated resources plus carryover balances in violation of Section 5705.39, Ohio Revised Code, in the amounts of \$8,121,414 and \$5,521, respectively.



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Although these budgetary violations were not corrected by fiscal year end, the above citation is a result of management failing to submit its approved appropriation realignments to the County Fiscal Officer. In future periods, management will ensure that appropriations will be closely monitored to prevent future violations.

**Note 4 - Budgetary Basis of Accounting**

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

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

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

Net Change in Fund Balance	
GAAP Basis	\$3,339,550
Net Adjustment for Revenue Accruals	(2,480,944)
Advances In	160,004
Net Adjustment for Expenditure Accruals	(523,816)
Advances Out	(344,214)
Adjustment for Encumbrances	<u>(758,603)</u>
Budget Basis	<u><u>(\$608,023)</u></u>

**Note 5 – Fund Balances**

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

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Fund Balances	General	Debt Service	Permanent Improvement	Other Governmental Funds	Total
<b>Nonspendable</b>					
Prepays	\$1,637	\$0	\$0	\$0	\$1,637
Inventory	191,081	0	0	10,212	201,293
Unclaimed Monies	20,143	0	0	0	20,143
<i>Total Nonspendable</i>	212,861	0	0	10,212	223,073
<b>Restricted for</b>					
Non-Public Schools	0	0	0	108,043	108,043
Athletics and Music	0	0	0	106,403	106,403
Education Innovation	0	0	0	4,057	4,057
Professional Development	0	0	0	66,571	66,571
Technology Improvements	0	0	0	6,483	6,483
Food Service Operations	0	0	0	1,457,495	1,457,495
Adult Education	0	0	0	184,008	184,008
Set Asides	28,983	0	0	0	28,983
Debt Service Payments	0	3,535,427	0	0	3,535,427
Capital Improvements	0	0	0	218,588	218,588
<i>Total Restricted</i>	28,983	3,535,427	0	2,151,648	5,716,058
<b>Assigned to</b>					
Purchases on Order	285,566	0	0	0	285,566
<b>Unassigned (Deficit)</b>	4,414,093	0	(1,747,644)	(443,710)	2,222,739
<i>Total Fund Balances (Deficit)</i>	\$4,941,503	\$3,535,427	(\$1,747,644)	\$1,718,150	\$8,447,436

**Note 6 – 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 2014 represent the collection of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien on December 31, 2012, were levied after April 1, 2013, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2014, are available to finance fiscal year 2015 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, 2014 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources unavailable revenue.

The amount available as an advance at June 30, 2014, was \$9,726,413 in the general fund, \$203,942 in the debt service fund, and \$228,281 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2013, was \$7,255,017 in the general fund, \$152,122 in the debt service fund, and \$170,277 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 2014 taxes were collected are:

	2013 Second Half Collections		2014 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,290,840,660	97.69%	\$1,298,186,320	97.51%
Public Utility Personal	30,559,960	2.31	33,200,280	2.49
Total	\$1,321,400,620	100.00%	\$1,331,386,600	100.00%
Full Tax Rate per \$1,000 of assessed valuation	\$78.00		\$78.00	

**Note 7 – 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.

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

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

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

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

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

### **Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$10,639,106 of the School District's bank balance of \$11,139,106 was uninsured and uncollateralized. Although the collateral securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

***Investments***

As of June 30, 2014, the School District had \$113,201 invested in STAR Ohio, which had an average maturity of 51.4 days.

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

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

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

**Note 8 - Interfund Balances**

Interfund balances at June 30, 2014, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable
	General
<b>Nonmajor Governmental Funds</b>	
Title VI-B	\$123,599
Title I	217,852
Preschool	4,821
Title III	2,376
Total	\$348,648

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

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**Note 9 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance 6/30/13	Additions	Deductions	Balance 6/30/14
<b>Governmental Activities</b>				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$893,217	\$0	\$0	\$893,217
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	2,958,429	0	0	2,958,429
Buildings and Improvements	74,124,685	1,306,279	0	75,430,964
Furniture and Equipment	3,552,652	19,737	(709,398)	2,862,991
Vehicles	5,082,313	318,243	0	5,400,556
<i>Total Capital Assets, Being Depreciated</i>	<u>85,718,079</u>	<u>1,644,259</u>	<u>(709,398)</u>	<u>86,652,940</u>
Less Accumulated Depreciation:				
Land Improvements	(1,663,328)	(98,614)	0	(1,761,942)
Buildings and Improvements	(29,325,669)	(1,266,952)	0	(30,592,621)
Furniture and Equipment	(2,786,903)	(94,919)	528,330	(2,353,492)
Vehicles	(3,544,252)	(327,531)	0	(3,871,783)
<i>Total Accumulated Depreciation</i>	<u>(37,320,152)</u>	<u>(1,788,016)</u>	<u>528,330</u>	<u>(38,579,838)</u>
Total Capital Assets, Being Depreciated, Net	<u>48,397,927</u>	<u>(143,757)</u>	<u>(181,068)</u>	<u>48,073,102</u>
Governmental Activities Capital Assets, Net	<u>\$49,291,144</u>	<u>(\$143,757)</u>	<u>(\$181,068)</u>	<u>\$48,966,319</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$623,626
Special	282,242
Vocational	6,328
Support Services	
Pupil	45,722
Instructional Staff	24,746
Administration	70,184
Fiscal	11,990
Business	3,614
Operation and Maintenance of Plant	148,607
Pupil Transportation	438,216
Central	43,377
Operation of Food Service	85,403
Extracurricular Activities	3,961
Total Depreciation Expense	<u>\$1,788,016</u>

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*Notes to the Basic Financial Statements*  
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**Note 10 - Receivables**

Receivables at June 30, 2014, consisted of taxes, accounts (rent and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the non-payment of taxes, the stable condition of state programs and the current fiscal year guarantee of federal funds. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Tuition and Fees	\$1,339,709
Title I	654,918
Title VI-B	221,619
Title IIA	49,343
Preschool	24,344
Title III	11,290
Race to the Top	<u>33,597</u>
Total Intergovernmental Receivables	<u><u>\$2,334,820</u></u>

**Note 11 - Risk Management**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2014, the School District contracted with Indiana Insurance for Property (Fire and Extended Coverage), and for Boiler and Machinery coverage through Travelers Insurance. Both of these policies are part of the Ohio Schools' Council group purchasing plan.

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

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

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

**B. Workers' Compensation**

For fiscal year 2014, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). 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

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on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley provides administrative, cost control, and actuarial services to the GRP.

***C. Health and Life Insurance***

The School District has contracted with Anthem Blue Cross to provide employee medical, surgical prescription drug and vision benefits and with Metlife for dental benefits. The School District pays \$1,659 for family coverage and \$805 for single coverage per month for medical and \$64.08 for family coverage and \$20.22 for single coverage per month for dental. The employees pay ten percent of the premium through a payroll deduction.

The School District operated and managed the health reimbursement account program on a self-insured basis. Healthsmart was the Third Party Administrator for this time period for reviewing and processing of claims.

The claims liability of \$92,350 reported in the self insurance fund at June 30, 2014, is based on an estimate provided by the Treasurer 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.

	Beginning of Year	Year Claims	Claim Payments	End of Year
2013	\$1,081,563	\$8,695,757	\$9,656,054	\$121,266
2014	121,266	2,214,248	2,243,164	92,350

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

**Note 12 - Defined Benefit Pension Plans**

***School Employees Retirement System***

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B



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Fund, and Health Care Fund). For the fiscal year ended June 30, 2014, the allocation to pension and death benefits was 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$1,660,346, \$1,231,726 and \$1,671,813, respectively. For fiscal year 2014, 85.12 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

***State Teachers Retirement System of Ohio***

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

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

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

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 11 percent for members and 14 percent for employers. The statutory maximum employee contribution rate was increased one percent July 1, 2013, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2014, plan members were required to contribute 11 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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The School District's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were \$4,848,795 and \$38,821 for the fiscal year ended June 30, 2014, \$5,150,597 and \$31,001 for the fiscal year ended June 30, 2013, and \$5,093,110 and \$29,729 for the fiscal year ended June 30, 2012. For fiscal year 2014, 85.80 percent has been contributed for the DB plan, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

Contributions made to STRS Ohio for the DC Plan for fiscal year 2014 were \$53,346 made by the School District and \$41,915 made by the plan members. In addition, member contributions of \$30,502 were made for fiscal year 2014 for the defined contribution portion of the Combined Plan.

### **Note 13 – Postemployment Benefits**

#### ***School Employees Retirement System***

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2014, 0.14 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2014, this amount was \$20,250. During fiscal year 2014, the School District paid \$120,616 in surcharge.

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

The School District's contributions for health care for the fiscal years ended June 30, 2014, 2013 and 2012 were \$133,290, \$220,974 and \$290,294, respectively. For fiscal year 2014, 85.12 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013 and 2012, were \$93,791, \$69,578 and \$98,729, respectively. For fiscal year 2014, 93.81 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

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

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School District’s contributions for health care for the fiscal years ended June 30, 2014, 2013 and 2012 were \$372,984, \$396,200 and \$391,778, respectively. For fiscal year 2014, 85.80 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012. The STRS Board voted to discontinue the current one percent allocation to the health care fund effective July 1, 2014.

**Note 14 – 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 15 - Contingencies**

***Grants***

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2014, if applicable, cannot be determined at this time.

***Litigation***

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 16 – Significant Commitments**

*Contractual Commitments*

At June 30, 2014 the School District had \$1,919,458 in contractual commitments for various improvements within the School District.

*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	\$758,603
Permanent Improvement	1,919,458
Other Governmental Funds	<u>735,521</u>
Total Governmental Funds	3,413,582
Internal Service	<u>598</u>
Total	<u><u>\$3,414,180</u></u>

**Note 17 – 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 6/30/2013	Additions	Deductions	Principal Outstanding 6/30/2014
Permanent Improvement				
2008 Capital Projects 4.0%				
Tax Anticipation Notes	\$1,545,000	\$0	\$285,000	\$1,260,000
Premium on Notes	16,924	0	3,936	12,988
2013 School Improvement 2.08%				
Tax Anticipation Notes	<u>3,000,000</u>	<u>0</u>	<u>275,000</u>	<u>2,725,000</u>
Total Notes	<u><u>\$4,561,924</u></u>	<u><u>\$0</u></u>	<u><u>\$563,936</u></u>	<u><u>\$3,997,988</u></u>

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

Principal and interest requirements to retire the notes outstanding at June 30, 2014 are as follows:

Fiscal Year Ending June 30	Notes		Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$295,000	\$47,281	\$280,000	\$53,768	\$575,000	\$101,049
2016	310,000	34,425	285,000	47,892	595,000	82,317
2017	320,000	21,038	290,000	41,912	610,000	62,950
2018	335,000	7,119	295,000	35,828	630,000	42,947
2019	0	0	300,000	29,640	300,000	29,640
2020	0	0	310,000	23,296	310,000	23,296
2021	0	0	315,000	16,796	315,000	16,796
2022	0	0	320,000	10,192	320,000	10,192
2023	0	0	330,000	3,432	330,000	3,432
<b>Total</b>	<b>\$1,260,000</b>	<b>\$109,863</b>	<b>\$2,725,000</b>	<b>\$262,756</b>	<b>\$3,985,000</b>	<b>\$372,619</b>

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.

**Note 18 – Long – Term Liabilities**

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

	Principal Outstanding 6/30/2013	Additions	Reductions	Principal Outstanding 6/30/2014	Amounts Due in One Year
<b>Certificates of Participation:</b>					
Certificates of Participation - 2010					
Serial Certificates	\$4,820,000	\$0	\$525,000	\$4,295,000	\$555,000
Term Certificates	20,680,000	0	12,870,000	7,810,000	0
Discount on Certificate of Participation	(335,609)	0	(170,029)	(165,580)	0
Premium on Certificate of Participation	105,040	0	53,219	51,821	0
2014 Certificates of Participation Refunding					
Serial Certificates	0	13,140,000	0	13,140,000	80,000
Term Certificates	0	545,000	0	545,000	0
Discount on Certificate of Participation	0	(253,931)	(836)	(253,095)	0
<b>Total Certificates of Participation</b>	<b>25,269,431</b>	<b>13,431,069</b>	<b>13,277,354</b>	<b>25,423,146</b>	<b>635,000</b>
<b>General Obligation Bonds:</b>					
2003 School Improvement Refunding	4,235,000	0	755,000	3,480,000	795,000
2005 Bus Acquisition Bonds	80,000	0	80,000	0	0
2005 Energy Conservation Bonds	45,000	0	45,000	0	0
2006 Bus Acquisition Bonds	225,000	0	70,000	155,000	75,000
Premium on Bonds	3,535	0	1,416	2,119	0
2007 Energy Conservation Bonds	4,630,000	0	380,000	4,250,000	395,000
Premium on Bonds	81,919	0	8,628	73,291	0
<b>Total General Obligation Bonds</b>	<b>9,300,454</b>	<b>0</b>	<b>1,340,044</b>	<b>7,960,410</b>	<b>1,265,000</b>
Compensted Absences	3,620,526	514,922	603,787	3,531,661	505,070
<b>Total Governmental Activities</b>	<b>\$38,190,411</b>	<b>\$13,945,991</b>	<b>\$15,221,185</b>	<b>\$36,915,217</b>	<b>\$2,405,070</b>

**Berea City School District**  
*Notes to the Basic Financial Statements*  
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On March 1, 2003, the School District issued \$9,205,000 in general obligation bonds with interest rates varying from 2.00 percent to 4.70 percent. Proceeds were used to refund \$9,205,000 of the outstanding 1993 School Improvement Bonds.

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

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$131,233. This difference, being reported as a deferral in the accompanying financial statements, is being charged to operations through the maturity of the old debt or the new debt, whichever is shorter using the straight-line method. On June 30, 2014, \$3,600,000 of the defeased bonds are still outstanding.

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

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

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

The general obligation bonds are paid from the debt service and permanent improvement capital projects funds.

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

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The term bonds maturing on October 1, 2023, 2026, 2028 and 2030 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on August 1 in the years and in the respective principal amounts as follows:

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

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

On May 21, 2014, the School District issued \$13,685,000 in Certificates of Participation (COPs), for the purpose of partially refunding the COPs issued in fiscal year 2010 for the purpose of building a new elementary school. The COPs issuance included a discount of \$253,931, which is amortized over the life of the COPs, and issuance costs of \$356,418. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term of five years with includes the right to renew for 19 successive one-year terms through October 1, 2039, subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the 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.

	2010 Certificates of Participation
Outstanding at June 30, 2013	\$25,500,000
Amount Refunded	(12,870,000)
Principal Payment on Non-Refunded Portion	(525,000)
Outstanding at June 30, 2014	\$12,105,000

**Berea City School District**  
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The COPs were sold at a discount of \$253,931. Net proceeds of \$13,074,651 (after payment of \$356,418 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2010 COPs. As a result, \$12,870,000 of these COPs are considered defeased and the liability for the refunded COPs has been removed from the School District's financial statements. Accordingly, the trust account assets and liabilities for the defeased COPs are not included in the School District's financial statements.

***2010 Certificates of Participation***

Term COPs	\$12,870,000
Premium	53,045
Discount	<u>(169,483)</u>
Total 2010 Certificates of Participation	12,753,562
Payment to Refunded Bond Escrow Agent - Other Financing Use	<u>(13,074,651)</u>
2014 Certificates of Participation Refunding Accounting Loss	<u><u>(\$321,089)</u></u>

Although the refunding will result in the recognition of an accounting loss of \$321,089, the School District in effect decreased its aggregated debt service payments by \$911,827 over the next 26 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$629,777.

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
2015	\$30,000	\$0	\$0
2016	30,000	0	0
2017	30,000	0	0
2018	0	0	0
2019	0	35,000	0
2020	0	35,000	0
2021	0	35,000	0
2022	0	35,000	0
2023	0	35,000	0
2024	0	0	0
2025	0	0	40,000
2026	0	0	40,000
2027	0	0	40,000
2028	0	0	45,000
Total	\$90,000	\$175,000	\$165,000
<i>Stated Maturity</i>	<i>10/1/2018</i>	<i>10/1/2024</i>	<i>10/1/2029</i>

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



**Berea City School District**  
*Notes to the Basic Financial Statements*  
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Annual base rent requirements to retire COPs outstanding at June 30, 2014 are as follows:

	Certificates of Participation			
	Serial		Term	
	Principal	Interest	Principal	Interest
2015	\$635,000	\$973,110	\$0	\$0
2016	575,000	479,845	30,000	549,359
2017	590,000	461,780	30,000	548,906
2018	610,000	442,046	30,000	548,456
2019	630,000	420,334	30,000	548,007
2020-2024	1,335,000	764,930	2,395,000	3,654,990
2025-2029	0	0	4,585,000	3,527,117
2029-2034	4,470,000	1,800,199	1,255,000	575,034
2035-2039	7,010,000	1,063,758	0	0
2040	1,580,000	32,587	0	0
Total	\$17,435,000	\$6,438,589	\$8,355,000	\$9,951,869

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

At June 30, 2014 the School District's overall legal debt margin was \$115,740,221 with an unvoted debt margin of \$1,331,387. Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2014 are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Total
	Principal	Interest	
2015	\$1,265,000	\$325,258	\$1,590,258
2016	1,325,000	267,536	1,592,536
2017	1,315,000	205,272	1,520,272
2018	1,410,000	137,735	1,547,735
2019	475,000	93,300	568,300
2020-2024	2,095,000	171,700	2,266,700
Total	\$7,885,000	\$1,200,801	\$9,085,801

**Note 19 - Jointly Governed Organizations and Public Entity Risk Pool**

***A. Jointly Governed Organizations***

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

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

The Ohio Schools' Council Association (Council) is a jointly governed organization among 156 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The degree of control exercised by any participating school district is limited to its representation on the assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Associations. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2013 the School District paid \$8,094 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.

***B. Public Entity Risk Pool***

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

**Berea City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 20 - 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, 2013	\$0
Current Year Set-Aside Requirement	1,137,082
Current Year Offset	(925,042)
Qualifying Disbursements	(183,057)
Total	\$28,983
Set-Aside Balance Carried Forward to Future Fiscal Years	\$28,983

**Note 21 – Subsequent Event**

As of July 1, 2014, the School District returned to being self insured. The School District contracted with Medical Mutual as the third party administrator to manage medical claims. The School District’s and employees’ portions of the monthly insurance premiums are as follows:

Type of Coverage	Full-Time Employees		
	Board Share	Employee Share	Total Premium
Single	\$681	\$76	\$757
Family	1,404	156	1,560

Rates are based upon full-time employees and are adjusted for partial full-time equivalent.

**Berea City School District**

**Combining Statements and Individual Fund Schedules**

## **Berea City School District**

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

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

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

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

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

***Nonmajor Capital Projects Funds***

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

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

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

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2014*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,357,554	\$225,348	\$2,582,902
Intergovernmental Receivable	995,111	0	995,111
Inventory Held for Resale	13,609	0	13,609
Materials and Supplies Inventory	10,212	0	10,212
<i>Total Assets</i>	<u>\$3,376,486</u>	<u>\$225,348</u>	<u>\$3,601,834</u>
<b>Liabilities</b>			
Accounts Payable	\$253,192	\$6,760	\$259,952
Accrued Wages	269,963	0	269,963
Interfund Payable	348,648	0	348,648
Intergovernmental Payable	146,100	0	146,100
<i>Total Liabilities</i>	<u>1,017,903</u>	<u>6,760</u>	<u>1,024,663</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	859,021	0	859,021
<b>Fund Balances</b>			
Nonspendable	10,212	0	10,212
Restricted	1,933,060	218,588	2,151,648
Unassigned (Deficit)	(443,710)	0	(443,710)
<i>Total Fund Balances</i>	<u>1,499,562</u>	<u>218,588</u>	<u>1,718,150</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$3,376,486</u>	<u>\$225,348</u>	<u>\$3,601,834</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, 2014*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$4,797,095	\$12,600	\$4,809,695
Interest	126	0	126
Tuition and Fees	905,430	0	905,430
Extracurricular Activities	258,583	0	258,583
Charges for Services	897,784	0	897,784
Contributions and Donations	68,272	7,000	75,272
Miscellaneous	29,472	0	29,472
<i>Total Revenues</i>	<u>6,956,762</u>	<u>19,600</u>	<u>6,976,362</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	167,101	0	167,101
Special	1,893,812	0	1,893,812
Support Services:			
Pupil	825,731	0	825,731
Instructional Staff	416	0	416
Administration	212,195	0	212,195
Operation and Maintenance of Plant	6,640	0	6,640
Pupil Transportation	14,521	0	14,521
Central	401,535	0	401,535
Operation of Non-Instructional Services	2,051,707	0	2,051,707
Operation of Food Service	2,081,060	0	2,081,060
Extracurricular Activities	345,505	0	345,505
Capital Outlay	0	438,272	438,272
Debt Service:			
Principal Retirement	0	150,000	150,000
<i>Total Expenditures</i>	<u>8,000,223</u>	<u>588,272</u>	<u>8,588,495</u>
<i>Net Change in Fund Balances</i>	(1,043,461)	(568,672)	(1,612,133)
<i>Fund Balances Beginning of Year</i>	<u>2,543,023</u>	<u>787,260</u>	<u>3,330,283</u>
<i>Fund Balances End of Year</i>	<u>\$1,499,562</u>	<u>\$218,588</u>	<u>\$1,718,150</u>



**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2014*

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$128,629	\$154,976	\$108,337	\$106,403
Intergovernmental Receivable	221,619	0	654,918	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$350,248</u>	<u>\$154,976</u>	<u>\$763,255</u>	<u>\$106,403</u>
<b>Liabilities</b>				
Accounts Payable	\$15,037	\$46,933	\$187,369	\$0
Accrued Wages	32,194	0	131,407	0
Interfund Payable	123,599	0	217,852	0
Intergovernmental Payable	38,478	0	21,077	0
<i>Total Liabilities</i>	<u>209,308</u>	<u>46,933</u>	<u>557,705</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	221,619	0	541,056	0
<b>Fund Balances</b>				
Nonspendable	0	0	0	0
Restricted	0	108,043	0	106,403
Unassigned (Deficit)	(80,679)	0	(335,506)	0
<i>Total Fund Balances (Deficit)</i>	<u>(80,679)</u>	<u>108,043</u>	<u>(335,506)</u>	<u>106,403</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$350,248</u>	<u>\$154,976</u>	<u>\$763,255</u>	<u>\$106,403</u>

(continued)

**Berea City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2014*

	Preschool at Risk	Local Grants	Preschool	Food Service
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$351	\$66,571	\$0	\$1,532,252
Intergovernmental Receivable	0	0	24,344	0
Inventory Held for Resale	0	0	0	13,609
Materials and Supplies Inventory	0	0	0	10,212
<i>Total Assets</i>	<u>\$351</u>	<u>\$66,571</u>	<u>\$24,344</u>	<u>\$1,556,073</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages	12,880	0	0	39,883
Interfund Payable	0	0	4,821	0
Intergovernmental Payable	1,803	0	0	48,483
<i>Total Liabilities</i>	<u>14,683</u>	<u>0</u>	<u>4,821</u>	<u>88,366</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	0	0	19,523	0
<b>Fund Balances</b>				
Nonspendable	0	0	0	10,212
Restricted	0	66,571	0	1,457,495
Unassigned (Deficit)	(14,332)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(14,332)</u>	<u>66,571</u>	<u>0</u>	<u>1,467,707</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$351</u>	<u>\$66,571</u>	<u>\$24,344</u>	<u>\$1,556,073</u>

<u>Adult and Community Education</u>	<u>Educational Management Information Systems</u>	<u>Race to the Top</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$244,358	\$6,483	\$1,649	\$6,913	\$632	\$2,357,554
0	0	33,597	49,343	11,290	995,111
0	0	0	0	0	13,609
0	0	0	0	0	10,212
<u>\$244,358</u>	<u>\$6,483</u>	<u>\$35,246</u>	<u>\$56,256</u>	<u>\$11,922</u>	<u>\$3,376,486</u>
\$1,477	\$0	\$0	\$0	\$2,376	\$253,192
29,967	0	8,036	12,696	2,900	269,963
0	0	0	0	2,376	348,648
28,906	0	1,125	5,822	406	146,100
<u>60,350</u>	<u>0</u>	<u>9,161</u>	<u>18,518</u>	<u>8,058</u>	<u>1,017,903</u>
0	0	33,597	33,681	9,545	859,021
0	0	0	0	0	10,212
184,008	6,483	0	4,057	0	1,933,060
0	0	(7,512)	0	(5,681)	(443,710)
<u>184,008</u>	<u>6,483</u>	<u>(7,512)</u>	<u>4,057</u>	<u>(5,681)</u>	<u>1,499,562</u>
<u>\$244,358</u>	<u>\$6,483</u>	<u>\$35,246</u>	<u>\$56,256</u>	<u>\$11,922</u>	<u>\$3,376,486</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, 2014*

	Title VI-B	Auxiliary Services	Title I	District Managed Student Activities
<b>Revenues</b>				
Intergovernmental	\$1,650,880	\$618,976	\$1,065,074	\$0
Interest	0	41	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	258,583
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	23,717
Miscellaneous	0	0	0	24,727
<i>Total Revenues</i>	<u>1,650,880</u>	<u>619,017</u>	<u>1,065,074</u>	<u>307,027</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	695,393	0	1,160,898	0
Support Services:				
Pupil	811,696	0	0	3,246
Instructional Staff	0	0	0	0
Administration	154,479	0	18,470	0
Operation and Maintenance of Plant	0	0	0	6,640
Pupil Transportation	1,386	0	1,064	12,071
Central	12,084	0	122,128	0
Operation of Non-Instructional Services	0	675,022	16,302	0
Operation of Food Service	0	0	0	0
Extracurricular Activities	0	0	0	345,505
<i>Total Expenditures</i>	<u>1,675,038</u>	<u>675,022</u>	<u>1,318,862</u>	<u>367,462</u>
<i>Net Change in Fund Balances</i>	(24,158)	(56,005)	(253,788)	(60,435)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(56,521)</u>	<u>164,048</u>	<u>(81,718)</u>	<u>166,838</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$80,679)</u></u>	<u><u>\$108,043</u></u>	<u><u>(\$335,506)</u></u>	<u><u>\$106,403</u></u>

Preschool at Risk	Local Grants	Preschool	Food Service	Adult and Community Education	Educational Management Information System
\$144,000	\$0	\$48,469	\$986,587	\$0	\$0
0	6	0	79	0	0
0	0	0	0	905,430	0
0	0	0	0	0	0
0	0	0	897,784	0	0
0	44,555	0	0	0	0
0	0	0	4,745	0	0
<u>144,000</u>	<u>44,561</u>	<u>48,469</u>	<u>1,889,195</u>	<u>905,430</u>	<u>0</u>
136,163	29,341	0	0	0	0
0	0	11,163	0	0	0
0	0	10,789	0	0	0
0	416	0	0	0	0
15,108	0	24,025	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	2,010	0	0	1,377
0	340	0	0	1,360,043	0
0	0	0	2,081,060	0	0
0	0	0	0	0	0
<u>151,271</u>	<u>30,097</u>	<u>47,987</u>	<u>2,081,060</u>	<u>1,360,043</u>	<u>1,377</u>
(7,271)	14,464	482	(191,865)	(454,613)	(1,377)
<u>(7,061)</u>	<u>52,107</u>	<u>(482)</u>	<u>1,659,572</u>	<u>638,621</u>	<u>7,860</u>
<u>(\$14,332)</u>	<u>\$66,571</u>	<u>\$0</u>	<u>\$1,467,707</u>	<u>\$184,008</u>	<u>\$6,483</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, 2014

	Race to the Top	Title IIA	Title III	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Intergovernmental	\$66,140	\$194,039	\$22,930	\$4,797,095
Interest	0	0	0	126
Tuition and Fees	0	0	0	905,430
Extracurricular Activities	0	0	0	258,583
Charges for Services	0	0	0	897,784
Contributions and Donations	0	0	0	68,272
Miscellaneous	0	0	0	29,472
<i>Total Revenues</i>	<u>66,140</u>	<u>194,039</u>	<u>22,930</u>	<u>6,956,762</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	1,597	167,101
Special	0	0	26,358	1,893,812
Support Services:				
Pupil	0	0	0	825,731
Instructional Staff	0	0	0	416
Administration	0	113	0	212,195
Operation and Maintenance of Plant	0	0	0	6,640
Pupil Transportation	0	0	0	14,521
Central	64,414	199,030	492	401,535
Operation of Non-Instructional Services	0	0	0	2,051,707
Operation of Food Service	0	0	0	2,081,060
Extracurricular Activities	0	0	0	345,505
<i>Total Expenditures</i>	<u>64,414</u>	<u>199,143</u>	<u>28,447</u>	<u>8,000,223</u>
<i>Net Change in Fund Balances</i>	1,726	(5,104)	(5,517)	(1,043,461)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(9,238)</u>	<u>9,161</u>	<u>(164)</u>	<u>2,543,023</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$7,512)</u></u>	<u><u>\$4,057</u></u>	<u><u>(\$5,681)</u></u>	<u><u>\$1,499,562</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, 2014*

	<u>Building</u>	<u>Network Connectivity</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues</b>			
Intergovernmental	\$0	\$12,600	\$12,600
Contributions and Donations	7,000	0	7,000
<i>Total Revenues</i>	<u>7,000</u>	<u>12,600</u>	<u>19,600</u>
<b>Expenditures</b>			
Capital Outlay	425,522	12,750	438,272
Debt Service:			
Principal Retirement	<u>150,000</u>	<u>0</u>	<u>150,000</u>
<i>Total Expenditures</i>	<u>575,522</u>	<u>12,750</u>	<u>588,272</u>
<i>Net Change in Fund Balances</i>	(568,522)	(150)	(568,672)
<i>Fund Balances Beginning of Year</i>	<u>787,110</u>	<u>150</u>	<u>787,260</u>
<i>Fund Balances End of Year</i>	<u><u>\$218,588</u></u>	<u><u>\$0</u></u>	<u><u>\$218,588</u></u>

### *Fiduciary Funds*

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

### *Agency Funds*

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

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

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



**Berea City School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2014*

	Balance 06/30/13	Additions	Deductions	Balance 06/30/14
<b><i>Student Activities</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$95,091	\$171,885	\$194,776	\$72,200
<b>Liabilities</b>				
Due to Students	\$95,091	\$171,885	\$194,776	\$72,200
 <b><i>Employee Benefits</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$5,524	\$107,152	\$99,917	\$12,759
<b>Liabilities</b>				
Undistributed Monies	\$5,524	\$107,152	\$99,917	\$12,759
 <b><i>Staff Services</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$18,684	\$29,217	\$29,394	\$18,507
<b>Liabilities</b>				
Undistributed Monies	\$18,684	\$29,217	\$29,394	\$18,507
 <b><i>Total - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$119,299	\$308,254	\$324,087	\$103,466
<b>Liabilities</b>				
Undistributed Monies	\$24,208	\$136,369	\$129,311	\$31,266
Due to Students	95,091	171,885	194,776	72,200
<b><i>Total Liabilities</i></b>	<b>\$119,299</b>	<b>\$308,254</b>	<b>\$324,087</b>	<b>\$103,466</b>

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

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$89,223,305	\$56,028,374	\$52,791,774	(\$3,236,600)
Intergovernmental	40,117,839	25,190,806	23,736,981	(1,453,825)
Interest	13,585	8,531	8,038	(493)
Tuition and Fees	5,416,864	3,176,163	3,112,506	(63,657)
Extracurricular Activities	641,144	164,480	339,963	175,483
Rentals	118,255	74,259	69,969	(4,290)
Charges for Services	188,270	118,226	111,396	(6,830)
Contributions and Donations	96,237	24,951	51,639	26,688
Miscellaneous	378,823	122,723	113,258	(9,465)
<b>Total Revenues</b>	<b>136,194,322</b>	<b>84,908,513</b>	<b>80,335,524</b>	<b>(4,572,989)</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular:</b>				
Salaries and Wages	23,150,863	22,473,265	22,337,483	135,782
Fringe Benefits	13,562,659	12,303,509	12,077,909	225,600
Purchased Services	804,944	863,467	713,393	150,074
Materials and Supplies	644,871	619,777	564,792	54,985
Capital Outlay	97,789	88,255	86,957	1,298
Other	23,907	24,082	22,289	1,793
<b>Total Regular</b>	<b>38,285,033</b>	<b>36,372,355</b>	<b>35,802,823</b>	<b>569,532</b>
<b>Special:</b>				
Salaries and Wages	7,774,032	7,700,248	7,699,565	683
Fringe Benefits	3,031,775	2,795,275	2,752,068	43,207
Purchased Services	2,682,052	3,749,177	3,748,393	784
Materials and Supplies	35,887	37,990	22,331	15,659
Capital Outlay	4,475	4,475	4,069	406
Other	890	46,203	44,506	1,697
<b>Total Special</b>	<b>13,529,111</b>	<b>14,333,368</b>	<b>14,270,932</b>	<b>62,436</b>
<b>Vocational:</b>				
Salaries and Wages	297,419	297,419	293,100	4,319
Fringe Benefits	147,088	147,088	138,186	8,902
Purchased Services	3,501	1,741	1,625	116
Materials and Supplies	15,000	3,825	3,816	9
Capital Outlay	39,452	48,857	48,852	5
Other	0	1,530	1,530	0
<b>Total Vocational</b>	<b>502,460</b>	<b>500,460</b>	<b>487,109</b>	<b>13,351</b>
<b>Total Instruction</b>	<b>\$52,316,604</b>	<b>\$51,206,183</b>	<b>\$50,560,864</b>	<b>\$645,319</b>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support Services:				
Pupil:				
Salaries and Wages	\$1,972,107	\$2,115,816	\$2,115,060	\$756
Fringe Benefits	1,020,259	948,409	947,471	938
Purchased Services	1,248,085	1,307,976	1,306,785	1,191
Materials and Supplies	11,359	9,342	7,350	1,992
Capital Outlay	5,750	5,750	5,348	402
Total Pupil	4,257,560	4,387,293	4,382,014	5,279
Instructional Staff:				
Salaries and Wages	1,365,700	1,365,700	1,197,167	168,533
Fringe Benefits	525,540	507,460	455,060	52,400
Purchased Services	191,136	170,557	161,381	9,176
Materials and Supplies	175,190	173,656	161,078	12,578
Capital Outlay	50,849	23,588	23,557	31
Other	9,303	6,693	5,890	803
Total Instructional Staff	2,317,718	2,247,654	2,004,133	243,521
Board of Education:				
Salaries and Wages	7,500	7,500	7,500	0
Fringe Benefits	1,050	1,050	644	406
Purchased Services	7,000	6,507	5,105	1,402
Other	13,000	15,493	15,493	0
Total Board of Education	28,550	30,550	28,742	1,808
Administration:				
Salaries and Wages	2,928,541	3,197,259	3,196,353	906
Fringe Benefits	1,420,055	1,341,795	1,341,009	786
Purchased Services	297,950	312,947	312,898	49
Materials and Supplies	10,559	5,086	4,103	983
Other	3,000	2,500	2,061	439
Total Administration	4,660,105	4,859,587	4,856,424	3,163
Fiscal:				
Salaries and Wages	444,997	493,149	493,079	70
Fringe Benefits	206,154	271,154	270,184	970
Purchased Services	45,252	96,763	95,200	1,563
Materials and Supplies	7,464	11,041	10,906	135
Other	970,300	545,861	542,593	3,268
Total Fiscal	\$1,674,167	\$1,417,968	\$1,411,962	\$6,006

(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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Business:</b>				
Salaries and Wages	\$45,291	\$148,283	\$148,215	\$68
Fringe Benefits	32,852	51,352	50,631	721
Purchased Services	569,050	444,238	436,476	7,762
Materials and Supplies	253,995	254,088	230,891	23,197
Capital Outlay	27,407	15,796	6,373	9,423
Other	72,122	61,022	60,599	423
<b>Total Business</b>	<b>1,000,717</b>	<b>974,779</b>	<b>933,185</b>	<b>41,594</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	3,016,445	3,016,445	2,967,896	48,549
Fringe Benefits	1,803,507	1,503,507	1,475,986	27,521
Purchased Services	1,778,893	1,901,397	1,878,994	22,403
Materials and Supplies	409,913	410,037	409,274	763
Capital Outlay	157,367	54,149	49,476	4,673
Other	15,000	17,829	17,829	0
<b>Total Operation and Maintenance of Plant</b>	<b>7,181,125</b>	<b>6,903,364</b>	<b>6,799,455</b>	<b>103,909</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	2,272,392	2,844,768	2,844,754	14
Fringe Benefits	1,098,276	1,026,976	1,026,742	234
Purchased Services	213,741	144,858	144,825	33
Materials and Supplies	544,801	711,325	711,253	72
Capital Outlay	7,550	21,217	21,101	116
Other	1,500	500	225	275
<b>Total Pupil Transportation</b>	<b>4,138,260</b>	<b>4,749,644</b>	<b>4,748,900</b>	<b>744</b>
<b>Central:</b>				
Salaries and Wages	603,876	843,135	836,685	6,450
Fringe Benefits	675,504	667,029	666,835	194
Purchased Services	565,851	551,290	547,262	4,028
Materials and Supplies	31,208	19,882	19,189	693
Capital Outlay	18,252	42,886	42,029	857
Other	700	747	723	24
<b>Total Central</b>	<b>1,895,391</b>	<b>2,124,969</b>	<b>2,112,723</b>	<b>12,246</b>
<b>Total Support Services</b>	<b>27,153,593</b>	<b>27,695,808</b>	<b>27,277,538</b>	<b>418,270</b>
<b>Operation of Non-Instructional Services</b>				
<b>Food Service Operations:</b>				
Materials and Supplies	\$5,028	\$5,028	\$5,028	\$0

(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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Community Services:</b>				
Purchased Services	\$2,890	\$2,890	\$1,195	\$1,695
Materials and Supplies	9,997	9,997	2,220	7,777
Capital Outlay	2,355	2,355	0	2,355
Other	2,640	2,723	1,233	1,490
<b>Total Community Services</b>	<b>17,882</b>	<b>17,965</b>	<b>4,648</b>	<b>13,317</b>
<b>Total Operation of Non-Instructional Services</b>	<b>22,910</b>	<b>22,993</b>	<b>9,676</b>	<b>13,317</b>
<b>Extracurricular Activities:</b>				
<b>Academic and Subject Oriented Activities:</b>				
Salaries and Wages	169,000	169,000	73,125	95,875
Fringe Benefits	81,343	81,343	53,430	27,913
Other	2,271	2,771	2,771	0
<b>Total Academic and Subject Oriented Activities</b>	<b>252,614</b>	<b>253,114</b>	<b>129,326</b>	<b>123,788</b>
<b>Sports Oriented Activities:</b>				
Salaries and Wages	433,433	506,727	506,668	59
Fringe Benefits	337,977	313,477	313,422	55
Purchased Services	41,230	30,355	30,274	81
Materials and Supplies	344	344	139	205
Capital Outlay	0	64,974	64,875	99
<b>Total Sports Oriented Activities</b>	<b>812,984</b>	<b>915,877</b>	<b>915,378</b>	<b>499</b>
<b>School and Public Service</b>				
<b>Co-Curricular Activities:</b>				
Salaries and Wages	6,000	22,399	22,399	0
Fringe Benefits	15,994	2,610	2,586	24
Materials and Supplies	191,853	153,517	153,517	0
Other	6,796	6,796	6,796	0
<b>Total School and Public Service</b>				
<b>Co-Curricular Activities</b>	<b>220,643</b>	<b>185,322</b>	<b>185,298</b>	<b>24</b>
<b>Total Extracurricular Activities</b>	<b>1,286,241</b>	<b>1,354,313</b>	<b>1,230,002</b>	<b>124,311</b>
<b>Debt Service:</b>				
Principal Retirement	525,000	525,000	525,000	0
Interest and Fiscal Charges	1,556,870	1,158,706	1,156,257	2,449
Certificates of Participation Issuance Costs	356,418	356,418	356,418	0
<b>Total Debt Service</b>	<b>2,438,288</b>	<b>2,040,124</b>	<b>2,037,675</b>	<b>2,449</b>
<b>Total Expenditures</b>	<b>83,217,636</b>	<b>82,319,421</b>	<b>81,115,755</b>	<b>1,203,666</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$52,976,686</b>	<b>\$2,589,092</b>	<b>(\$780,231)</b>	<b>(\$3,369,323)</b>

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Other Financing Sources (Uses)</b>				
Refunding Certificates of Participation Issued	\$0	\$0	\$13,685,000	\$13,685,000
Discount on Certificates of Participation	(253,931)	(253,931)	(253,931)	0
Payment to Refunded Certificates of Participation				
Escrow Agent	(13,074,651)	(13,074,651)	(13,074,651)	0
Advances In	270,423	160,004	160,004	0
Advances Out	0	0	(344,214)	(344,214)
Transfers Out	(569,173)	(197,935)	0	197,935
<i>Total Other Financing Sources (Uses)</i>	<u>(13,627,332)</u>	<u>(13,366,513)</u>	<u>172,208</u>	<u>13,538,721</u>
<i>Net Change in Fund Balance</i>	39,349,354	(10,777,421)	(608,023)	10,169,398
<i>Fund Balance Beginning of Year</i>	1,619,020	1,619,020	1,619,020	0
Prior Year Encumbrances Appropriated	<u>1,036,987</u>	<u>1,036,987</u>	<u>1,036,987</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>\$42,005,361</u>	<u>(\$8,121,414)</u>	<u>\$2,047,984</u>	<u>\$10,169,398</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Debt Service Fund*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property Taxes	\$1,025,656	\$949,684	\$1,582,243	\$632,559
Intergovernmental	80,282	123,848	123,848	0
<i>Total Revenues</i>	<u>1,105,938</u>	<u>1,073,532</u>	<u>1,706,091</u>	<u>632,559</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	459,515	479,265	477,997	1,268
Debt Service:				
Principal Retirement	1,315,000	1,315,000	1,315,000	0
Interest and Fiscal Charges	317,524	299,773	299,773	0
<i>Total Debt Service</i>	<u>1,632,524</u>	<u>1,614,773</u>	<u>1,614,773</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,092,039</u>	<u>2,094,038</u>	<u>2,092,770</u>	<u>1,268</u>
<i>Net Change in Fund Balance</i>	(986,101)	(1,020,506)	(386,679)	633,827
<i>Fund Balance Beginning of Year</i>	<u>3,718,164</u>	<u>3,718,164</u>	<u>3,718,164</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,732,063</u></u>	<u><u>\$2,697,658</u></u>	<u><u>\$3,331,485</u></u>	<u><u>\$633,827</u></u>



**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Revenues</b>				
Property Taxes	\$1,000,000	\$1,045,107	\$595,401	(\$449,706)
Intergovernmental	325,792	329,640	329,640	0
Contributions and Donations	10,000	3,000	3,000	0
Miscellaneous	10,000	6,820	6,820	0
<i>Total Revenues</i>	<u>1,345,792</u>	<u>1,384,567</u>	<u>934,861</u>	<u>(449,706)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Purchased Services	60,167	60,167	60,167	0
Materials and Supplies	25,000	2,610	2,610	0
Capital Outlay	275,000	205,606	205,141	465
Total Pupil	360,167	268,383	267,918	465
Fiscal:				
Other	17,750	22,434	22,434	0
Operation and Maintenance of Plant:				
Capital Outlay	792	6,684	0	6,684
Total Support Services	<u>378,709</u>	<u>297,501</u>	<u>290,352</u>	<u>7,149</u>
Capital Outlay:				
Building Improvement Services:				
Capital Outlay	<u>3,752,054</u>	<u>3,574,071</u>	<u>3,480,697</u>	<u>93,374</u>
Debt Service:				
Principal Retirement	425,000	425,000	425,000	0
Interest and Fiscal Charges	203,863	203,863	203,863	0
Total Debt Service	<u>628,863</u>	<u>628,863</u>	<u>628,863</u>	<u>0</u>
<i>Total Expenditures</i>	<u>4,759,626</u>	<u>4,500,435</u>	<u>4,399,912</u>	<u>100,523</u>
<i>Net Change in Fund Balance</i>	(3,413,834)	(3,115,868)	(3,465,051)	(349,183)
<i>Fund Balance Beginning of Year</i>	3,295,474	3,295,474	3,295,474	0
Prior Year Encumbrances Appropriated	<u>285,626</u>	<u>285,626</u>	<u>285,626</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$167,266</u>	<u>\$465,232</u>	<u>\$116,049</u>	<u>(\$349,183)</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, 2014*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$2,500,000	\$1,769,449	\$1,650,880	(\$118,569)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	317,069	317,069	317,069	0
Fringe Benefits	5,091	5,091	5,091	0
Purchased Services	286,361	281,376	281,376	0
Materials and Supplies	111,745	111,742	111,742	0
Capital Outlay	1,368	1,368	1,368	0
Total Instruction	721,634	716,646	716,646	0
Support Services:				
Pupil:				
Salaries and Wages	95,338	95,338	95,338	0
Fringe Benefits	25,846	25,846	25,846	0
Purchased Services	774,081	774,081	774,081	0
Total Pupil	895,265	895,265	895,265	0
Administration:				
Salaries and Wages	95,708	95,708	95,708	0
Fringe Benefits	26,576	21,224	21,224	0
Purchased Services	3,120	3,120	3,120	0
Other	31,149	27,454	27,454	0
Total Administration	156,553	147,506	147,506	0
Pupil Transportation:				
Purchased Services	8,000	8,000	8,000	0
Central:				
Purchased Services	3,353	16,990	16,990	0
<b>Total Expenditures</b>	1,784,805	1,784,407	1,784,407	0
<i>Excess of Revenues Over (Under) Expenditures</i>	715,195	(14,958)	(133,527)	(118,569)
<b>Other Financing Sources (Uses)</b>				
Advances Out	(117,212)	(117,212)	(117,212)	0
<b>Net Change in Fund Balance</b>	597,983	(132,170)	(250,739)	(118,569)
<b>Fund Balance Beginning of Year</b>	0	0	0	0
Prior Year Encumbrances Appropriated	132,170	132,170	132,170	0
<b>Fund Balance End of Year</b>	\$730,153	\$0	(\$118,569)	(\$118,569)

**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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$724,950	\$618,829	\$618,976	\$147
Interest	50	41	41	0
<i>Total Revenues</i>	<u>725,000</u>	<u>618,870</u>	<u>619,017</u>	<u>147</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	405,143	389,650	384,782	4,868
Materials and Supplies	358,574	358,574	343,126	15,448
Capital Outlay	131,150	131,150	121,171	9,979
<i>Total Expenditures</i>	<u>894,867</u>	<u>879,374</u>	<u>849,079</u>	<u>30,295</u>
<i>Net Change in Fund Balance</i>	(169,867)	(260,504)	(230,062)	30,442
<i>Fund Balance Beginning of Year</i>	5,743	5,743	5,743	0
Prior Year Encumbrances Appropriated	<u>254,761</u>	<u>254,761</u>	<u>254,761</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$90,637</u>	<u>\$0</u>	<u>\$30,442</u>	<u>\$30,442</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, 2014*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$1,700,000	\$1,340,895	\$1,013,527	(\$327,368)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	639,321	678,047	678,047	0
Fringe Benefits	200,687	199,371	199,371	0
Materials and Supplies	21,170	21,171	21,171	0
Capital Outlay	311,663	311,663	311,663	0
Other	793	793	793	0
Total Instruction	<u>1,173,634</u>	<u>1,211,045</u>	<u>1,211,045</u>	<u>0</u>
Support Services:				
Administration:				
Purchased Services	3,705	3,705	3,705	0
Other	26,166	17,393	17,393	0
Total Administration	<u>29,871</u>	<u>21,098</u>	<u>21,098</u>	<u>0</u>
Pupil Transportation:				
Purchased Services	<u>10,000</u>	<u>1,064</u>	<u>1,064</u>	<u>0</u>
Central:				
Salaries and Wages	147,192	63,412	63,412	0
Fringe Benefits	83,341	16,741	16,741	0
Purchased Services	98,096	34,355	34,355	0
Materials and Supplies	15,293	2,431	2,431	0
Total Central	<u>343,922</u>	<u>116,939</u>	<u>116,939</u>	<u>0</u>
Total Support Services	<u>383,793</u>	<u>139,101</u>	<u>139,101</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	9,223	9,223	9,223	0
Fringe Benefits	1,032	1,032	1,032	0
Purchased Services	7,725	6,543	6,543	0
Materials and Supplies	23,974	1,976	1,976	0
Total Operation of Non-Instructional Services	<u>41,954</u>	<u>18,774</u>	<u>18,774</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,599,381</u>	<u>1,368,920</u>	<u>1,368,920</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	\$100,619	(\$28,025)	(\$355,393)	(\$327,368)

(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, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources (Uses)</b>				
Advances Out	(\$715)	(\$715)	(\$715)	\$0
<i>Net Change in Fund Balance</i>	99,904	(28,740)	(356,108)	(327,368)
<i>Fund Balance Beginning of Year</i>	12,991	12,991	12,991	0
Prior Year Encumbrances Appropriated	15,749	15,749	15,749	0
<i>Fund Balance End of Year</i>	<u>\$128,644</u>	<u>\$0</u>	<u>(\$327,368)</u>	<u>(\$327,368)</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Extracurricular Activities	\$632,238	\$216,745	\$258,583	\$41,838
Contributions and Donations	57,988	23,717	23,717	0
Miscellaneous	59,774	24,727	24,727	0
<i>Total Revenues</i>	<u>750,000</u>	<u>265,189</u>	<u>307,027</u>	<u>41,838</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Materials and Supplies	3,000	3,246	3,246	0
Operation and Maintenance of Plant:				
Purchased Services	3,500	7,535	6,640	895
Pupil Transportation:				
Purchased Services	12,071	12,071	12,071	0
Total Support Services	<u>18,571</u>	<u>22,852</u>	<u>21,957</u>	<u>895</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	10,459	10,459	7,859	2,600
Materials and Supplies	43,366	43,366	21,865	21,501
Capital Outlay	19,013	19,013	12,976	6,037
Other	3,257	13,541	9,701	3,840
Total Academic and Subject Oriented Activities	<u>76,095</u>	<u>86,379</u>	<u>52,401</u>	<u>33,978</u>
Sports Oriented Activities:				
Salaries and Wages	142	142	0	142
Purchased Services	179,823	112,764	105,620	7,144
Materials and Supplies	400,641	177,920	166,956	10,964
Capital Outlay	6,500	0	0	0
Other	75,590	40,204	32,958	7,246
Total Sports Oriented Activities	<u>662,696</u>	<u>331,030</u>	<u>305,534</u>	<u>25,496</u>
Total Extracurricular Activities	<u>738,791</u>	<u>417,409</u>	<u>357,935</u>	<u>59,474</u>
<i>Total Expenditures</i>	<u>757,362</u>	<u>440,261</u>	<u>379,892</u>	<u>60,369</u>
<i>Net Change in Fund Balance</i>	(7,362)	(175,072)	(72,865)	102,207
<i>Fund Balance Beginning of Year</i>	92,710	92,710	92,710	0
Prior Year Encumbrances Appropriated	82,362	82,362	82,362	0
<i>Fund Balance End of Year</i>	<u>\$167,710</u>	<u>\$0</u>	<u>\$102,207</u>	<u>\$102,207</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, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$200,000	\$151,252	\$151,252	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	90,000	90,145	90,145	0
Fringe Benefits	45,000	45,999	45,648	351
Total Instruction	135,000	136,144	135,793	351
Support Services:				
Administration:				
Salaries and Wages	9,000	15,108	15,108	0
<i>Total Expenditures</i>	144,000	151,252	150,901	351
<i>Net Change in Fund Balance</i>	56,000	0	351	351
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$56,000	\$0	\$351	\$351

**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, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$6	\$6	\$6	\$0
Contributions and Donations	59,994	44,213	44,555	342
<i>Total Revenues</i>	<u>60,000</u>	<u>44,219</u>	<u>44,561</u>	<u>342</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	717	717	500	217
Materials and Supplies	12,373	63,518	21,110	42,408
Capital Outlay	12,382	16,498	6,268	10,230
Other	375	1,875	1,463	412
Total Regular	<u>25,847</u>	<u>82,608</u>	<u>29,341</u>	<u>53,267</u>
Special:				
Materials and Supplies	26	26	0	26
Vocational:				
Materials and Supplies	4	4	0	4
Total Instruction	<u>25,877</u>	<u>82,638</u>	<u>29,341</u>	<u>53,297</u>
Support Services:				
Pupil:				
Capital Outlay	28	28	0	28
Instructional Staff:				
Purchased Services	10	10	0	10
Materials and Supplies	781	952	416	536
Total Instructional Staff	<u>791</u>	<u>962</u>	<u>416</u>	<u>546</u>
Pupil Transportation:				
Purchased Services	354	354	0	354
Total Support Services	<u>\$1,173</u>	<u>\$1,344</u>	<u>\$416</u>	<u>\$928</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, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	\$258	\$565	\$340	\$225
Materials and Supplies	132	886	417	469
Capital Outlay	171	171	0	171
Total Operation of Non-Instructional Services:	<u>561</u>	<u>1,622</u>	<u>757</u>	<u>865</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	<u>2,800</u>	<u>2,800</u>	<u>800</u>	<u>2,000</u>
<i>Total Expenditures</i>	<u>30,411</u>	<u>88,404</u>	<u>31,314</u>	<u>57,090</u>
<i>Net Change in Fund Balance</i>	29,589	(44,185)	13,247	57,432
<i>Fund Balance Beginning of Year</i>	51,243	51,243	51,243	0
Prior Year Encumbrances Appropriated	<u>867</u>	<u>867</u>	<u>867</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$81,699</u></u>	<u><u>\$7,925</u></u>	<u><u>\$65,357</u></u>	<u><u>\$57,432</u></u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Preschool Fund*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$135,000	\$48,856	\$43,648	(\$5,208)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	6,136	3,783	3,783	0
Fringe Benefits	2,266	679	679	0
Purchased Services	2,075	0	0	0
Materials and Supplies	4,368	8,658	8,658	0
Capital Outlay - New	919	0	0	0
Total Instruction	15,764	13,120	13,120	0
Support Services:				
Pupil:				
Salaries and Wages	10,418	8,336	8,336	0
Fringe Benefits	2,665	2,201	2,201	0
Purchased Services	10,585	260	260	0
Total Pupil	23,668	10,797	10,797	0
Administration:				
Salaries and Wages	18,666	18,666	18,666	0
Fringe Benefits	5,330	4,563	4,563	0
Purchased Services	695	48	48	0
Other	1,189	748	748	0
Total Administration	25,880	24,025	24,025	0
Central:				
Purchased Services	3,339	2,010	2,010	0
Total Support Services	52,887	36,832	36,832	0
<i>Total Expenditures</i>	68,651	49,952	49,952	0
<i>Excess of Revenues Over (Under) Expenditures</i>	\$66,349	(\$1,096)	(\$6,304)	(\$5,208)

(continued)

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Preschool Fund (continued)*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources (Uses)</b>				
Advances Out	(\$507)	(\$507)	(\$507)	\$0
<i>Net Change in Fund Balance</i>	65,842	(1,603)	(6,811)	(5,208)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	1,603	1,603	1,603	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$67,445</u>	<u>\$0</u>	<u>(\$5,208)</u>	<u>(\$5,208)</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1,305,565	\$795,039	\$986,587	\$191,548
Interest	105	64	79	15
Charges for Services	1,188,051	723,477	897,784	174,307
Miscellaneous	6,279	3,825	4,745	920
<i>Total Revenues</i>	<u>2,500,000</u>	<u>1,522,405</u>	<u>1,889,195</u>	<u>366,790</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	930,200	930,200	667,920	262,280
Fringe Benefits	684,972	684,973	599,250	85,723
Purchased Services	148,981	148,981	62,058	86,923
Materials and Supplies	1,270,150	1,263,629	867,690	395,939
Capital Outlay	157,723	157,723	59,707	98,016
Other	29,032	35,553	35,553	0
<i>Total Expenditures</i>	<u>3,221,058</u>	<u>3,221,059</u>	<u>2,292,178</u>	<u>928,881</u>
<i>Net Change in Fund Balance</i>	(721,058)	(1,698,654)	(402,983)	1,295,671
<i>Fund Balance Beginning of Year</i>	1,603,269	1,603,269	1,603,269	0
Prior Year Encumbrances Appropriated	95,385	95,385	95,385	0
<i>Fund Balance End of Year</i>	<u>\$977,596</u>	<u>\$0</u>	<u>\$1,295,671</u>	<u>\$1,295,671</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Adult and Community Education Fund*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Tuition and Fees	\$1,300,000	\$681,369	\$905,430	\$224,061
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	537,682	533,682	533,538	144
Fringe Benefits	727,705	755,705	754,833	872
Purchased Services	58,216	39,215	39,093	122
Materials and Supplies	24,648	21,608	20,671	937
Capital Outlay	7,500	6,500	4,863	1,637
Other	12,500	12,500	6,958	5,542
<i>Total Expenditures</i>	<u>1,368,251</u>	<u>1,369,210</u>	<u>1,359,956</u>	<u>9,254</u>
<i>Net Change in Fund Balance</i>	(68,251)	(687,841)	(454,526)	233,315
<i>Fund Balance Beginning of Year</i>	675,161	675,161	675,161	0
Prior Year Encumbrances Appropriated	<u>12,680</u>	<u>12,680</u>	<u>12,680</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$619,590</u>	<u>\$0</u>	<u>\$233,315</u>	<u>\$233,315</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Educational Management Information System Fund  
 For the Fiscal Year Ended June 30, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$5,000	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Purchased Services	7,810	7,810	1,391	6,419
Other	50	50	50	0
<i>Total Expenditures</i>	7,860	7,860	1,441	6,419
<i>Net Change in Fund Balance</i>	(2,860)	(7,860)	(1,441)	6,419
<i>Fund Balance Beginning of Year</i>	7,860	7,860	7,860	0
<i>Fund Balance End of Year</i>	\$5,000	\$0	\$6,419	\$6,419

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Race to the Top Fund*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$200,000	\$64,491	\$66,140	\$1,649
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Salaries and Wages	57,644	57,930	57,930	0
Fringe Benefits	16,282	16,282	16,282	0
Purchased Services	5,190	5,190	5,190	0
Materials and Supplies	1,181	1,181	1,181	0
Other	801	801	801	0
<i>Total Expenditures</i>	<u>81,098</u>	<u>81,384</u>	<u>81,384</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	118,902	(16,893)	(15,244)	1,649
<i>Fund Balance Beginning of Year</i>	9,747	9,747	9,747	0
Prior Year Encumbrances Appropriated	<u>7,146</u>	<u>7,146</u>	<u>7,146</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$135,795</u></u>	<u><u>\$0</u></u>	<u><u>\$1,649</u></u>	<u><u>\$1,649</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$350,000	\$190,919	\$193,927	\$3,008
<b>Expenditures</b>				
Current:				
Support Services:				
Administration:				
Purchased Services	390	390	390	0
Central:				
Salaries and Wages	100,649	92,685	92,685	0
Fringe Benefits	36,319	33,860	33,860	0
Purchased Services	61,026	62,633	62,632	1
Materials and Supplies	14,801	7,409	7,409	0
Other	8,145	3,816	3,816	0
<i>Total Expenditures</i>	221,330	200,793	200,792	1
<i>Excess of Revenues Over (Under) Expenditures</i>	128,670	(9,874)	(6,865)	3,009
<b>Other Financing Sources (Uses)</b>				
Advances Out	(41,570)	(41,570)	(41,570)	0
<i>Net Change in Fund Balance</i>	87,100	(51,444)	(48,435)	3,009
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	51,444	51,444	51,444	0
<i>Fund Balance End of Year</i>	\$138,544	\$0	\$3,009	\$3,009



**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, 2014*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$40,000	\$28,319	\$24,199	(\$4,120)
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,225	2,787	2,787	0
Fringe Benefits	3,734	1,988	1,988	0
Total Regular	6,959	4,775	4,775	0
Special:				
Salaries and Wages	11,828	14,323	14,323	0
Fringe Benefits	4,100	3,781	3,781	0
Purchased Services	5,604	4,582	4,582	0
Other	506	366	366	0
Total Special	22,038	23,052	23,052	0
Total Instruction	28,997	27,827	27,827	0
Support Services:				
Central:				
Purchased Services	1,100	492	492	0
<i>Total Expenditures</i>	30,097	28,319	28,319	0
<i>Net Change in Fund Balance</i>	9,903	0	(4,120)	(4,120)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	\$9,903	\$0	(\$4,120)	(\$4,120)

**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, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Contributions and Donations	\$1,000,000	\$6,585	\$7,000	\$415
<b>Expenditures</b>				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay	17,400	17,400	12,200	5,200
Building Acquisition and Construction Services:				
Capital Outlay	1,059,464	1,061,545	847,152	214,393
Debt Service:				
Principal Retirement	100,000	150,000	150,000	0
<i>Total Expenditures</i>	<u>1,176,864</u>	<u>1,228,945</u>	<u>1,009,352</u>	<u>219,593</u>
<i>Net Change in Fund Balance</i>	(176,864)	(1,222,360)	(1,002,352)	220,008
<i>Fund Balance Beginning of Year</i>	675,084	675,084	675,084	0
Prior Year Encumbrances Appropriated	<u>547,276</u>	<u>547,276</u>	<u>547,276</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,045,496</u>	<u>\$0</u>	<u>\$220,008</u>	<u>\$220,008</u>

**Berea City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Network Connectivity*  
*For the Fiscal Year Ended June 30, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$50,000	\$12,600	\$12,600	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	5,400	5,400	5,400	0
Support Services:				
Central:				
Purchased Services	7,350	7,350	7,350	0
<i>Total Expenditures</i>	<u>12,750</u>	<u>12,750</u>	<u>12,750</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	37,250	(150)	(150)	0
<i>Fund Balance Beginning of Year</i>	<u>150</u>	<u>150</u>	<u>150</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$37,400</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, 2014*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$5,000,000	\$2,205,213	\$2,367,325	\$162,112
<b>Expenses</b>				
Purchased Services	26,106	26,106	22,739	3,367
Claims	2,977,859	2,501,222	2,243,164	258,058
Total Expenses	3,003,965	2,527,328	2,265,903	261,425
<i>Net Change in Fund Equity</i>	1,996,035	(322,115)	101,422	423,537
<i>Fund Equity Beginning of Year</i>	312,629	312,629	312,629	0
Prior Year Encumbrances Appropriated	3,965	3,965	3,965	0
<i>Fund Equity (Deficit) End of Year</i>	<u>\$2,312,629</u>	<u>(\$5,521)</u>	<u>\$418,016</u>	<u>\$423,537</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, 2014*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest	\$675	\$3	\$0	(\$3)
<b>Expenses</b>				
	0	0	0	0
<i>Net Change in Fund Equity</i>	675	3	0	(3)
<i>Fund Equity Beginning of Year</i>	13,431	13,431	13,431	0
<i>Fund Equity End of Year</i>	<u>\$14,106</u>	<u>\$13,434</u>	<u>\$13,431</u>	<u>(\$3)</u>

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*Zane D.*  
5<sup>th</sup> Grade  
Ford Intermediate School

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# STATISTICAL SECTION



*Avery F.*  
3<sup>rd</sup> Grade  
Big Creek Elementary

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## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2-S11
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S12-S20
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue debt in the future.	S21-S24
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's activities take place.	S25-S26
<b>Operating Information</b> These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S27-S36

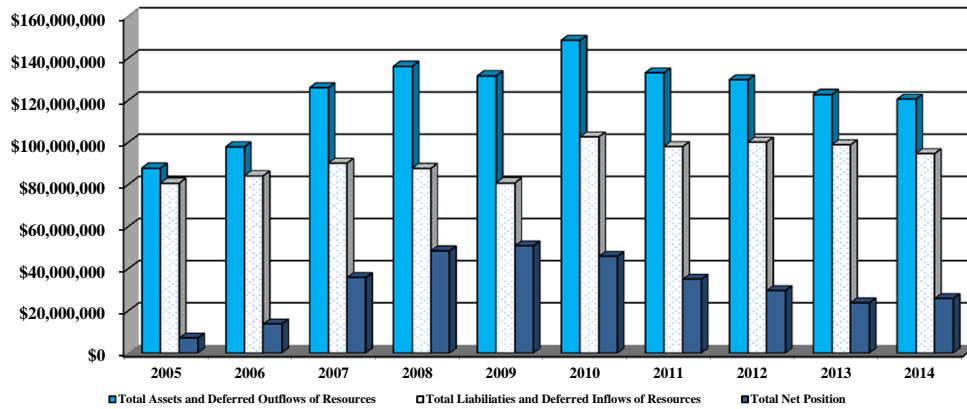
**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	2005	2006	2007	2008	2009
Governmental Activities:					
Net Investment in Capital Assets	\$4,195,154	\$3,721,315	\$10,618,221	\$10,053,655	\$10,836,395
Restricted for:					
Capital Projects	1,340,582	1,670,088	2,101,471	0	0
Debt Service	2,078,188	2,314,486	2,555,851	5,636,961	5,624,696
Set Asides	74,709	182,254	431,846	32,292	389,213
Other Purposes	952,118	1,914,346	2,479,929	1,959,363	2,354,730
Unrestricted (Deficit)	(363,997)	4,346,403	24,575,315	30,822,355	31,675,782
<i>Total Net Position - Governmental Activities</i>	<u>8,276,754</u>	<u>14,148,892</u>	<u>42,762,633</u>	<u>48,504,626</u>	<u>50,880,816</u>
Business-Type Activities: (1)					
Net Investment in Capital Assets	37,678	NA	NA	NA	NA
Unrestricted (Deficit)	500,891	NA	NA	NA	NA
<i>Total Net Position - Business-Type Activities</i>	<u>538,569</u>				
Primary Government					
Net Investment in Capital Assets	4,232,832	3,721,315	10,618,221	10,053,655	10,836,395
Restricted for:					
Capital Projects	1,340,582	1,670,088	2,101,471	0	0
Debt Service	2,078,188	2,314,486	2,555,851	5,636,961	5,624,696
Set Asides	74,709	182,254	431,846	32,292	389,213
Other Purposes	952,118	1,914,346	2,479,929	1,959,363	2,354,730
Unrestricted (Deficit)	136,894	4,346,403	24,575,315	30,822,355	31,675,782
<i>Total Net Position - Primary Government</i>	<u>\$8,815,323</u>	<u>\$14,148,892</u>	<u>\$42,762,633</u>	<u>\$48,504,626</u>	<u>\$50,880,816</u>

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

**Net Position**



<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$17,647,068	\$14,326,886	\$12,126,538	\$13,489,578	\$14,028,113
0	1,467,073	2,853,456	1,325,817	614,126
2,850,111	2,994,724	3,125,971	3,337,903	2,956,126
229,621	193,440	99,686	0	28,983
2,010,455	2,934,178	2,982,140	2,644,355	2,344,096
23,173,431	13,141,808	8,405,570	3,063,523	5,879,361
<u>45,910,686</u>	<u>35,058,109</u>	<u>29,593,361</u>	<u>23,861,176</u>	<u>25,850,805</u>
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
17,647,068	14,326,886	12,126,538	13,489,578	14,028,113
0	1,467,073	2,853,456	1,325,817	614,126
2,850,111	2,994,724	3,125,971	3,337,903	2,956,126
229,621	193,440	99,686	0	28,983
2,010,455	2,934,178	2,982,140	2,644,355	2,344,096
23,173,431	13,141,808	8,405,570	3,063,523	5,879,361
<u>\$45,910,686</u>	<u>\$35,058,109</u>	<u>\$29,593,361</u>	<u>\$23,861,176</u>	<u>\$25,850,805</u>

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

	2005	2006	2007	2008	2009
<b>Expenses</b>					
<b>Governmental Activities:</b>					
Regular Instruction	\$33,560,969	\$31,977,716	\$33,422,192	\$39,358,016	\$36,391,830
Special Instruction	7,532,416	7,795,494	7,217,382	11,074,764	11,547,898
Vocational Instruction	886,273	563,609	582,310	700,317	809,220
Adult/Continuing Instruction	0	1,197,969	179,333	182,990	217,180
Pupil Support	4,511,651	4,547,564	4,136,208	4,756,650	5,062,514
Instructional Staff Support	5,992,101	5,429,933	4,208,406	5,788,567	7,184,673
Board of Education	20,978	22,615	32,706	42,261	39,173
Administration	4,297,125	4,329,086	3,890,384	4,148,412	4,979,545
Fiscal	1,610,656	1,738,649	1,514,355	2,524,738	1,767,988
Business	772,831	839,427	688,830	743,284	839,474
Operation and Maintenance of Plant	7,804,602	8,023,138	6,648,771	7,790,941	8,874,736
Pupil Transportation	3,781,584	3,809,097	3,309,074	4,128,443	4,092,193
Central	2,107,504	2,500,369	2,284,938	2,380,593	2,415,876
Operation of Non-Instructional Services	1,109,590	2,857,250	3,664,529	3,908,876	3,876,038
Extracurricular Activities	1,572,656	1,249,592	1,632,024	1,679,646	1,707,738
Interest and Fiscal Charges	517,681	491,733	481,379	794,393	772,958
<i>Total Governmental Activities Expenses</i>	<u>76,078,617</u>	<u>77,373,241</u>	<u>73,892,821</u>	<u>90,002,891</u>	<u>90,579,034</u>
<b>Business-Type Activities:</b>					
Food Service	1,877,578	NA	NA	NA	NA
Uniform School Supplies	57,461	NA	NA	NA	NA
Adult and Community Services	936,500	NA	NA	NA	NA
<i>Total Business-Type Activities Expenses</i>	<u>2,871,539</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
<i>Total Primary Government Expenses</i>	<u>78,950,156</u>	<u>77,373,241</u>	<u>73,892,821</u>	<u>90,002,891</u>	<u>90,579,034</u>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
<b>Charges for Services and Sales:</b>					
Regular Instruction	916,253	1,072,524	1,017,281	3,234,041	1,070,598
Special Instruction	1,114,791	981,742	830,296	388,876	813,165
Adult/Continuing	0	1,143,813	194,641	178,586	200,570
Pupil Support	1,273	3,932	4,482	4,256	3,750
Instructional Staff Support	103,405	99,938	113,719	152,390	142,636
Business	150,328	154,221	0	18,574	136,431
Operation and Maintenance of Plant	44,125	33,385	137,119	156,563	26,854
Pupil Transportation	58,174	54,438	63,490	53,840	65,579
Central	0	0	148,268	0	0
Operation of Non-Instructional Services	0	1,469,055	2,415,337	2,395,120	2,303,752
Extracurricular Activities	426,693	435,997	435,269	407,496	270,131
<b>Operating Grants and Contributions</b>					
Regular Instruction	624,338	502,377	487,930	345,357	353,705
Special Instruction	994,755	1,062,813	1,146,319	1,333,987	1,499,683
Vocational Instruction	1,383	256	0	0	0
Pupil Support	712,155	811,492	790,456	725,207	760,077
Instructional Staff Support	587,840	557,318	487,755	526,799	557,453
Administration	86,246	64,946	81,069	81,625	100,509
Business	0	0	0	0	0
Operation and Maintenance of Plant	0	1,636	0	0	367
Pupil Transportation	42,117	8,914	36,038	16,473	15,131
Central	26,493	25,858	25,007	26,573	21,474
Operation of Non-Instructional Services	1,000,307	1,431,996	1,670,078	1,539,691	1,643,553
Extracurricular Activities	49,367	37,542	34,024	41,460	83,779
<b>Capital Grants and Contributions</b>					
Regular Instruction	0	0	0	0	0
Instructional Staff Support	68,250	0	0	1,249	0
Operation and Maintenance of Plant	19,854	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	16,146	39,000	39,000	90,477	36,000
Extracurricular Activities	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$7,044,293</u>	<u>\$9,993,193</u>	<u>\$10,157,578</u>	<u>\$11,718,640</u>	<u>\$10,105,197</u>

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

(continued)

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

	2005	2006	2007	2008	2009
<b>Business-Type Activities:</b>					
Charges for Services:					
Food Service	\$1,346,640	NA	NA	NA	NA
Uniform School Supplies	52,895	NA	NA	NA	NA
Adult and Community Education	1,078,185	NA	NA	NA	NA
Operating Grants and Contributions					
Food Service	588,770	NA	NA	NA	NA
<i>Total Business-Type Activities Program Revenues</i>	<u>3,066,490</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
<i>Total Primary Government Program Revenues</i>	<u>10,110,783</u>	<u>9,993,193</u>	<u>10,157,578</u>	<u>11,718,640</u>	<u>10,105,197</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(69,034,324)	(67,380,048)	(63,735,243)	(78,284,251)	(80,473,837)
Business-Type Activities	194,951	0	0	0	0
<i>Total Primary Government Net Expense</i>	<u>(68,839,373)</u>	<u>(67,380,048)</u>	<u>(63,735,243)</u>	<u>(78,284,251)</u>	<u>(80,473,837)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes:					
Property and Other Local Taxes Levied For:					
General Purposes	55,412,839	53,447,973	68,639,747	55,730,090	53,974,253
Debt Service	1,320,217	1,191,290	1,409,130	1,289,022	1,133,718
Capital Outlay	1,621,200	1,610,840	2,138,811	1,188,843	1,341,588
Grants and Entitlements not Restricted to Specific Programs	14,482,803	15,490,950	17,729,223	23,174,392	25,357,616
Payment in Lieu of Taxes	0	0	0	0	0
Unrestricted Contributions	8,085	0	0	0	0
Gain on Sale of Capital Assets	0	0	0	0	0
Investment Earnings	248,725	761,038	1,531,056	1,958,941	692,009
Miscellaneous	210,289	191,355	897,255	684,956	350,843
<i>Total Governmental Activities</i>	<u>73,304,158</u>	<u>72,693,446</u>	<u>92,345,222</u>	<u>84,026,244</u>	<u>82,850,027</u>
Business-Type Activities:					
Investment Earnings	5,543	NA	NA	NA	NA
Miscellaneous	9,848	NA	NA	NA	NA
<i>Total Business-Type Activities</i>	<u>15,391</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
<i>Total Primary Government</i>	<u>73,319,549</u>	<u>72,693,446</u>	<u>92,345,222</u>	<u>84,026,244</u>	<u>82,850,027</u>
<i>Restatements</i>	<u>(93,060)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Change in Net Position</b>					
Governmental Activities	4,176,774	5,313,398	28,609,979	5,741,993	2,376,190
Business-Type Activities	210,342	NA	NA	NA	NA
<i>Total Primary Government Change in Net Position</i>	<u>\$4,387,116</u>	<u>\$5,313,398</u>	<u>\$28,609,979</u>	<u>\$5,741,993</u>	<u>\$2,376,190</u>

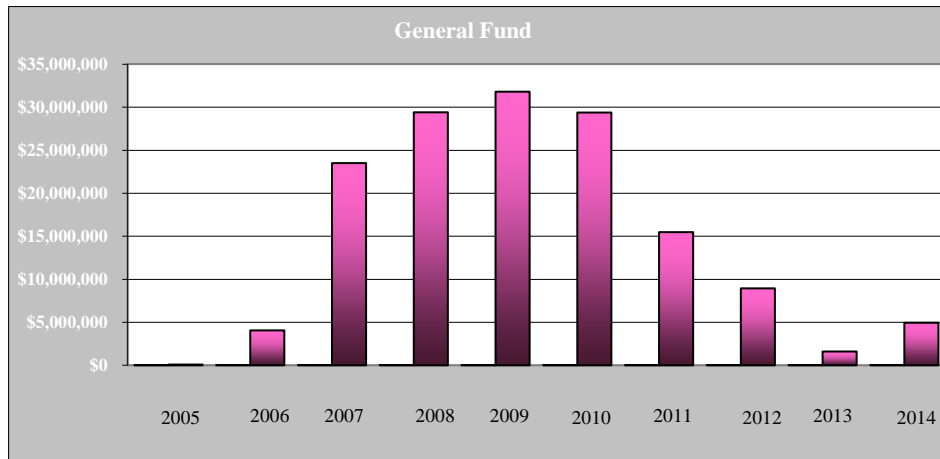


2010	2011	2012	2013	2014
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
12,089,853	13,548,596	11,409,174	11,037,026	12,650,208
(84,850,106)	(83,589,777)	(83,352,922)	(84,680,847)	(77,783,375)
0	0	0	0	0
(84,850,106)	(83,589,777)	(83,352,922)	(84,680,847)	(77,783,375)
49,940,417	49,482,680	50,612,454	52,931,241	54,324,820
1,068,671	1,030,334	1,033,395	1,077,944	928,565
1,294,683	934,134	1,303,640	1,280,245	1,310,611
26,020,444	20,908,683	23,706,710	22,622,495	22,999,655
0	0		0	0
0	66,896	0	51,316	51,639
0	0	243,452	0	0
307,078	88,002	34,505	20,181	8,164
1,248,683	226,471	954,018	965,240	149,550
79,879,976	72,737,200	77,888,174	78,948,662	79,773,004
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
79,879,976	72,737,200	77,888,174	78,948,662	79,773,004
0	0	0	0	0
(4,970,130)	(10,852,577)	(5,464,748)	(5,732,185)	1,989,629
NA	NA	NA	NA	NA
(\$4,970,130)	(\$10,852,577)	(\$5,464,748)	(\$5,732,185)	\$1,989,629

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

	2005	2006	2007	2008	2009
<b>General Fund</b>					
Nonspendable	NA	NA	NA	NA	NA
Restricted	NA	NA	NA	NA	NA
Assigned	NA	NA	NA	NA	NA
Unassigned	NA	NA	NA	NA	NA
Reserved	\$8,016,209	\$6,541,103	\$7,256,242	\$5,309,185	\$6,053,850
Unreserved (Deficit)	(7,931,499)	(2,486,068)	16,245,091	24,094,592	25,745,798
<b>Total General Fund</b>	<b>84,710</b>	<b>4,055,035</b>	<b>23,501,333</b>	<b>29,403,777</b>	<b>31,799,648</b>
<b>All Other Governmental Funds</b>					
Nonspendable	NA	NA	NA	NA	NA
Restricted	NA	NA	NA	NA	NA
Assigned	NA	NA	NA	NA	NA
Unassigned (Deficit)	NA	NA	NA	NA	NA
Reserved	866,610	274,249	5,034,225	742,625	965,712
Unreserved, Undesignated, Reported in:					
Special Revenue funds	493,328	1,205,462	811,467	746,651	907,538
Debt Service funds	1,872,347	2,191,479	2,595,939	2,890,925	3,081,356
Capital Projects funds (Deficit)	751,238	921,786	1,376,833	(857,848)	(1,448,894)
<b>Total All Other Governmental Funds</b>	<b>3,983,523</b>	<b>4,592,976</b>	<b>9,818,464</b>	<b>3,522,353</b>	<b>3,505,712</b>
<b>Total Governmental Funds</b>	<b>\$4,068,233</b>	<b>\$8,648,011</b>	<b>\$33,319,797</b>	<b>\$32,926,130</b>	<b>\$35,305,360</b>

(1) The School District implemented GASB 54 during fiscal year 2011.



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

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

	2005	2006	2007	2008	2009
<b>Revenues</b>					
Property Taxes	\$57,708,112	\$56,381,077	\$72,670,415	\$58,477,685	\$57,002,404
Intergovernmental	18,320,720	19,523,553	21,709,669	28,062,598	30,097,350
Interest	248,725	761,038	1,531,056	1,958,941	692,009
Tuition and Fees	2,194,232	2,048,237	3,946,827	4,248,130	4,018,410
Extracurricular Activities	594,333	604,987	623,724	623,628	503,326
Rentals	35,579	39,664	86,344	126,960	102,356
Charges for Services	21,712	2,637,338	1,413,265	1,449,228	1,395,370
Contributions and Donations	187,549	164,393	203,876	111,687	192,852
Miscellaneous	210,289	191,355	897,255	684,956	350,843
<b>Total Revenues</b>	<b>79,521,251</b>	<b>82,351,642</b>	<b>103,082,431</b>	<b>95,743,813</b>	<b>94,354,920</b>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	32,853,848	31,005,647	32,771,887	33,916,940	34,960,310
Special	7,616,355	7,823,777	8,483,399	11,576,938	11,594,623
Vocational	909,041	580,985	655,665	757,472	809,189
Adult/Continuing	0	195,319	204,469	192,654	218,090
Support Services:					
Pupil	4,595,370	4,571,827	4,566,841	4,944,184	5,056,856
Instructional Staff	6,336,893	5,516,979	5,804,026	6,521,497	7,031,107
Board of Education	20,978	22,615	32,706	42,261	39,173
Administration	4,499,077	4,282,484	4,361,340	4,383,314	5,094,343
Fiscal	1,649,377	1,741,670	1,588,976	2,588,737	1,761,506
Business	800,182	863,465	746,023	751,120	828,027
Operation and Maintenance of Plant	8,136,284	8,042,523	7,927,296	8,192,643	8,762,671
Pupil Transportation	3,845,712	3,572,464	3,913,115	4,287,855	3,930,569
Central	2,217,764	2,466,243	2,539,975	2,932,731	2,715,901
Operation of Non-Instructional Services	1,127,708	3,779,356	3,925,523	4,182,836	3,840,731
Extracurricular Activities	1,683,927	1,337,094	1,729,558	1,751,459	1,729,082
Capital Outlay	2,212,491	1,947,538	4,437,683	7,312,724	1,587,501
Debt Service:					
Principal Retirement	1,285,000	710,000	870,000	940,000	1,242,802
Interest and Fiscal Charges	518,414	492,746	459,523	782,942	773,209
Debt Issuance Costs	28,941	22,328	145,981	79,173	0
<b>Total Expenditures</b>	<b>80,337,362</b>	<b>78,975,060</b>	<b>85,163,986</b>	<b>96,137,480</b>	<b>91,975,690</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(816,111)</i>	<i>3,376,582</i>	<i>17,918,445</i>	<i>(393,667)</i>	<i>2,379,230</i>
<b>Other Financing Sources (Uses)</b>					
General Obligation Bonds Issued	995,000	650,000	6,617,802	0	0
Certificates of Participation Issued	0	0	0	0	0
Premium on General Obligation Bonds	28,941	14,627	135,539	0	0
Premium on Certificates of Participation	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
Discount on Certificates of Participation	0	0	0	0	0
Notes Issued	0	0	0	0	0
Transfers In	0	0	108	261,714	605,412
Transfers Out	0	0	(108)	(261,714)	(605,412)
<b>Total Other Financing Sources (Uses)</b>	<b>1,023,941</b>	<b>664,627</b>	<b>6,753,341</b>	<b>0</b>	<b>0</b>
<b>Special Item</b>					
Sale of CA Thomas Elementary	0	0	0	0	0
<b>Net Change in Fund Balances</b>	<b>\$207,830</b>	<b>\$4,041,209</b>	<b>\$24,671,786</b>	<b>(\$393,667)</b>	<b>\$2,379,230</b>
Debt Service as a Percentage of Noncapital Expenditures	1.7%	1.0%	1.8%	2.0%	2.2%

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

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value Residential/ Agricultural	Commercial/ Industrial/PU	Estimated Actual Value	Public Utility Assessed Value	Estimated Actual Value
2005	\$839,907,310	\$474,268,410	\$3,754,787,771	\$38,663,990	\$43,936,352
2006	853,930,000	475,539,580	3,798,484,514	34,603,350	39,321,989
2007	938,771,480	493,742,970	4,092,898,429	33,418,780	37,975,886
2008	949,449,840	499,603,420	4,140,152,171	24,572,320	27,923,091
2009	957,151,850	499,507,070	4,161,882,629	25,320,360	27,923,091
2010	887,703,940	488,684,970	3,932,539,743	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

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

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

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

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

Tangible Personal Property General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
\$192,551,284	\$837,179,496	\$1,545,390,994	\$4,635,903,619	\$69.80	\$41.49
196,962,702	1,050,467,744	1,561,035,632	4,888,274,247	74.95	46.68
138,126,787	1,105,014,296	1,604,060,017	5,235,888,611	74.90	42.57
50,767,689	406,141,512	1,524,393,269	4,574,216,774	74.90	40.40
25,866,283	406,141,512	1,507,845,563	4,595,947,232	74.90	39.84
0	0	1,400,269,233	3,958,874,773	75.00	41.51
0	0	1,401,681,428	3,963,793,905	74.90	41.41
0	0	1,402,156,470	3,963,671,122	74.10	41.29
0	0	1,321,400,620	3,722,843,399	78.00	47.60
0	0	1,331,386,600	3,746,831,362	78.00	47.73

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

	2005	2006	2007	2008	2009
<b>Unvoted Millage</b>					
Operating	\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
<b>Voted Millage - by levy</b>					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	6.97	6.94	6.36	6.35	6.35
Commercial/Industrial and Public Utility Real	12.61	12.79	11.88	11.82	11.85
General Business and Public Utility Personal	31.40	31.40	31.40	31.40	31.40
1985 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	3.11	3.10	2.84	2.83	2.83
Commercial/Industrial and Public Utility Real	3.73	3.78	3.51	3.50	3.50
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	3.74	3.73	3.41	3.41	3.40
Commercial/Industrial and Public Utility Real	4.30	4.36	4.04	4.03	4.04
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	3.84	3.83	3.51	3.50	3.50
Commercial/Industrial and Public Utility Real	4.12	4.18	3.88	3.86	3.87
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	4.87	4.86	4.45	4.44	4.44
Commercial/Industrial and Public Utility Real	4.60	4.67	4.33	4.31	4.32
General Business and Public Utility Personal	5.90	5.90	5.90	5.90	5.90
2002 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	5.42	5.40	4.95	4.94	4.93
Commercial/Industrial and Public Utility Real	5.66	5.74	5.33	5.31	5.32
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	0.00	5.25	4.81	4.80	4.80
Commercial/Industrial and Public Utility Real	0.00	5.25	4.87	4.85	4.86
General Business and Public Utility Personal	0.00	5.25	5.25	5.25	5.25
2012 Operating -continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.00	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00	0.00
1992 Bond Levy (debt service)	0.95	0.85	0.80	0.80	0.80
1976 Permanent Improvement Continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.19	0.19	0.18	0.18	0.18
Commercial/Industrial and Public Utility Real	0.36	0.37	0.34	0.34	0.34
General Business and Public Utility Personal	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90



2010	2011	2012	2013	2014
\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
6.87	6.88	6.88	7.41	7.42
12.26	12.24	12.32	13.04	13.10
31.40	31.40	31.40	31.40	31.40
3.07	3.07	3.07	3.31	3.31
3.63	3.62	3.64	3.85	3.88
6.90	6.90	6.90	6.90	6.90
3.69	3.69	3.69	3.97	3.98
4.17	4.17	4.19	4.44	4.46
6.90	6.90	6.90	6.90	6.90
3.79	3.79	3.79	4.09	4.09
4.00	4.00	4.02	4.26	4.28
5.90	5.90	5.90	5.90	5.90
4.80	4.81	4.81	5.18	5.18
4.47	4.47	4.49	4.76	4.77
5.90	5.90	5.90	5.90	5.90
5.34	5.34	5.35	5.76	5.77
5.50	5.50	5.53	5.86	5.88
5.90	5.90	5.90	5.90	5.90
5.19	5.20	5.20	5.25	5.25
5.03	5.03	5.05	5.25	5.25
5.25	5.25	5.25	5.25	5.25
0.00	0.00	0.00	3.90	3.90
0.00	0.00	0.00	3.90	3.90
0.00	0.00	0.00	3.90	3.90
0.90	0.80	0.90	0.90	0.90
0.19	0.19	0.19	0.21	0.21
0.35	0.35	0.35	0.37	0.38
\$0.90	\$0.90	\$0.90	\$0.90	\$0.90

(continued)

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

	2005	2006	2007	2008	2009
<b>1996 Permanent Improvement Continuing</b>					
Effective Millage Rates					
Residential/Agricultural Real	\$0.75	\$0.75	\$0.69	\$0.69	\$0.69
Commercial/Industrial and Public Utility Real	0.76	0.77	0.72	0.72	0.72
General Business and Public Utility Personal	1.00	1.00	1.00	1.00	1.00
<b>Total voted millage by type of property</b>					
Residential/Agricultural Real	\$29.84	\$34.90	\$32.00	\$31.94	\$31.92
Commercial/Industrial and Public Utility Real	37.09	42.76	39.70	39.54	39.62
General Business and Public Utility Personal	65.75	70.90	70.85	70.85	70.85
<b>Total millage by type of property</b>					
Residential/Agricultural Real	\$33.89	\$38.95	\$36.05	\$35.99	\$35.97
Commercial/Industrial and Public Utility Real	41.14	46.81	43.75	43.59	43.67
General Business and Public Utility Personal	69.80	74.95	74.90	74.90	74.90
<b>Total Weighted Average Tax Rate</b>	\$41.49	\$46.68	\$42.57	\$40.40	\$39.84
<b>Overlapping Rates by Taxing District</b>					
Berea City					
Effective Millage Rates					
Residential/Agricultural Real	\$13.53	\$13.42	\$13.06	\$13.00	\$13.00
Commercial/Industrial and Public Utility Real	14.21	14.10	13.65	13.59	13.60
General Business and Public Utility Personal	17.60	17.50	17.20	17.40	18.60
Middleburg Heights City					
Effective Millage Rates					
Residential/Agricultural Real	4.69	4.69	4.67	4.61	4.61
Commercial/Industrial and Public Utility Real	4.87	4.89	4.85	4.79	4.80
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	4.72	4.72	4.70	4.64	4.64
Commercial/Industrial and Public Utility Real	4.68	4.68	4.68	4.62	4.63
General Business and Public Utility Personal	4.80	4.80	4.80	4.75	4.75
Cuyahoga County					
Effective Millage Rates					
Residential/Agricultural Real	17.16	17.90	17.82	17.76	17.76
Commercial/Industrial and Public Utility Real	18.38	19.02	18.75	18.69	18.70
General Business and Public Utility Personal	20.17	20.17	20.20	18.20	20.60
Polaris J.V.S.D.					
Effective Millage Rates					
Residential/Agricultural Real	2.00	2.00	2.00	1.94	1.94
Commercial/Industrial and Public Utility Real	2.00	2.01	2.00	1.94	1.94
General Business and Public Utility Personal	2.40	2.40	2.40	2.40	2.40

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

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

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

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

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

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

2010	2011	2012	2013	2014
\$0.74	\$0.74	\$0.74	\$0.80	\$0.80
0.74	0.74	0.74	0.79	0.79
1.00	1.00	1.00	1.00	1.00
\$34.58	\$34.51	\$34.62	\$40.78	\$40.81
41.05	40.92	40.33	46.52	46.69
70.95	70.85	70.05	73.95	73.95
\$38.63	\$38.56	\$38.67	\$44.83	\$44.86
45.10	44.97	44.38	50.57	50.74
75.00	74.90	74.10	78.00	78.00
\$41.51	\$41.41	\$41.29	\$47.60	\$47.73

\$13.03	\$13.13	\$13.13	\$12.75	\$12.76
13.63	13.56	13.56	13.31	13.31
17.20	17.20	17.20	16.80	16.80

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

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

17.79	18.46	12.78	13.22	13.94
18.73	18.87	13.11	12.99	14.05
20.60	19.05	13.22	20.80	14.05

1.97	2.01	2.04	2.33	2.33
1.97	2.18	2.18	2.13	2.14
2.40	2.40	2.40	2.40	2.40

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2004	\$51,390,588	\$48,296,567	93.98%	1,323,385	49,619,952	96.55%
2005	69,188,551	61,427,371	88.78	2,369,305	63,796,676	92.21
2006	67,416,680	60,181,730	89.27	4,198,094	64,379,824	95.50
2007	65,526,123	61,910,148	94.48	2,428,526	64,338,674	98.19
2008	65,523,211	58,920,679	89.92	1,700,979	60,621,658	92.52
2009	58,299,388	56,230,956	96.45	2,040,999	58,271,955	99.95
2010	58,469,967	52,974,409	90.60	3,956,993	56,931,402	97.37
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

**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 2014 information cannot be presented because all collections have not been made by June 30, 2014.
- (3) The County does not identify delinquent tax collections by tax year.

Note: The School District is aware of the requirement to report tax collections by levy year rather than by collection year. However, the County is unable to provide delinquent collections by levy year. This presentation will be updated as new information becomes available.

**Berea City School District***Principal Taxpayers**Real Estate Tax**2014 and 2005(1)*

Name of Taxpayer	2014	
	Assessed Value	Percent of Real Property Assessed Value
City of Cleveland	\$57,852,840	4.46 %
Cleveland Electric Illuminating	25,517,050	1.97
Southland Shopping Center, LLC	12,776,090	0.98
The Islander Company, LLC	10,138,200	0.78
Middleburg-Legacy Place Real Estate Company	5,583,730	0.43
CP-Snow Property, LLC	4,750,380	0.36
MWP Company	4,703,970	0.36
CIP II Buckeye Hotel Landlord LLC	4,633,450	0.36
Techpark Ltd Partnership	4,497,210	0.35
Amsdell & Amsdell	4,360,020	0.33
Totals	<u>\$134,812,940</u>	<u>10.38 %</u>
Total Assessed Valuation	<u>\$1,298,186,320</u>	
Name of Taxpayer	2005	
	Assessed Value	Percent of Real Property Assessed Value
Cleveland Port Authority	\$82,864,210	6.31 %
Ford Motor Company	25,805,870	1.96
Islander Company	12,648,470	0.96
Southland Store Company	11,398,070	0.87
MWP Company	9,242,450	0.70
Techpark Ltd. Partnership	7,222,140	0.55
Park N' Fly	5,904,470	0.45
Robert Amsdell	5,423,710	0.41
Sears, Roebuck, Inc.	4,212,600	0.32
Tower In the Park, Ltd.	4,149,850	0.32
Totals	<u>\$168,871,840</u>	<u>12.85 %</u>
Total Assessed Valuation	<u>\$1,314,175,720</u>	

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

(1) The amounts presented represent the assessed values upon which 2014 and 2005 collections were based.

**Berea City School District**  
*Principal Taxpayers*  
*Public Utilities Real Property*  
*2014 and 2005(1)*

Name of Taxpayer	2014	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$25,233,140	76.00 %
American Transmission System	3,484,220	10.50
Columbia Gas of Ohio	3,210,750	9.67
East Ohio Gas Company	1,102,820	3.32
Totals	<u>\$33,030,930</u>	<u>99.49 %</u>
Total Assessed Valuation	<u>\$33,200,280</u>	

Name of Taxpayer	2005	
	Assessed Value	Percent of Public Utility
Cleveland Electric Illuminating Company	\$16,948,450	43.84 %
Ohio Bell Telephone Co.	10,657,940	27.56
Columbia Gas of Ohio	913,920	2.36
Quest Communications Corp.	3,316,900	8.58
Totals	<u>\$31,837,210</u>	<u>82.34 %</u>
Total Assessed Valuation	<u>\$38,663,990</u>	

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

(1) The amounts presented represent the assessed values upon which 2014 and 2005 collections were based.

**Berea City School District**  
*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2014*

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)
Direct:		
Berea City School District		
General Obligation Bonds	\$7,960,410	100.00 %
Certificates of Participation	25,423,146	100.00
<b>Total Direct</b>	<b>33,383,556</b>	
Overlapping:		
Cuyahoga County	335,242,118	4.72
Greater Cleveland Regional Transit	148,938,217	4.72
City of Middleburg Heights	12,007,350	37.98
City of Brook Park	7,705,000	32.09
City of Berea	18,362,720	27.05
City of Olmsted Falls	4,422,645	0.43
City of Cleveland	538,265,000	4.29
<b>Total Overlapping</b>	<b>1,064,943,050</b>	
<b>Total</b>	<b>\$1,098,326,606</b>	

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The values used were for the 2013 collection year.

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed Valuation (1)	<u>\$1,545,390,994</u>	<u>\$1,561,035,632</u>	<u>\$1,604,060,017</u>	<u>\$1,524,393,269</u>	<u>\$1,507,845,563</u>
Debt Limit - 9% of Assessed Value (2)	<u>\$139,085,189</u>	<u>\$140,493,207</u>	<u>\$144,365,402</u>	<u>\$137,195,394</u>	<u>\$135,706,101</u>
Amount of Debt Applicable to Debt Limit					
Certificates of Participation	0	0	0	0	0
General Obligation Bonds	11,050,000	10,990,000	16,737,802	15,797,802	14,555,000
Notes	0	0	-	2,820,000	2,585,000
Less Amount Available in Debt Service	<u>(2,044,510)</u>	<u>(2,321,386)</u>	<u>(2,731,988)</u>	<u>(2,990,032)</u>	<u>(3,205,289)</u>
Total	9,005,490	8,668,614	14,005,814	15,627,770	13,934,711
Exemptions:					
Certificates of Participation	0	0	0	0	0
Energy Conservation Bonds	0	0	6,582,802	6,547,802	6,205,000
Amount of Debt Subject to Limit	<u>9,005,490</u>	<u>8,668,614</u>	<u>7,423,012</u>	<u>9,079,968</u>	<u>7,729,711</u>
Overall Debt Margin	<u>\$130,079,699</u>	<u>\$131,824,593</u>	<u>\$136,942,390</u>	<u>\$128,115,426</u>	<u>\$127,976,390</u>
Legal Debt Margin as a Percentage of the Debt Limit	8.42%	8.44%	8.54%	8.40%	8.49%
Unvoted Debt Limit - 10% of Assessed Value (2)	\$1,545,391	\$1,561,036	\$1,604,060	\$1,524,393	\$1,507,846
Amount of Debt Applicable	0	0	0	0	0
Unvoted Debt Margin	<u>\$1,545,391</u>	<u>\$1,561,036</u>	<u>\$1,604,060</u>	<u>\$1,524,393</u>	<u>\$1,507,846</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100%	100%	100%	100%	100%

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

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



<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<u>\$1,400,269,233</u>	<u>\$1,401,681,428</u>	<u>\$1,402,156,470</u>	<u>\$1,321,400,620</u>	<u>\$1,331,386,600</u>
<u>\$126,024,231</u>	<u>\$126,151,329</u>	<u>\$126,194,082</u>	<u>\$118,926,056</u>	<u>\$119,824,794</u>
26,000,000	26,000,000	26,000,000	25,500,000	25,790,000
13,280,000	11,960,000	10,585,000	9,215,000	7,885,000
2,340,000	2,085,000	1,820,000	4,545,000	3,985,000
<u>(3,486,071)</u>	<u>(3,595,079)</u>	<u>(3,696,184)</u>	<u>(3,870,286)</u>	<u>(3,535,427)</u>
38,133,929	36,449,921	34,708,816	35,389,714	34,124,573
26,000,000	26,000,000	26,000,000	25,500,000	25,790,000
5,845,000	5,470,000	5,080,000	4,675,000	4,250,000
6,288,929	4,979,921	3,628,816	5,214,714	4,084,573
<u>\$119,735,302</u>	<u>\$121,171,408</u>	<u>\$122,565,266</u>	<u>\$113,711,342</u>	<u>\$115,740,221</u>
8.55%	8.64%	8.74%	8.61%	8.69%
\$1,400,269	\$1,401,681	\$1,402,156	\$1,321,401	\$1,331,387
<u>0</u>	<u>0</u>	<u>0</u>		
<u>\$1,400,269</u>	<u>\$1,401,681</u>	<u>\$1,402,156</u>	<u>\$1,321,401</u>	<u>\$1,331,387</u>
100%	100%	100%	100%	100%

**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)
	General Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value (1)	Bonded Debt per Capita (2)	Certificates of Participation	Total Debt	
2005	\$11,050,000	0.24	\$193.82	\$0	\$11,050,000	1.00
2006	11,128,758	0.23	195.20	0	11,128,758	1.01
2007	16,997,832	0.32	298.14	0	16,997,832	1.54
2008	16,035,536	0.35	288.67	0	16,035,536	1.45
2009	14,770,438	0.32	265.89	0	14,770,438	1.33
2010	13,473,142	0.34	242.54	26,000,000	39,473,142	3.21
2011	12,131,033	0.31	215.64	25,742,839	37,873,872	2.79
2012	10,734,025	0.27	197.86	25,756,135	36,490,160	2.60
2013	9,300,454	0.25	171.43	25,269,431	34,569,885	2.46
2014	7,960,410	0.21	146.73	25,423,146	33,383,556	2.38

**Source:** School District Records

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

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

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

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	2014	
		Number of Employees	Percentage of Total Employment
Baldwin Wallace College	Higher Education	3,151	6.30%
Southwest General Hospital	Hospital	2,599	5.19
Department of Interior	Government	1,864	3.73
United Parcel Service	Delivery	1,793	3.58
Ford Motor Company	Automobile	1,298	2.59
Berea City School District	Education	852	1.70
OHNH EMP LLC	Manufacturing	669	1.34
Amerimark Direct LLC	Manufacturing	608	1.22
Marc Glassman Inc.	Warehouse	558	1.12
Sears Roebuck & Company	Retail	538	1.08
Total		<u>13,930</u>	
Total Employment within the School District		<u>50,029</u>	

Employer	Nature of Business	2005	
		Number of Employees	Percentage of Total Employment
Southwest General Hospital	Hospital	2,892	5.37%
United Parcel Service	Delivery	2,461	4.57
Ford Motor Company	Automobile	1,999	3.71
Department of the Interior	Government	1,500	2.79
Baldwin Wallace College	Higher Education	1,260	2.34
Berea City School District	Education	595	1.11
Berea Children's Home	Treatment Facility	510	0.95
Sears Roebuck & Company	Retail	498	0.93
City of Middleburg Heights	Municipal Government	477	0.89
Polaris Joint Vocational School	Education	441	
Total		<u>7,280</u>	
Total Employment within the School District		<u>53,811</u>	

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

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

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Percentage of Students Receiving Free and Reduced Lunch
2005	\$76,078,617	7,511	\$10,129	3.63 %	532	14.1	23.80%
2006	77,373,241	7,526	10,281	(1.48)	535	14.1	24.89
2007	73,892,821	7,429	9,947	3.36	537	13.8	27.39
2008	90,002,891	7,375	12,204	(18.50)	554	13.3	28.31
2009	90,579,034	7,181	12,614	(3.25)	513	14.0	29.21
2010	96,939,959	7,098	13,657	(7.64)	528	13.4	34.5
2011	97,138,373	7,018	13,841	(1.33)	495	14.2	37.5
2012	94,762,096	7,121	13,307	4.01	506	14.1	33.8
2013	95,717,873	6,980	13,713	(2.96)	502	13.9	34.7
2014	90,433,583	6,694	13,510	1.51	479	14.0	34.7

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

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

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

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

(continued)

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

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

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

**Source:** School District's Records



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

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

Degree	2005	2006	2007	2008	2009
Bachelor's Degree	82	56	57	66	56
Bachelor + 15	14	19	21	30	16
Bachelor + 30	35	27	28	33	43
Master's Degree	313	254	331	296	309
Master + 15	29	89	40	55	35
Master + 30	22	51	24	39	20
PhD	37	39	36	35	34
Total	532	535	537	554	513

Source: School District Records

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

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

Fiscal Year	Berea Attendance Rate	State Average	Berea Graduation Rate	State Average
2005	95.20	94.30	94.00	85.90
2006	95.00	94.10	93.00	86.20
2007	95.10	94.10	93.80	86.10
2008	94.90	94.20	92.70	86.90
2009	95.00	94.30	92.60	84.60
2010	94.30	94.30	94.30	84.60
2011	95.30	93.00	91.10	90.00
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

Source: Ohio Department of Education Local Report Cards

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

Fiscal Year	Berea Average	State Average
2005	14.1	18.5
2006	14.1	18.6
2007	13.8	19.6
2008	13.3	18.6
2009	14.0	18.6
2010	13.4	19.4
2011	14.2	18.5
2012	14.1	21.9
2013	13.9	NA
2014	14.0	NA

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

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

Function/Program	2005	2006	2007	2008	2009
<b>Regular Instruction</b>					
Elementary Classroom Teachers	189.00	168.00	174.00	174.00	151.00
Intermediate School Classroom Teachers	105.00	98.00	100.00	100.00	88.00
Junior High Schools Classroom Teachers	NA	NA	NA	NA	NA
High School Classroom Teachers	122.00	120.00	121.00	120.50	118.00
(1) Non-Teaching Support Staff Elementary	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff Intermediate	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff Junior High	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff High School	NA	NA	NA	NA	NA
<b>Special Instruction</b>					
Elementary Classroom Teachers	24.50	26.50	43.00	45.00	47.00
Gifted Education Teachers	5.50	4.00	4.00	4.00	4.00
Intermediate School Classroom Teachers	NA	NA	NA	NA	NA
Junior High Schools Classroom Teachers	31.00	34.00	30.50	29.00	28.50
High School Classroom Teachers	22.50	22.00	28.00	28.50	33.50
(1) Non-Teaching Support Staff Elementary	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff Intermediate	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff Junior High	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff High School	NA	NA	NA	NA	NA
<b>Vocational Instruction</b>					
High School Classroom Teachers	5.50	6.00	4.50	4.50	7.00
<b>Pupil Support Services</b>					
Guidance Counselors	17.00	17.00	16.50	16.50	16.50
Librarians	9.00	8.00	6.00	6.00	6.00
Psychologists	3.00	3.00	3.00	4.00	4.00
Speech and Language Pathologists	13.50	12.00	13.00	13.00	12.00
(1) Non-Teaching Support Staff Central	9.00	3.00	4.00	5.00	5.00
<b>Instructional Support Service</b>					
(1) Non-Teaching Support Staff Elementary	86.00	86.00	85.50	86.00	81.50
(1) Non-Teaching Support Staff Middle	39.00	38.00	36.00	35.00	38.00
(1) Non-Teaching Support Staff High	37.00	35.00	30.50	28.00	33.00
(1) Non-Teaching Support Staff Central	2.50	5.50	6.00	6.00	9.00
<b>Administration</b>					
Elementary	7.50	7.00	10.00	10.00	10.00
Intermediate School	NA	NA	NA	NA	NA
Junior High Schools	7.00	5.00	6.00	6.00	6.00
High School	8.00	6.00	8.00	8.00	8.00
Central	2.00	1.00	1.00	1.00	2.00
(1) Non-Teaching Support Staff	15.00	22.00	27.00	27.00	18.00
<b>Business</b>					
Central	3.00	3.00	3.00	3.00	3.00

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

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

Function/Program	2005	2006	2007	2008	2009
Fiscal					
Treasurer Department	7.50	7.50	7.00	7.00	7.00
Operation of Plant					
Custodial Dept.	75.00	73.00	68.00	68.00	65.00
Maintenance Dept.	18.00	15.00	14.00	17.00	16.00
Pupil Transportation					
Bus Drivers	65.00	61.00	61.00	60.00	46.50
Bus Aides	8.00	9.00	9.00	6.50	7.00
Mechanics	5.00	5.00	5.00	5.00	5.00
Transportation support staff	4.00	4.00	4.00	4.00	4.00
Central					
Community Relations	2.00	2.50	2.50	2.50	2.50
Technology	19.00	17.00	17.00	16.00	18.00
Personnel	5.00	5.00	5.00	5.00	5.00
Extracurricular					
Athletic Department	3.00	2.00	2.00	2.00	2.00
Food Service Program					
Elementary	35.00	34.00	34.00	34.00	16.50
Intermediate	NA	NA	NA	NA	NA
Junior High School	16.00	13.00	14.00	14.00	16.50
High School	18.00	15.00	16.00	16.00	11.00
Central	2.00	2.00	2.00	2.00	1.00
Adult Education/Community Service					
Preschool	9.00	11.50	11.50	11.00	11.00
Extended Care	32.00	34.50	32.00	31.00	24.00
Adult Education	1.00	2.00	2.00	2.00	2.00
Totals	<u>1,088.00</u>	<u>1,043.00</u>	<u>1,066.50</u>	<u>1,063.00</u>	<u>989.00</u>

Source: School District Records

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

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



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



*Dominic J.*  
1<sup>st</sup> Grade  
Big Creek Elementary



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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 06, 2015**