



OHIO AUDITOR OF STATE
KEITH FABER



**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2020**

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**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR <i>Pass Through Grantor</i>	Grant Year	Federal CFDA Number	Pass Through Entity Identifying Number	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed Through Ohio Department of Education</i>					
Nutrition Cluster					
School Breakfast Program	2020	10.553		\$ 98,635	
COVID19 - School Breakfast Program	2020	10.553		40,644	
National School Lunch Program	2020	10.555		483,479	\$ 74,380
COVID19 - National School Lunch Program	2020	10.555		97,541	
Total Nutrition Cluster				<u>720,299</u>	<u>74,380</u>
Total U.S. Department of Agriculture				<u>720,299</u>	<u>74,380</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed Through Ohio Department of Education</i>					
Title I	2019	84.010		155,955	
Title I	2020	84.010		857,460	
Total Title I				<u>1,013,415</u>	-
Special Education Cluster					
IDEA Part B	2019	84.027		96,869	
IDEA Part B	2020	84.027		1,348,386	
Subtotal IDEA Part B				<u>1,445,255</u>	-
Preschool Grant	2019	84.173		4,061	
Preschool Grant	2020	84.173		30,928	
Subtotal Preschool Disability Grant				<u>34,989</u>	-
Total Special Education Cluster				1,480,244	-
Title III English Language Acquisition	2019	84.365		5,783	
Title III English Language Acquisition	2020	84.365		16,978	
Total Title III English Language Acquisition				<u>22,761</u>	-
Title II-A Supporting Effective Instruction	2019	84.367		38,146	
Title II-A Supporting Effective Instruction	2020	84.367		232,961	
Total Title II-A Supporting Effective Instruction				<u>271,107</u>	-
Total U.S. Department of Education				<u>2,787,527</u>	-
Total Federal Financial Assistance				<u>\$ 3,507,826</u>	<u>\$ 74,380</u>

The accompanying notes are an integral part of this schedule.

**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Berea City School District (the District's) under programs of the federal government for the year ended June 30, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – 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 Government assumes it expends federal monies first.

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2020, 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 30, 2020, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

December 30, 2020

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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Berea City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Berea City School District's major federal program for the year ended June 30, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, 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, 2020.

Report on Internal Control Over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2020, 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 30, 2020, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

December 30, 2020

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**BEREA CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster: CFDA #84.027– Grants to States (IDEA, Part B) CFDA #84.173– Preschool Grants (IDEA Preschool)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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BCSD

Berea City School District

EXCELLENCE • INTEGRITY • PURPOSE

Serving Berea, Brook Park and Middleburg Heights

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020



Grace Barret • 8th Grade



TM

Berea, Ohio



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

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

Berea, Cuyahoga County, Ohio

390 Fair Street, Berea, Ohio 44017

www.berea.k12.oh.us

Introductory Section



Samantha Black • 5th Grade

Berea City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020
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December 30, 2020

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, 2020. 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 2020, the School District was audited by the Auditor of State's Office. Their unmodified opinion is included in the financial section of this CAFR.

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

School District Organization

Berea City School District is one of the 616 school districts in the State of Ohio and one of 31 school districts in Cuyahoga County. The School District is an independent school district that provides education to 5,725 students in grades preK through twelfth. Additionally, the School District provides preschool, and after school, services to a large number of students and community members. The School District has 6 school buildings, ranging from 5 to 88 years of age. Berea City School District is located in northeastern Ohio, approximately twelve miles southwest of downtown Cleveland. Berea City School District includes the cities of Brook Park, Middleburg Heights, most of the City of Berea, and small portions of the cities of Olmsted Falls and Cleveland.

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

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

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

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

The School District’s annual general fund operating budget is approximately \$86.7 million. The annual budget serves as the foundation of the Berea City School District’s financial planning and control. The budget is prepared by fund for every governmental fund. The legal level of control has been established by the Board of Education at the fund level for all funds. The Treasurer has been given the authority to allocate Board appropriations to the object level in the general fund and the function and object level for all other funds. Transfers between funds; however, need special approval from the governing board.

Reporting Entity

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

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

Economic Condition and Outlook

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

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

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

The housing market in Northeast Ohio and specifically within the Berea City School District started to recover from the recent recession. During calendar year 2018, the County completed the reappraisal process. This process is completed every six years, with an update to the total valuation of the School District every three years. The total valuation of the School District increased by approximately 8 percent. While this increase is a positive factor for the School District, as total valuation has not increased in many years, the School District is not expected to receive a large influx of new revenue due to House Bill 920. House Bill 920, which was passed in the late 70's, does not allow increases on voted millage due to inflationary increases. The School District will only see increases in revenue on inside millage and new construction.

Long-Term Financial Planning

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

Fiscal year 2014 was the first time in five years that the School District achieved a balanced budget, a trend that continued through fiscal year 2019, however with increases in health insurance premiums the School District began deficit spending. Based on these forecast projections, the School District will also be able to meet its second goal of maintaining a minimum cash balance that is sufficient to fund School District operations for one month of the school year until fiscal year 2023. The School District will need to begin looking at staffing trends as compared to enrollment losses and potential new money in the future.

Student Enrollment Trends

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

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

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

Current projections show the School District's enrollment declining from the current level (2020) 5,725 to 4,933 by 2024, with the 2.1 percent average annual rate of decline.

Relevant Financial Policies

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

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

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

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

Major Initiatives

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

High Quality Teaching and Learning

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

Culture and Safety

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

Communications

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

Facilities

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

District Finances

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

Primary accomplishments for 2020 were as follows:

Finances:

1. Established adequate minimum cash balance metric for the School District to maintain through next two fiscal years.
2. Awarded 2019 – Association of School Business Officials International's (ASBO) Certificate of Excellence in Financial Reporting, received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officer Association (GFOA), for twenty-fourth consecutive years for the School District's Comprehensive Annual Financial Report.
3. Awarded 2019 – ASBO Meritorious Budget Award

Technology:

1. Completed a School District wide technology audit.
2. Purchased chrome books for grades K-4 at Brook Park Elementary.

Academics:

1. Ranked for the 20th consecutive year as one of the top school districts for music education in the nation by the NAMM Foundation.
2. Continued to offer elementary self-contained gifted classes.
3. Continued the offering of rigorous pre-engineering and pre-biomedical programs in the high school.
4. Offered 10 Dual Credit College Courses on our campus where students receive both high school and college credit.

Student Services:

1. Continued Response to Intervention (RTI) – RTI model for identifying “at-risk” students through the use of universal screeners, and by providing preventative intervention to students by aligning assessment and instruction to inform school stakeholders about how to best meet the needs of students.

Facilities:

1. Continued the transportation and maintenance vehicle replacement plan. The School District issued bonds to purchase new buses in fiscal year 2019. The buses were purchased during fiscal year 2020.
2. Successfully passed a new construction and building renovation bond issue in November 2016 to fund the facility plan, which includes the construction of a new high school and elementary school, renovation of Junior High and Big Creek Elementary School and demolition/closing of Ford Intermediate School. The general obligation bonds in the amount of \$112,500,000 were issued on March 2, 2017. The renovations to the Junior High and Big Creek Elementary continued into fiscal year 2020. The new elementary school was completed in August of 2020. The new high school is nearing completion. The estimated completion date is December of 2020.

Service to the Community

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, 2019.

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

ASBO Meritorious Budget Award The Association of School Business Officials International awarded the Meritorious Budget Award (MBA) to the Berea City School District for the fiscal year 2019 budget. This award recognizes the School District for demonstrating excellence in school budget presentation and setting a high standard for transparent budget development.

ASBO Certificate of Excellence in Financial Reporting The Association of School Business Officials International awarded the Berea City School District with the Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019.

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

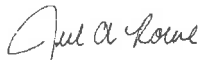
Outstanding Achievements Twenty one of our teachers have completed the rigorous requirements set by the National Board for Professional Teaching Standards and achieved National Board Certification.

Acknowledgments

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

Respectfully submitted,

Jill A. Rowe
Treasurer/CFO



Tracy Wheeler
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, 2019

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Berea City School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

Berea City School District
Principal Officials
For the Fiscal Year Ended June 30, 2020

Board of Education

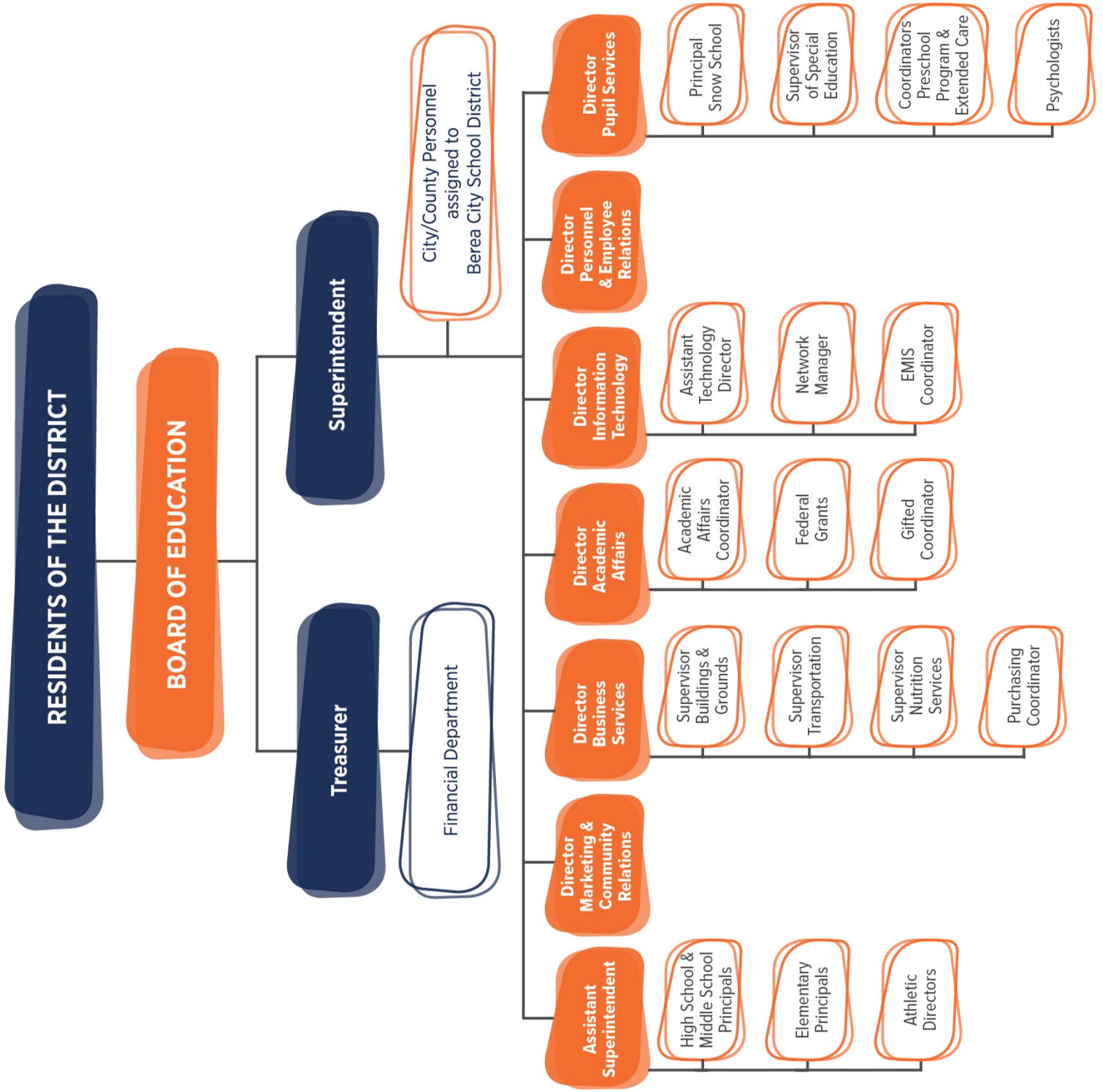
Mrs. Ana Chapman.....President
Mrs. Cori Farris Vice President
Mr. Steve Dockman..... Member
Mr. Jeffrey Duke Member
Mr. Neal Postel..... Member

Treasurer/CFO

Mrs. Jill Rowe

Administration

Mrs. Tracy Wheeler..... Superintendent
Mr. Michael Draves..... Assistant Superintendent
Mrs. Lori Bobincheck..... Director of Pupil Personnel
Ms. Cristina Capretta..... Director of Community Relations
Mrs. Karen Frimel Director of Academic Affairs
Mrs. Vicki Turner Director of Information Technology
Mr. Vincenzo Ruggiero Director of Personnel and Employee Relations
Mr. Michael Slivochka..... Director of Business Services



Financial Section



Sarah Van Dress • 6th Grade

OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Berea City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 22 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated December 30, 2020, 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.



Keith Faber
Auditor of State
Columbus, Ohio

December 30, 2020

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Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
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, 2020. 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 2020 are as follows:

- The net position of the School District decreased over \$9 million from fiscal year 2019 levels. The decrease is due to decreases in recognized property tax revenues and the spending down of unspent cash proceeds offset by increases in net capital assets from the construction in progress in relation to the new facilities.
- The School District is currently in the midst of building a new combined elementary school. This new combined elementary school is being built on the old Ford Elementary School site and will house the students from Brookpark Memorial Elementary School and Brookview Elementary School. The School District is also constructing a new High School, on the current High School site. Both buildings are set to open for the 2020-2021 school year.
- Outstanding long-term obligations decreased during fiscal year 2020 due to decreases in the net pension liability and the net OPEB liability as well as continued annual debt payments.
- The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District.

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 and building capital projects funds are by far the most significant funds.

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 2020?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include *all assets and deferred outflows of resources* and *all liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

Proprietary Funds The School District maintains two proprietary funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District's internal service funds account for revenues used to provide for medical, prescription drug, and vision claims of School District employees and workers' compensation. The proprietary funds use the accrual basis of accounting.

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 2020 compared to 2019.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Table 1
Net Position

	2020	2019	Change
Assets			
Current and Other Assets	\$122,827,050	\$170,408,490	(\$47,581,440)
Net OPEB Asset	5,291,501	5,231,970	59,531
Capital Assets	154,586,373	110,172,643	44,413,730
Total Assets	282,704,924	285,813,103	(3,108,179)
Deferred Outflows of Resources			
Deferred Charge on Refunding	1,877,331	2,010,168	(132,837)
Pension	17,378,047	25,458,029	(8,079,982)
OPEB	2,726,331	2,493,618	232,713
Total Deferred Outflows of Resources	21,981,709	29,961,815	(7,980,106)
Liabilities			
Current and Other Liabilities	26,193,535	28,972,976	2,779,441
Long-term Liabilities:			
Due Within One Year	2,255,500	2,167,627	(87,873)
Due in More Than One year:			
Net Pension Liability	92,500,493	95,545,126	3,044,633
Net OPEB Liability	9,199,244	11,637,841	2,438,597
Other Amounts	140,295,729	142,062,944	1,767,215
Total Liabilities	270,444,501	280,386,514	9,942,013
Deferred Inflows of Resources			
Payments in Lieu of Taxes	126,660	0	(126,660)
Property Taxes	61,006,587	52,077,441	(8,929,146)
Pension	8,698,957	10,507,134	1,808,177
OPEB	10,863,769	9,992,197	(871,572)
Total Deferred Inflows of Resources	80,695,973	72,576,772	(8,119,201)
Net Position			
Net Investment in Capital Assets	25,042,885	25,174,402	(131,517)
Restricted	7,965,401	7,834,496	130,905
Unrestricted (Deficit)	(79,462,127)	(70,197,266)	(9,264,861)
Total Net Position	(\$46,453,841)	(\$37,188,368)	(\$9,265,473)

The net pension liability (NPL) is one of the largest single liabilities reported by the School District at June 30, 2020. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the School District, total liabilities and deferred inflows of resources exceed total assets and deferred outflows of resources by \$46,453,841 in fiscal year 2020 and \$37,188,368 in fiscal year 2019.

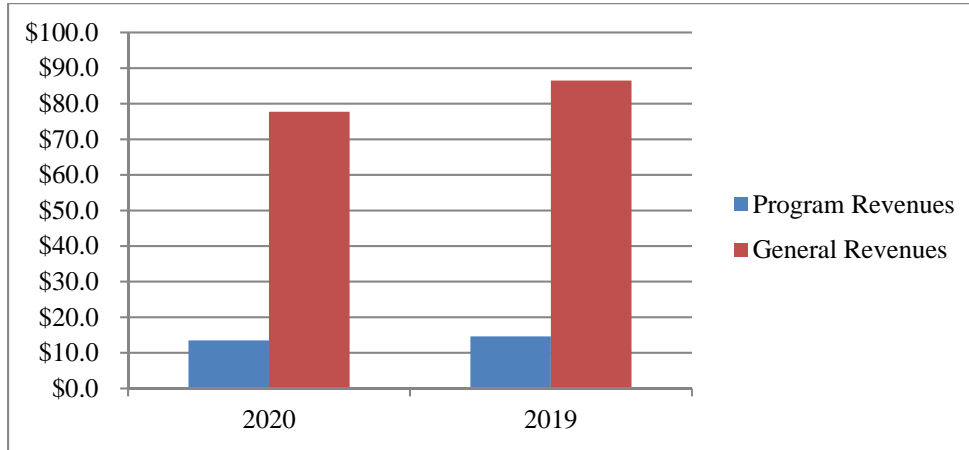
A large portion of the School District's net position reflects "Net Investment in Capital Assets" (i.e. land, construction in progress, buildings, improvements, furniture, fixtures, equipment and vehicles) less any related debt to acquire those assets that are still outstanding. The School District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The School District continues to provide the services that the School District residents expect while maintaining the costs of providing those services. The most dramatic changes were decreases to cash and cash equivalents, decreases in net position in relation to the net pension liability changes noted above offset by increases in capital assets, decreases to contracts payable and net position increases from net OPEB changes noted above. Cash and cash equivalents decreased from fiscal year 2019 mainly due to the School District spending down cash proceeds from the issuance of the debt proceeds from the ongoing construction on the school facilities. Capital assets increased as building of new facilities continues. Contracts payable decreased due to phases of the school facilities projects beginning to reach completion and contractors receiving payment.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Graph 1
Revenues
(In Millions)

	2020	2019
Program Revenues	\$13.5	\$14.6
General Revenues	77.7	86.5



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

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 64.1 percent of revenues for governmental activities for Berea City School District in fiscal year 2020. The decrease in property tax revenue was due to a decrease in the calculated amounts available as advance provided by Cuyahoga County due to an approved extension for collections for reasons related to COVID.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2020 and 2019.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Table 2
Changes in Net Position

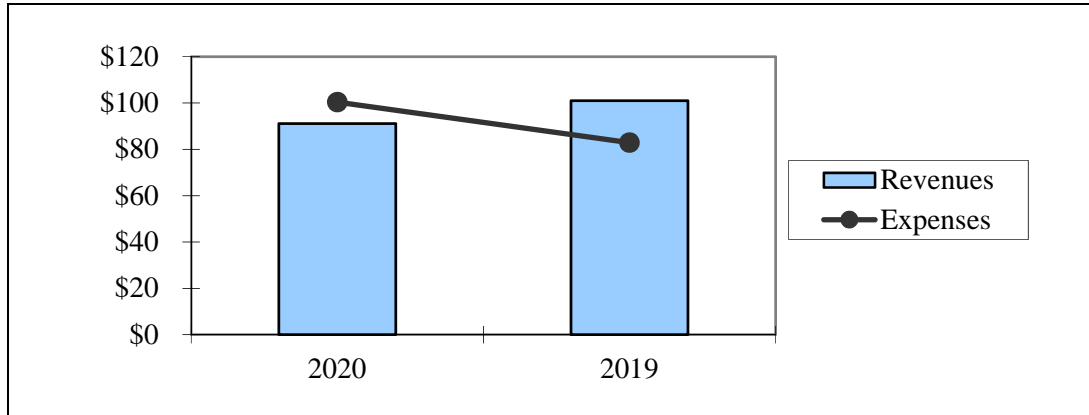
	2020	2019	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services and Sales	\$4,615,855	\$5,216,869	(\$601,014)
Operating Grants, Contributions and Interest	7,765,671	7,156,457	609,214
Capital Grants, Contributions and Interest	1,100,373	2,203,034	(1,102,661)
<i>Total Program Revenues</i>	<u>13,481,899</u>	<u>14,576,360</u>	<u>(1,094,461)</u>
<i>General Revenues</i>			
Property Taxes	58,314,951	65,277,900	(6,962,949)
Grants and Entitlements	18,034,319	20,360,996	(2,326,677)
Payment in Lieu of Taxes	49,212	0	49,212
Interest	691,142	510,554	180,588
Other	566,717	314,515	252,202
<i>Total General Revenues</i>	<u>77,656,341</u>	<u>86,463,965</u>	<u>(8,807,624)</u>
<i>Total Revenues</i>	<u>91,138,240</u>	<u>101,040,325</u>	<u>(9,902,085)</u>
Program Expenses			
Instruction	56,420,711	44,501,553	(11,919,158)
Support Services:			
Pupils and Instructional Staff	8,087,019	6,331,638	(1,755,381)
Board of Education, Administration, Fiscal, and Business	8,030,770	7,054,726	(976,044)
Operation and Maintenance of Plant	7,225,801	6,115,703	(1,110,098)
Pupil Transportation	6,837,412	5,911,804	(925,608)
Central	3,073,890	2,249,789	(824,101)
Operation of Non-Instructional Services	3,466,500	3,516,814	50,314
Extracurricular Activities	1,338,903	1,667,485	328,582
Extracurricular Activities: Intergovernmental	263,918	0	(263,918)
Interest and Fiscal Charges	5,658,789	5,576,940	(81,849)
<i>Total Expenses</i>	<u>100,403,713</u>	<u>82,926,452</u>	<u>(17,477,261)</u>
<i>Change in Net Position</i>	(9,265,473)	18,113,873	(27,379,346)
Net Position Beginning of Year	(37,188,368)	(55,302,241)	18,113,873
Net Position End of Year	<u>(\$46,453,841)</u>	<u>(\$37,188,368)</u>	<u>(\$9,265,473)</u>

Instruction composes the most significant portion of governmental program expenses. The largest component of the increase in program expenses results from increases in pension and OPEB expenses, the most significant increase being related to STRS OPEB expenses. The School District's OPEB expense related to STRS increased from a negative expense of \$11,400,655 in fiscal year 2019 to a negative expense of \$1,685,280 for fiscal year 2020.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Graph 2
Revenues and Expenses
(In Millions)

	2020	2019
Revenues	\$91.1	\$101.0
Expenses	100.4	82.9



Total program revenues decreased mainly due to decreases in charges for services and sales as well as a decrease in capital grants, contributions and interest offset by increases in operating grants, contributions and interest. The decrease in charges for services and sales was due to reduced tuition funding for regular and special education from the State through foundation. The decrease in capital grants, contributions and interest was due to lower amounts of cash in the building fund generating less interest revenue. Operating grants, contributions and interest increased due to the School District seeking out restricted grant monies as additional sources of operating revenues along with a new grant specific to student health and wellness.

The School District carefully invests its cash and equivalents in a variety of investment types with the primary focus being safety of principal, but with an attention to investment opportunities to increase yield. The School District pays close attention to daily interest rates and long-term financial trends. Fiscal year 2020's interest revenue is \$180,588 more than fiscal year 2019's and is a direct result of more cash being available, outside of the building fund, for investment purposes.

The grants and entitlements portion of the general revenues is the second largest source of revenues for the School District and includes monies received from the Ohio Department of Education and property tax relief such as homestead exemptions and rollbacks provided by HB 920, as well as the tangible personal property loss reimbursement. The decrease in grants and entitlements for fiscal year 2020 was due to a reduction in State Foundation funding due to the COVID-19 pandemic.

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

Overall total governmental expenses increased \$17,477,261 due to the large increase in OPEB expense as discussed previously. Management must continue to diligently plan expenses, staying carefully within the School District's financial forecast. Additional revenues must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the life of the levies.

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

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

Table 3
 Total and Cost of Program Services
 Governmental Activities

	2020		2019	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$56,420,711	\$47,927,979	\$44,501,553	\$34,920,570
Support Services:				
Pupil and Instructional Staff	8,087,019	7,177,492	6,331,638	5,935,026
Board of Education, Administration, Fiscal and Business	8,030,770	7,200,570	7,054,726	6,734,233
Operation and Maintenance of Plant	7,225,801	7,194,660	6,115,703	6,112,763
Pupil Transportation	6,837,412	6,719,938	5,911,804	5,735,434
Central	3,073,890	2,799,736	2,249,789	1,654,395
Operation of Non-Instructional Services	3,466,500	1,194,906	3,516,814	558,699
Extracurricular Activities	1,338,903	1,047,744	1,667,485	1,122,032
Extracurricular Activities:				
Intergovernmental	263,918	0	0	0
Interest and Fiscal Charges	5,658,789	5,658,789	5,576,940	5,576,940
Total	\$100,403,713	\$86,921,814	\$82,926,452	\$68,350,092

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

The School District's Funds

Information about the School District's governmental funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. Total governmental funds have revenues of \$88,709,195 and expenditures of \$145,353,651. The net change in the governmental funds fund balance for the year was most significant in the building capital projects fund, where the capital outlay expenditures increased significantly due to the continuation of construction projects throughout the School District.

There was a decrease in fund balance for the year in the general fund of \$9,907,929. The decrease in the general fund is due primarily to a decrease in property taxes resulting from adjustments related to delayed collections as a result of COVID, as previously discussed.

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 year 2020 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, 2020
Unaudited

For the general fund, final budget basis revenue was \$84,212,352, which was an increase from the original budget estimates of \$83,920,907. Actual revenue received was \$81,320,338; due primarily to lower than expected revenues in all categories. Total final estimated expenditures on the budget basis were \$86,075,527, \$1,863,175 above budget basis revenues. Actual expenditures were only \$84,247,400, \$1,828,127 below the final budgeted appropriations.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2020 balances compared to the prior fiscal year:

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

	2020	2019
Land	\$893,217	\$893,217
Construction in Progress	110,289,821	64,612,487
Land Improvements	1,947,159	2,069,195
Buildings and Improvements	37,563,258	38,556,498
Furniture and Equipment	1,734,607	1,977,606
Vehicles	2,158,311	2,063,640
Total	\$154,586,373	\$110,172,643

The increase in capital assets in fiscal year 2020 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. The large increase this year in construction in progress is due to a new elementary school and a new high school the School District is currently building. For more information refer to Note 11 to the basic financial statements.

Ohio law requires school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2020 this amounted to \$1,023,955 for the set aside. The School District had qualifying disbursements or offsets exceeding this requirement. See Note 17 for additional information regarding set asides.

Debt

Table 5 summarizes bonds, certificate of participation, and notes outstanding for fiscal year 2020 and fiscal year 2019:

Table 5
 Outstanding Debt at June 30
 Governmental Activities

	2020	2019
Certificates of Participation	\$28,482,951	\$29,419,037
2013 Tax Anticipation Notes	965,000	1,275,000
2017 School Improvement Bonds	110,554,319	111,356,319
2019 Bus Acquisition Bonds	423,000	495,000
Total	\$140,425,270	\$142,545,356

Berea City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

On November 4, 2009 the School District issued Certificates of Participation in the amount of \$26 million at a net interest rate of 4.7 percent for the purpose of building a new elementary building. On May 21, 2014, the School District issued refunding Certificates of Participation, in the amount of \$13,685,000, to partially refund the Certificates of Participation previously issued, in the amount of \$12,870,000. On February 23, 2016, the School District issued \$8,900,000 in Certificates of Participation (COPs), for the purpose of partially refunding the COPs issued in fiscal year 2010. On February 6, 2013, the School District issued \$3,000,000 in Tax Anticipation Notes. On March 2, 2017, the School District issued \$112,500,000 in School Improvement Bonds. On December 27, 2017, the School District issued refunding Certificates of Participation, in the amount of \$14,279,000, to partially refund the Certificates of Participation previously issued in fiscal year 2014. On December 28, 2018, the School District issued Certificates of Participation in the amount of \$5,210,000 at an interest rate of 3 to 4 percent for the improvements to the School District's High School Performing Arts Center and Building site and other improvements to School District Facilities. On March 13, 2019, the School District issued Bus Acquisition Bonds in the amount of \$495,000 for the purpose of acquiring school buses and related equipment used in transporting pupils.

At June 30, 2020 the School District's overall legal debt margin was \$22,348,773 with an unvoted debt margin of \$1,450,832. The debt is well within permissible limits. The School District maintains an A-1 bond rating. For more information refer to Notes 19 and 20 to the basic financial statements.

Current Financial Related Activities

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

Minimal new construction in Class I or Class II property and restrictions on inflationary growth in tax revenue due to limitations set forth in House Bill 920 further challenges this plan. Recent legislation has reinstated the phase out of the personal property tax reimbursement from the State of Ohio. This will eventually lead to a twelve percent reduction in current revenue levels. Furthermore, based on the current State budget, the School District will receive in fiscal year 2021 the same amount it received in fiscal year 2020. Due to the District being on a cap and not receiving all of the funding it is owed from the State of Ohio, this current State Budget allowing no growth in revenue amounts is concerning to the School District. Without changes to this legislation, the School District will need to explore opportunities to increase revenue or reduce expenditures in order to ensure fiscal stability.

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

Contacting the School District's Financial Management

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

Basic Financial Statements

Berea City School District
Statement of Net Position
June 30, 2020

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$47,099,071
Cash and Cash Equivalents with Fiscal Agent	2,030,573
Accounts Receivable	204,597
Intergovernmental Receivable	4,295,179
Prepaid Items	145,456
Inventory Held for Resale	33,564
Materials and Supplies Inventory	8,143
Revenue in Lieu of Taxes Receivable	126,660
Taxes Receivable	68,378,475
Unamortized Bond Insurance Premium	505,332
Net OPEB Asset (See Note 14)	5,291,501
Non-depreciable Capital Assets	111,183,038
Depreciable Capital Assets, Net	43,403,335
	Total Assets
	282,704,924
Deferred Outflows of Resources	
Deferred Charge on Refunding	1,877,331
Pension	17,378,047
OPEB	2,726,331
	Total Deferred Outflows of Resources
	21,981,709
Liabilities	
Accounts Payable	760,822
Contracts Payable	11,597,825
Accrued Wages	6,916,033
Matured Compensated Absences Payable	469,030
Intergovernmental Payable	1,601,493
Accrued Interest Payable	580,798
Retainage Payable	2,061,970
Notes Payable	965,000
Claims Payable	1,240,564
Long-Term Liabilities:	
Due Within One Year	2,255,500
Due In More Than One Year:	
Net Pension Liability (See Note 13)	92,500,493
Net OPEB Liability (See Note 14)	9,199,244
Other Amounts	140,295,729
	Total Liabilities
	270,444,501
Deferred Inflows of Resources	
Payments in Lieu of Taxes	126,660
Property Taxes	61,006,587
Pension	8,698,957
OPEB	10,863,769
	Total Deferred Inflows of Resources
	80,695,973
Net Position	
Net Investment in Capital Assets	25,042,885
Restricted for:	
Capital Projects	5,509,269
Debt Service	662,871
Scholarships	14,058
District Managed Student Activity	309,933
Locally Funded Programs	202,652
State Funded Programs	216,722
Federal Funded Programs	1,027,753
Unclaimed Monies	22,143
Unrestricted (Deficit)	(79,462,127)
	Total Net Position
	(\$46,453,841)

See accompanying notes to the basic financial statements

Berea City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions Interest	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$39,750,537	\$1,886,551	\$165,677	\$1,100,373	(\$36,597,936)
Special	16,314,207	1,110,522	4,195,621	0	(11,008,064)
Vocational	355,967	0	33,988	0	(321,979)
Support Services:					
Pupil	6,046,331	0	891,856	0	(5,154,475)
Instructional Staff	2,040,688	0	17,671	0	(2,023,017)
Board of Education	40,645	0	0	0	(40,645)
Administration	5,451,287	0	294,008	0	(5,157,279)
Fiscal	2,052,251	34,330	501,862	0	(1,516,059)
Business	486,587	0	0	0	(486,587)
Operation and Maintenance of Plant	7,225,801	4,884	26,257	0	(7,194,660)
Pupil Transportation	6,837,412	117,209	265	0	(6,719,938)
Central	3,073,890	0	274,154	0	(2,799,736)
Operation of Non-Instructional Services:					
Food Service Operations	1,945,231	505,378	747,199	0	(692,654)
Other Non-Instructional Services	1,521,269	686,474	332,543	0	(502,252)
Extracurricular Activities	1,338,903	270,507	20,652	0	(1,047,744)
Extracurricular Activities:					
Intergovernmental	263,918	0	263,918	0	0
Interest and Fiscal Charges	5,658,789	0	0	0	(5,658,789)
Totals	<u>\$100,403,713</u>	<u>\$4,615,855</u>	<u>\$7,765,671</u>	<u>\$1,100,373</u>	<u>(86,921,814)</u>

General Revenues

Property Taxes Levied for:		
General Purposes		52,082,979
Debt Service		4,994,713
Capital Outlay		1,237,259
Grants and Entitlements not Restricted to Specific Programs		18,034,319
Payments in Lieu of Taxes		49,212
Investment Earnings		691,142
Miscellaneous		566,717
Total General Revenues		<u>77,656,341</u>
Change in Net Position		(9,265,473)
<i>Net Position Beginning of Year - (Restated - See Note 3)</i>		<u>(37,188,368)</u>
<i>Net Position End of Year</i>		<u>(\$46,453,841)</u>

See accompanying notes to the basic financial statements

Berea City School District*Balance Sheet
Governmental Funds
June 30, 2020*

	General	Building	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$17,559,061	\$25,599,487	\$3,778,134	\$46,936,682
Restricted Assets				
Equity in Pooled Cash and Cash Equivalents	22,143	0	0	22,143
Accounts Receivable	199,024	0	5,573	204,597
Intergovernmental Receivable	3,085,550	0	1,209,629	4,295,179
Interfund Receivable	2,185,678	0	0	2,185,678
Prepaid Items	224	0	0	224
Inventory Held for Resale	11,707	0	21,857	33,564
Materials and Supplies Inventory	1,033	0	7,110	8,143
Revenue in Lieu of Taxes Receivable	126,660	0	0	126,660
Property Taxes Receivable	61,056,473	0	7,322,002	68,378,475
<i>Total Assets</i>	<u>\$84,247,553</u>	<u>\$25,599,487</u>	<u>\$12,344,305</u>	<u>\$122,191,345</u>
Liabilities				
Accounts Payable	\$507,015	\$0	\$250,272	\$757,287
Contracts Payable	158,000	11,401,767	38,058	11,597,825
Accrued Wages	6,591,859	0	324,174	6,916,033
Matured Compensated Absences Payable	456,083	0	12,947	469,030
Interfund Payable	0	0	6,387	6,387
Intergovernmental Payable	1,510,324	0	87,938	1,598,262
Accrued Interest Payable	0	0	1,673	1,673
Retainage Payable	0	2,061,970	0	2,061,970
Notes Payable	0	0	965,000	965,000
<i>Total Liabilities</i>	<u>9,223,281</u>	<u>13,463,737</u>	<u>1,686,449</u>	<u>24,373,467</u>
Deferred Inflows of Resources				
Unavailable Revenue	6,442,712	0	1,557,944	8,000,656
Payments in Lieu of Taxes	126,660	0	0	126,660
Property Taxes	54,482,012	0	6,524,575	61,006,587
<i>Total Deferred Inflows of Resources</i>	<u>61,051,384</u>	<u>0</u>	<u>8,082,519</u>	<u>69,133,903</u>
Fund Balances				
Nonspendable	23,400	0	7,110	30,510
Restricted	0	12,135,750	3,395,828	15,531,578
Committed	189,547	0	0	189,547
Assigned	520,019	0	0	520,019
Unassigned (Deficit)	13,239,922	0	(827,601)	12,412,321
<i>Total Fund Balances</i>	<u>13,972,888</u>	<u>12,135,750</u>	<u>2,575,337</u>	<u>28,683,975</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$84,247,553</u>	<u>\$25,599,487</u>	<u>\$12,344,305</u>	<u>\$122,191,345</u>

See accompanying notes to the basic financial statements

Berea City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2020*

Total Governmental Fund Balances	\$28,683,975
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	154,586,373
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	4,503,859
Intergovernmental	1,096,056
Tuition and Fees	2,396,336
Extracurricular Activities	<u>4,405</u>
Total	8,000,656
The internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in the statement of net position in governmental activities in the statement of net position.	(1,110,570)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(579,125)
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.	1,877,331
Unamortized bond insurance premiums do not provide current financial resources and, therefore, are not reported in the funds.	505,332
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Certificates of Participation	(28,482,951)
General Obligation Bonds	(110,977,319)
Compensated Absences	<u>(3,090,959)</u>
Total	(142,551,229)
The net pension liability and net OPEB (asset) liability are not due and payable in the current period; therefore, the asset/liability and related deferred inflows/outflows are not reported in governmental funds:	
Net OPEB Asset	5,291,501
Deferred Outflows - Pension	17,378,047
Deferred Outflows - OPEB	2,726,331
Net Pension Liability	(92,500,493)
Net OPEB Liability	(9,199,244)
Deferred Inflows - Pension	(8,698,957)
Deferred Inflows - OPEB	<u>(10,863,769)</u>
Total	<u>(95,866,584)</u>
 <i>Net Position of Governmental Activities</i>	 <u><u>(\$46,453,841)</u></u>

See accompanying notes to the basic financial statements

Berea City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	General	Building	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$49,798,057	\$0	\$5,960,176	\$55,758,233
Intergovernmental	20,494,522	0	4,991,935	25,486,457
Interest	689,528	1,089,573	11,746	1,790,847
Tuition and Fees	3,597,881	0	699,547	4,297,428
Extracurricular Activities	37,125	0	237,243	274,368
Rentals	4,884	0	6,000	10,884
Charges for Services	0	0	517,292	517,292
Payments in Lieu of Taxes	49,212	0	0	49,212
Contributions and Donations	13,737	0	160,619	174,356
Miscellaneous	313,026	0	37,092	350,118
<i>Total Revenues</i>	<u>74,997,972</u>	<u>1,089,573</u>	<u>12,621,650</u>	<u>88,709,195</u>
Expenditures				
Current:				
Instruction:				
Regular	38,816,184	0	125,999	38,942,183
Special	14,318,598	0	1,580,581	15,899,179
Vocational	343,266	0	0	343,266
Support Services:				
Pupil	5,133,630	0	838,065	5,971,695
Instructional Staff	1,931,527	0	8,597	1,940,124
Board of Education	40,780	0	0	40,780
Administration	4,950,187	0	292,602	5,242,789
Fiscal	1,747,215	0	248,943	1,996,158
Business	468,192	0	0	468,192
Operation and Maintenance of Plant	6,463,513	0	42,827	6,506,340
Pupil Transportation	5,225,447	0	282	5,225,729
Central	2,266,010	0	627,475	2,893,485
Operation of Non-Instructional Services	12,951	0	1,479,337	1,492,288
Operation of Food Service	0	0	1,774,118	1,774,118
Extracurricular Activities	1,014,752	0	301,498	1,316,250
Intergovernmental	18,296	0	245,622	263,918
Capital Outlay	324,595	45,997,520	1,317,798	47,639,913
Debt Service:				
Principal Retirement	830,000	0	942,000	1,772,000
Interest and Fiscal Charges	748,209	0	4,877,035	5,625,244
<i>Total Expenditures</i>	<u>84,653,352</u>	<u>45,997,520</u>	<u>14,702,779</u>	<u>145,353,651</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,655,380)</u>	<u>(44,907,947)</u>	<u>(2,081,129)</u>	<u>(56,644,456)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	252,549	252,549
Transfers Out	(252,549)	0	0	(252,549)
<i>Total Other Financing Sources (Uses)</i>	<u>(252,549)</u>	<u>0</u>	<u>252,549</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(9,907,929)	(44,907,947)	(1,828,580)	(56,644,456)
<i>Fund Balances Beginning of Year - (Restated - See Note 3)</i>	<u>23,880,817</u>	<u>57,043,697</u>	<u>4,403,917</u>	<u>85,328,431</u>
<i>Fund Balances End of Year</i>	<u>\$13,972,888</u>	<u>\$12,135,750</u>	<u>\$2,575,337</u>	<u>\$28,683,975</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, 2020*

Net Change in Fund Balances - Total Governmental Funds (\$56,644,456)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlay exceeded depreciation in the current period:

Capital Asset Additions	46,396,732	
Depreciation	<u>(1,983,002)</u>	
Total		44,413,730

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

Delinquent Property Taxes	2,556,718	
Intergovernmental	138,231	
Tuition and Fees	(483,678)	
Extracurricular Activities	<u>(439)</u>	
Total		2,210,832

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	940,000	
General Obligation Bonds	<u>832,000</u>	
Total		1,772,000

In the statement of activities, interest is accrued on outstanding bonds and certificates of participation, whereas in governmental funds, an interest expenditure is reported when due:

Accrued Interest	78,097	
Amortization of Accounting Loss	(132,837)	
Amortization of Unamortized Bond Insurance Premium	(16,891)	
Amortization of Certificates of Participation Discount	(10,003)	
Amortization of Certificates of Participation Premium	6,089	
Amortization of Bond Premium	<u>42,000</u>	
Total		(33,545)

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. (130,744)

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. 514,613

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

Pension	7,148,756	
OPEB	<u>127,448</u>	
Total		7,276,204

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

Pension	(10,375,928)	
OPEB	<u>1,731,821</u>	
Total		<u>(8,644,107)</u>

Change in Net Position of Governmental Activities (\$9,265,473)

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$57,415,510	\$57,620,385	\$57,117,504	(\$502,881)
Intergovernmental	21,886,884	21,771,434	20,501,788	(1,269,646)
Interest	340,000	400,000	428,503	28,503
Tuition and Fees	3,797,613	3,798,433	2,900,079	(898,354)
Extracurricular Activities	87,450	104,450	37,171	(67,279)
Rentals	17,000	17,000	4,884	(12,116)
Payments in Lieu of Taxes	0	100,000	49,212	(50,788)
Contributions and Donations	5,100	7,100	13,737	6,637
Miscellaneous	371,350	393,550	267,460	(126,090)
<i>Total Revenues</i>	<u>83,920,907</u>	<u>84,212,352</u>	<u>81,320,338</u>	<u>(2,892,014)</u>
Expenditures				
Current:				
Instruction:				
Regular	39,270,045	38,511,640	38,024,903	486,737
Special	14,073,355	14,098,387	14,053,977	44,410
Vocational	362,545	362,545	337,137	25,408
Support Services:				
Pupil	5,263,819	5,227,607	5,117,564	110,043
Instructional Staff	2,309,889	2,321,749	1,956,617	365,132
Board of Education	62,146	60,606	40,944	19,662
Administration	4,985,276	4,917,423	4,911,915	5,508
Fiscal	2,140,754	1,845,945	1,763,052	82,893
Business	513,222	591,836	491,867	99,969
Operation and Maintenance of Plant	6,720,363	6,845,216	6,704,758	140,458
Pupil Transportation	5,249,880	5,291,161	5,291,161	0
Central	2,370,298	2,475,770	2,342,035	133,735
Operation of Non-Instructional Services	29,486	29,486	1,637	27,849
Operation of Food Service	0	813	813	0
Extracurricular Activities	1,337,371	1,292,225	1,012,758	279,467
Intergovernmental	18,296	18,296	18,296	0
Capital Outlay	516,613	606,613	599,757	6,856
Debt Service:				
Principal Retirement	830,000	830,000	830,000	0
Interest and Fiscal Charges	748,209	748,209	748,209	0
<i>Total Expenditures</i>	<u>86,801,567</u>	<u>86,075,527</u>	<u>84,247,400</u>	<u>1,828,127</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(\$2,880,660)</u>	<u>(\$1,863,175)</u>	<u>(\$2,927,062)</u>	<u>(\$1,063,887)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Advances In	\$100,000	\$972,223	\$972,222	(\$1)
Advances Out	(250,000)	(250,000)	(2,179,291)	(1,929,291)
Transfers Out	(100,000)	(700,000)	(252,549)	447,451
<i>Total Other Financing Sources (Uses)</i>	<u>(250,000)</u>	<u>22,223</u>	<u>(1,459,618)</u>	<u>(1,481,841)</u>
<i>Net Change in Fund Balance</i>	(3,130,660)	(1,840,952)	(4,386,680)	(2,545,728)
<i>Fund Balance Beginning of Year</i>	18,557,109	18,557,109	18,557,109	0
Prior Year Encumbrances Appropriated	<u>1,609,855</u>	<u>1,609,855</u>	<u>1,609,855</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$17,036,304</u>	<u>\$18,326,012</u>	<u>\$15,780,284</u>	<u>(\$2,545,728)</u>

See accompanying notes to the basic financial statements

Berea City School District
Statement of Fund Net Position
Internal Service Funds
June 30, 2020

	<u>Internal Service</u>
Assets	
<i>Current Assets</i>	
Equity in Pooled Cash and Cash Equivalents	\$140,246
Cash and Cash Equivalents with Fiscal Agent	2,030,573
Prepaid Items	<u>145,232</u>
<i>Total Assets</i>	<u>2,316,051</u>
Liabilities	
<i>Current Liabilities</i>	
Accounts Payable	\$3,535
Intergovernmental Payable	3,231
Interfund Payable	2,179,291
Claims Payable	<u>1,240,564</u>
<i>Total Liabilities</i>	<u>3,426,621</u>
Net Position	
Unrestricted (Deficit)	<u><u>(\$1,110,570)</u></u>

See accompanying notes to the basic financial statements

Berea City School District
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2020*

	Internal Service
Operating Revenues	
Charges for Services	\$13,370,443
Other	216,599
	13,587,042
<i>Total Operating Revenues</i>	<i>13,587,042</i>
Operating Expenses	
Purchased Services	1,704,157
Claims	11,369,886
	13,074,043
<i>Total Operating Expenses</i>	<i>13,074,043</i>
<i>Operating Income (Loss)</i>	<i>512,999</i>
Non-Operating Revenues (Expenses)	
Interest	1,614
	1,614
<i>Change in Net Position</i>	<i>514,613</i>
<i>Net Position (Deficit) Beginning of Year</i>	<i>(1,625,183)</i>
<i>Net Position (Deficit) End of Year</i>	<i>(\$1,110,570)</i>

See accompanying notes to the basic financial statements

Berea City School District
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2020

	Internal Service
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services	\$13,372,307
Other Cash Receipts	216,599
Cash Payments for Goods and Services	(1,691,702)
Cash Payments for Claims	(11,078,201)
	819,003
Cash Flows from Noncapital Financing Activities	
Advance In	2,179,291
Advance Out	(972,222)
	1,207,069
Cash Flows from Investing Activities	
Interest on Investments	1,614
	1,614
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	
	2,027,686
<i>Cash and Cash Equivalents Beginning of Year</i>	
	143,133
<i>Cash and Cash Equivalents End of Year</i>	
	\$2,170,819
 <i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</i>	
<i>Operating Income (Loss)</i>	\$512,999
(Increase) Decrease in Assets	
Accounts Receivable	1,864
Prepaid Items	15,457
Increase (Decrease) in Liabilities	
Accounts Payable	(3,002)
Claims Payable	291,685
	306,004
<i>Total Adjustments</i>	306,004
<i>Net Cash Provided by (Used for) Operating Activities</i>	\$819,003

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, 2020

Note 1 - Description of the School District and Reporting Entity

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by the State and federal agencies. This Board of Education controls the School District's eleven instructional/support facilities staffed by 367 classified employees, 448 certificated full-time personnel, and 47 administrators who provide services to 5,725 students and other community members.

Reporting Entity

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

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

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

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

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

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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 two public entity risk pools. These organizations are presented in Note 18 to the financial statements. These organizations are:

Jointly Governed Organizations:

Polaris Career Center
Educational Community Foundation
Ohio Schools' Council Association

Public Entity Risk Pool:

Cincinnati USA Chamber of Commerce Workers' Compensation Group Rating Program
Great Lakes Regional Council of Governments

Note 2 - Summary of Significant Accounting Policies

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

Fund Accounting

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

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

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

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

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District does not have custodial funds.

Basis of Presentation

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

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

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

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Measurement Focus

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

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

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activity.

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 and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). 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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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, tuition, grants, fees and rentals.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Note 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB plans and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, tuition and fees, and extracurricular activities revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14)

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

Cash and Cash Equivalents

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

The School District participates in a claims servicing pool and its balance within the pool is reported as "Cash and Cash Equivalents with Fiscal Agents."

During fiscal year 2020, investments were limited to money market mutual funds, federal farm credit bank notes, federal home loan bank bonds, federal home loan mortgage corporation notes, US treasury bills, US treasury notes, negotiable certificates of deposit, commercial paper, and STAR Ohio. Except for commercial paper and STAR Ohio, investments are reported at fair value which is based on quoted market prices and

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

significant other observable inputs. The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

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

For fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2020 amounted to \$689,528 which includes \$21,038 assigned from other funds.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the general fund include amounts for unclaimed monies.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

Materials and supplies inventory is presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption. Inventory held for resale is presented at lower of cost or market and consists of donated and purchased food held for resale.

Unamortized Bond Insurance Premiums, Discounts and Premiums

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

refunding debt to be used as part of the payment to the bond escrow agent. On the fund financial statements, bond insurance premiums and discounts and premiums on bonds and COPs are received or expended in the year the debt was issued.

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

Capital Assets

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

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

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

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

Interfund Balances

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

Compensated Absences

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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

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

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

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds are recognized as a liability on the governmental fund financial statements when due.

Pensions/Other Postemployment Benefits (OPEB)

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

Net Position

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

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

Fund Balance

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

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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

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

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

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

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

Operating Revenues and Expenses

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

Internal Activity

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

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Estimates

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

Budgetary Data

All funds, except custodial 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 fund level for all funds. The Treasurer has been given the authority to allocate Board appropriations to the object level in the general fund and the function and object level for all other funds.

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

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

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

The Governmental Accounting Standards Board (GASB) recently issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The School District evaluated implementing these certain GASB pronouncements based on the guidance in GASB 95.

For fiscal year 2020, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* and related guidance from (GASB) Implementation Guide No. 2019-2, *Fiduciary Activities*.

For fiscal year 2020, the School District also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2018-1*. These changes were incorporated in the School District's fiscal year 2020 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 84 established specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the School District will no longer be reporting agency funds. The School District reviewed its private purpose trust fund and its agency funds and certain funds have been reclassified as governmental funds. GASB Statement 84 was incorporated into the School District's fiscal year 2020 financial statements.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Restatement of Fund Balances and Net Position

The implementation of GASB Statement No. 84 had the following effect on fund balance as of June 30, 2019:

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances, June 30, 2019	\$23,853,219	\$57,043,697	\$4,234,843	\$85,131,759
Adjustments: GASB Statement 84	<u>27,598</u>	<u>0</u>	<u>169,074</u>	<u>196,672</u>
Restated Fund Balances, June 30, 2019	<u><u>\$23,880,817</u></u>	<u><u>\$57,043,697</u></u>	<u><u>\$4,403,917</u></u>	<u><u>\$85,328,431</u></u>

The implementation of GASB Statement No. 84 had the following effect on governmental and fiduciary net position as of June 30, 2019:

	<u>Governmental Activities</u>		<u>Private Purpose</u>	<u>Agency</u>
Net Position June 30, 2019	(\$37,385,040)		\$13,854	\$0
Adjustments:				
GASB Statement 84	196,672		(13,854)	0
Assets	0		0	(742,105)
Liabilities	<u>0</u>		<u>0</u>	<u>742,105</u>
Restated Net Position, June 30, 2019	<u><u>(\$37,188,368)</u></u>		<u><u>\$0</u></u>	<u><u>\$0</u></u>

Note 4 – Accountability and Compliance

Accountability

The following funds had deficit fund balances at June 30, 2020:

Special Revenue Funds	
Title VI-B	\$2,008
Title I	84,303
Preschool	2,542
Title IIA	12,393
Title III	215
Capital Projects Fund	
Permanent Improvement	726,140

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 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.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

The self insurance internal service fund had a deficit net position of \$1,393,969 as of June 30, 2020. Management is currently analyzing the internal service operations to determine appropriate steps to alleviate the deficit.

Compliance

Contrary to Ohio Revised Code Section 5705.41(B) the following accounts in the auxiliary services special revenue fund had expenditures plus encumbrances in excess of appropriations:

Fund/Function	Appropriations Plus Prior Year Encumbrances	Expenditures Plus Encumbrances	Excess
Auxiliary Services	\$250,523	\$288,097	(\$37,574)

Although these budgetary violations were not corrected by fiscal year end, management has indicated that appropriations will be closely monitored to prevent future violations.

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).
4. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Investments are reported at cost (budget basis) rather than fair value (GAAP basis).
6. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
7. Budgetary revenues and expenditures of the staff services and payroll funds are reclassified to the general fund for GAAP reporting.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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	(\$9,907,929)
Net Adjustment for Revenue Accruals	6,288,650
Net Adjustment for Expenditure Accruals	1,598,347
Perspective Difference:	
Staff Services	(7,044)
Payroll	310,223
Advances In	972,222
Advances Out	(2,179,291)
Beginning Unrecorded Cash End of Year	20,001
Ending Unrecorded Cash End of Year	(7,546)
Beginning Fair Value Adjustment for Investments	66,060
Ending Fair Value Adjustment for Investments	(336,840)
Adjustment for Encumbrances	<u>(1,203,533)</u>
Budget Basis	<u><u>(\$4,386,680)</u></u>

Note 6 - Interfund Transactions

Interfund Balances

Interfund balances at June 30, 2020, consist of the following individual fund receivables and payables:

	Interfund Receivable
Interfund Payable	General
Other Governmental Funds:	
Preschool	\$505
Title IIA	5,882
Total Governmental Funds	<u>6,387</u>
Internal Service Fund:	
Self Insurance	<u>2,179,291</u>
Total	<u><u>\$2,185,678</u></u>

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

Interfund Transfers

The transfers of \$36, \$52,513 and \$200,000 from the general fund to the food service and district managed student activities special revenue funds and the permanent improvement capital projects fund, respectively, were made to move unrestricted balances to support programs and projects accounted for in those funds.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 7 – Fund Balances

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

Fund Balances	General	Building	Other Governmental Funds	Total
Nonspendable				
Prepays	\$224	\$0	\$0	\$224
Inventory	1,033	0	7,110	8,143
Unclaimed Monies	22,143	0	0	22,143
<i>Total Nonspendable</i>	<u>23,400</u>	<u>0</u>	<u>7,110</u>	<u>30,510</u>
Restricted for				
Non-Public Schools	0	0	59,046	59,046
Student Activities	0	0	306,689	306,689
Student Wellness	0	0	75,408	75,408
Professional Development	0	0	153,868	153,868
Preschool	0	0	1,160	1,160
Scholarships	0	0	14,058	14,058
Special Education	0	0	26,119	26,119
Network Connectivity	0	0	21,600	21,600
Food Service Operations	0	0	371,241	371,241
Adult Education	0	0	74,768	74,768
Debt Service Payments	0	0	2,291,871	2,291,871
Capital Improvements	0	12,135,750	0	12,135,750
<i>Total Restricted</i>	<u>0</u>	<u>12,135,750</u>	<u>3,395,828</u>	<u>15,531,578</u>
Committed to				
Instruction	1,695	0	0	1,695
Support Services	80,305	0	0	80,305
Capital Improvements	107,547	0	0	107,547
<i>Total Committed</i>	<u>189,547</u>	<u>0</u>	<u>0</u>	<u>189,547</u>
Assigned to				
Staff Services	34,642	0	0	34,642
Purchases on Order:				
Instruction	66,474	0	0	66,474
Support Services	410,577	0	0	410,577
Non-Instructional Services	1,098	0	0	1,098
Capital Improvements	7,228	0	0	7,228
<i>Total Assigned</i>	<u>520,019</u>	<u>0</u>	<u>0</u>	<u>520,019</u>
Unassigned (Deficit)	<u>13,239,922</u>	<u>0</u>	<u>(827,601)</u>	<u>12,412,321</u>
<i>Total Fund Balances</i>	<u>\$13,972,888</u>	<u>\$12,135,750</u>	<u>\$2,575,337</u>	<u>\$28,683,975</u>

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 8 – 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 2020 represent the collection of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed values as of January 1, 2019, 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 2020 represent the collection of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2020 became a lien on December 31, 2018, were levied after April 1, 2019, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2020, are available to finance fiscal year 2020 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, 2020 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2020, was \$2,545,283 in the general fund, \$263,276 in the debt service fund, and \$59,470 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2019, was \$9,864,730 in the general fund, \$1,044,691 in the debt service fund, and \$230,500 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 2020 taxes were collected are:

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

	2019 Second Half Collections		2020 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,376,175,830	96.49%	\$1,396,665,990	96.27%
Public Utility Personal	50,087,240	3.51	54,166,250	3.73
Total	\$1,426,263,070	100.00%	\$1,450,832,240	100.00%
Full Tax Rate per \$1,000 of assessed valuation	\$82.20		\$82.10	

Note 9 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2020, \$2,193,139 of the School District's total bank balance of \$7,176,469 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The School District's financial institutions participate in the Ohio Pooled Collateral System (OPCS) and were approved for a reduced collateral floor of, 59 percent and 70 percent, resulting in the uninsured and uncollateralized balance.

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

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

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

Cash with Fiscal Agents

At June 30, 2020, the School District's self insurance internal service fund had a \$2,885,030 balance with the Great Lakes Council of Governments (the Council), a claims servicing pool (See Note 18). The balance is held by the claims administrator in a pooled account which is representative of several entities and therefore cannot be included in the risk disclosures reported by the School District. Disclosures for the Council as a whole may be obtained from the Council's fiscal agent.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Investments

As of June 30, 2020, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value - Level One Inputs:				
Money Market Mutual Fund	\$18,850	Less than one year	AAAm	0.05 %
Fair Value - Level Two Inputs:				
Federal Farm Credit Bank Notes	1,400,318	Less than three years	AA+	3.46 %
Federal Home Loan Bank Bonds	1,576,833	Less than three years	AA+	3.89 %
Federal Home Loan Mortgage Corporation Notes	977,564	Less than five years	AA+	2.41 %
US Treasury Bills	5,521,789	Less than one year	N/A	13.64 %
US Treasury Note	6,637,300	Less than one year	N/A	16.39 %
Negotiable Certificates of Deposit	8,741,761	Less than five years	N/A	21.59 %
Amortized Cost:				
Commercial Paper	12,520,989	Less than one year	A-1/A-1+	30.92 %
Net Asset Value Per Share:				
STAR Ohio	<u>3,100,564</u>	41.5 Days	AAAm	N/A
Total Investments	<u>\$40,495,968</u>			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the School District's recurring fair value measurements as of June 30, 2020. The money market mutual funds are measured at fair value using quoted market prices (Level 1 inputs). The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year. The remainder of the School District's investments that are measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

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

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

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 10 – Receivables

Receivables at June 30, 2020, consisted of taxes, accounts (rent and student fees), payments in lieu of taxes and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the non-payment of taxes, the stable condition of state programs and the current fiscal year guarantee of federal funds. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Funds	
Special Instruction Tuition	\$2,191,210
Title I	479,561
Excess Cost	475,369
Regular Instruction Tuition	397,099
City of Brook Park	263,918
Title VI-B	232,479
Title II-A	85,133
Preschool at Risk	54,989
UPK Scholarship	42,572
Food Service CRRS	33,074
Title III	15,233
ESC Grant	15,036
Preschool	5,931
Medicaid	3,575
<i>Total Governmental Funds</i>	\$4,295,179

Payments in Lieu of Taxes

The School District is party to Tax Increment Financing (TIF) agreements. Municipalities, townships and counties can enter into TIF agreements which lock in real property at its unimproved value for up to 30 years in a defined TIF district. Some TIF agreements also require the TIF government to allocate service payments to school districts and other governments to help offset the property taxes these governments would have received had the improvements to real property not been exempted. The service payments that the School District receives as part of the TIF agreements are presented on the financial statements as Payments in Lieu of Taxes.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance 6/30/19	Additions	Deductions	Balance 6/30/20
Governmental Activities				
<i>Capital Assets, Not Being Depreciated</i>				
Land	\$893,217	\$0	\$0	\$893,217
Construction in Progress	64,612,487	45,677,334	0	110,289,821
<i>Total Capital Assets, not Being Depreciated</i>	65,505,704	45,677,334	0	111,183,038
<i>Capital Assets, Being Depreciated</i>				
Land Improvements	4,137,303	0	0	4,137,303
Buildings and Improvements	68,300,618	83,183	0	68,383,801
Furniture and Equipment	4,631,108	89,730	0	4,720,838
Vehicles	6,683,069	546,485	(710,349)	6,519,205
<i>Total Capital Assets, Being Depreciated</i>	83,752,098	719,398	(710,349)	83,761,147
Less Accumulated Depreciation:				
Land Improvements	(2,068,108)	(122,036)	0	(2,190,144)
Buildings and Improvements	(29,744,120)	(1,076,423)	0	(30,820,543)
Furniture and Equipment	(2,653,502)	(332,729)	0	(2,986,231)
Vehicles	(4,619,429)	(451,814)	710,349	(4,360,894)
<i>Total Accumulated Depreciation</i>	(39,085,159)	(1,983,002)	710,349	(40,357,812)
Total Capital Assets, Being Depreciated, Net	44,666,939	(1,263,604)	0	43,403,335
Governmental Activities Capital Assets, Net	\$110,172,643	\$44,413,730	\$0	\$154,586,373

Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$521,401
Special	317,495
Vocational	8,673
Support Services	
Pupil	45,806
Instructional Staff	92,471
Administration	77,297
Fiscal	12,883
Business	6,097
Operation and Maintenance of Plant	148,750
Pupil Transportation	564,494
Central	59,664
Operation of Food Service	118,489
Extracurricular Activities	9,482
Total Depreciation Expense	<u>\$1,983,002</u>

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 12 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2020, the School District contracted with Liberty Mutual for Property (Fire and Extended Coverage), and for Boiler and Machinery coverage through Travelers Insurance. Both of these policies are part of the Ohio Schools' Council group purchasing plan.

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

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

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

Workers' Compensation

For fiscal year 2020, the School District participated in Cincinnati USA Chamber of Commerce Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniComp provides administrative, cost control and actuarial services to the GRP.

Health and Life Insurance

During fiscal year 2020 the School District offered medical, prescription drug, dental and vision benefits for all eligible employees and their dependents. The School District joined the Great Lakes Council of Governments (the Council), a claims servicing pool, beginning July 1, 2019. Monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The Council contracted with a third party administrator, Medical Mutual Services, LLC for the year ended June 30, 2020. Payments are made by members to the Council for monthly health insurance premiums, monthly stop-loss premiums, and administrative charges.

The claims liability of \$1,240,564 reported in the internal service fund at June 30, 2020 is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Management's expectation is the claims liabilities will be paid within one year. Changes in the fund's claim liability amount in fiscal years 2020 and 2019 were:

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	Beginning of Year	Year Claims	Claim Payments	End of Year
2019	\$818,698	\$11,204,388	\$11,074,207	\$948,879
2020	948,879	11,369,886	11,078,201	1,240,564

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

Note 13 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2020, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

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The School District's contractually required contribution to SERS was \$1,784,729 for fiscal year 2020. Of this amount \$27,714 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2020 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2020, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$5,364,027 for fiscal year 2020. Of this amount \$766,513 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Prior Measurement Date	0.41825470%	0.32559443%	
Current Measurement Date	<u>0.36514840%</u>	<u>0.31948878%</u>	
Change in Proportionate Share	<u>-0.05310630%</u>	<u>-0.00610565%</u>	
Proportionate Share of the Net			
Pension Liability	\$21,847,469	\$70,653,024	\$92,500,493
Pension Expense	\$2,703,978	\$7,671,950	\$10,375,928

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$554,004	\$575,233	\$1,129,237
Changes of assumptions	0	8,299,562	8,299,562
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	800,492	0	800,492
School District contributions subsequent to the measurement date	<u>1,784,729</u>	<u>5,364,027</u>	<u>7,148,756</u>
Total Deferred Outflows of Resources	<u>\$3,139,225</u>	<u>\$14,238,822</u>	<u>\$17,378,047</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$305,843	\$305,843
Net difference between projected and actual earnings on pension plan investments	280,439	3,453,137	3,733,576
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>2,374,674</u>	<u>2,284,864</u>	<u>4,659,538</u>
Total Deferred Inflows of Resources	<u>\$2,655,113</u>	<u>\$6,043,844</u>	<u>\$8,698,957</u>

\$7,148,756 is reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2021	(\$387,471)	\$3,381,656	\$2,994,185
2022	(1,053,527)	146,819	(906,708)
2023	(18,661)	(847,872)	(866,533)
2024	<u>159,042</u>	<u>150,348</u>	<u>309,390</u>
Total	<u>(\$1,300,617)</u>	<u>\$2,830,951</u>	<u>\$1,530,334</u>

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

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

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

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

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Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$30,616,115	\$21,847,469	\$14,493,862

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

* Target weights will be phased in over a 24-month period concluding on July1, 2019.

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

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$103,251,523	\$70,653,024	\$43,056,724

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Note 14 - Defined Benefit OPEB Plans

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

Plan Description - School Employees Retirement System (SERS)

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2020, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

For fiscal year 2020, the School District's surcharge obligation was \$127,448.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$127,448 for fiscal year 2020. Of this amount \$127,448 is reported as an intergovernmental payable.

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Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Prior Measurement Date	0.41949200%	0.32559443%	
Current Measurement Date	0.36580570%	0.31948878%	
Change in Proportionate Share	-0.05368630%	-0.00610565%	
Proportionate Share of the:			
Net OPEB Liability	\$9,199,244	\$0	\$9,199,244
Net OPEB (Asset)	\$0	(\$5,291,501)	(\$5,291,501)
OPEB Expense	(\$46,541)	(\$1,685,280)	(\$1,731,821)

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$135,037	\$479,712	\$614,749
Changes of assumptions	671,900	111,227	783,127
Net difference between projected and actual earnings on OPEB plan investments	22,082	0	22,082
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	1,178,925	0	1,178,925
School District contributions subsequent to the measurement date	127,448	0	127,448
Total Deferred Outflows of Resources	<u>\$2,135,392</u>	<u>\$590,939</u>	<u>\$2,726,331</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$2,021,011	\$269,211	\$2,290,222
Changes of assumptions	515,499	5,801,511	6,317,010
Net difference between projected and actual earnings on OPEB plan investments	0	332,345	332,345
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	1,668,828	255,364	1,924,192
Total Deferred Inflows of Resources	<u>\$4,205,338</u>	<u>\$6,658,431</u>	<u>\$10,863,769</u>

\$127,448 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	(\$786,052)	(\$1,328,356)	(\$2,114,408)
2022	(259,712)	(1,328,360)	(1,588,072)
2023	(253,231)	(1,195,162)	(1,448,393)
2024	(254,286)	(1,148,435)	(1,402,721)
2025	(403,400)	(1,076,541)	(1,479,941)
Thereafter	(240,713)	9,362	(231,351)
Total	<u>(\$2,197,394)</u>	<u>(\$6,067,492)</u>	<u>(\$8,264,886)</u>

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019, are presented below:

Inflation	3.00 percent
Wage Increases	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.13 percent
Prior Measurement Date	3.62 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.22 percent
Prior Measurement Date	3.70 percent
Medical Trend Assumption	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7.00 to 4.75 percent

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

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

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

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

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019, was 3.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13 percent, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22 percent) and higher (4.22 percent) than the current discount rate (3.22 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate.

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
School District's proportionate share of the net OPEB liability	\$11,166,138	\$9,199,244	\$7,635,333
	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$7,370,458	\$9,199,244	\$11,625,600

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019, actuarial valuation are presented below:

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Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5.87 percent initial, 4 percent ultimate
Medicare	4.93 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	7.73 percent initial, 4 percent ultimate
Medicare	9.62 initial, 4 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2019.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

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	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB asset	(\$4,515,242)	(\$5,291,501)	(\$5,944,153)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$6,000,319)	(\$5,291,501)	(\$4,423,370)

Note 15 – Other Employee Benefits

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 100 days. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2020, one member of the Governing Board elected Social Security. The contribution rate is 6.2 percent of wages.

Note 16 - Contingencies

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2020, if applicable, cannot be determined at this time.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. ODE has finalized the impact of enrollment adjustments to the June 30, 2020 foundation funding for

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the School District. These adjustments were insignificant for the School District.

Litigation

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

Note 17 - Set-Aside Calculations

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set-aside amounts for capital acquisition. Disclosure of this information is required by State statute.

	Capital Improvements
Set Aside Balance as of June 30, 2019	\$0
Current Year Set-Aside Requirement	1,023,955
Current Year Offset	(1,493,897)
Qualifying Disbursements	(201,041)
Total	(\$670,983)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$0

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

Note 18 - Jointly Governed Organizations and Public Entity Risk Pools

Jointly Governed Organizations

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

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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 University. The degree of control exercised by any participating school district is limited to its representation on the board. Each Trustee has one vote. The Board of Trustees of the Foundation may select any number of Honorary Trustees. Honorary Trustees are non-voting members. The board is responsible for approving its own budgets, accounting and finance related activities and appointing personnel. Financial information can be obtained by contacting Andi Whitaker, Executive/Development Director of the Foundation at 390 Fair Street, Berea, Ohio 44017.

The Ohio Schools Council Association (Council) is a jointly governed organization among 126 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 Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. 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 2020, the School District did not make any payments to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6373 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

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

Public Entity Risk Pool

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

The School District participates in the Great Lakes Regional Council of Governments (COG), a claims-servicing pool as defined by Government Accounting Standards Board Statement No. 10 as amended by GASB statement 30. The Great Lakes Council of Governments, (the Council) 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 as defined by Chapter 167 of the Ohio Revised Code. It was formed to carry out a cooperative program for the provisions and administration of health care benefits for member employees in

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accordance with the Council-by-laws. The Council is directed by a Governing Board, consisting of the Superintendents or designee of the participating school districts. As of June 30, 2020, there were five participating members of the Council. The Council is committed to providing its members districts with advantages of a large buying cooperative, while maintaining control by the local district leadership. Underwriting considerations are of utmost importance in reviewing new membership applications, as the Council is committed to protecting the long-term financial interests of its core members, and will not admit a new member that will adversely impact premiums and claims payments. Members pay monthly premiums (program costs) from which eligible claims are paid for member employees and their covered dependents. Claims are paid for all participants regardless of claims flow. The Board of Directors annually estimate and set the amount of funds necessary in order to have funds available to pay all claims which could be made under the Health Benefits Plan by covered persons which would not be paid aggregate and specific stop-loss insurance coverages, and said amounts will be place in a reserve fund. If the members aggregate contributions less expense cause it to have a negative cash balance, the Council shall direct the Fiscal Agent to promptly notify in writing each member of any additional funds necessary to correct the deficiency. Whereupon each Member shall appropriate (pursuant to Chapter 5705 of the Revised Code) the amount stated in that notice and remit the same to the Fiscal Agent within the time periods determined by the Council. The Council employs reinsurance agreements (stop-loss coverage) to reduce risk that large losses may be incurred on medical claims. This allows the Council to recover a portion of losses on claims from re-insurers. The Council issues its own financial statements. Fiscal information can be obtained by contacting the Treasurer of the Olmsted Falls City School District, Fiscal Officer, Great Lakes Council of Governments, 26937 Bagley Road, Olmsted Falls, Ohio 44138.

Note 19 – Notes Payable

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 6/30/2019	Additions	Deductions	Principal Outstanding 6/30/2020
Permanent Improvement				
2013 School Improvement 2.08%				
Tax Anticipation Notes	\$1,275,000	\$0	\$310,000	\$965,000

Principal and interest requirements to retire the notes outstanding at June 30, 2020 are as follows:

Fiscal Year Ending June 30	2013 Notes	
	Principal	Interest
2021	\$315,000	\$16,796
2022	320,000	10,192
2023	330,000	3,432
Total	\$965,000	\$30,420

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

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Note 20 – Long – Term Liabilities

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

	Principal Outstanding 6/30/2019	Additions	Reductions	Principal Outstanding 6/30/2020	Amounts Due in One Year
Certificates of Participation:					
Certificates of Participation - 2010					
Serial Certificates	\$1,335,000	\$0	\$655,000	\$680,000	\$680,000
Discount on Certificate of Participation	(19,344)	0	(9,491)	(9,853)	0
Premium on Certificate of Participation	6,049	0	2,968	3,081	0
2014 Certificates of Participation Refunding					
Term Certificates	35,000	0	35,000	0	0
Discount on Certificate of Participation	(512)	0	(512)	0	0
2016 Certificates of Participation Refunding					
Serial Certificates	8,475,000	0	105,000	8,370,000	110,000
Premium on Certificate of Participation	251,844	0	3,121	248,723	0
2018 Certificates of Participation Refunding					
Term Certificates	14,126,000	0	35,000	14,091,000	71,000
2019 Certificates of Participation					
Serial Certificates	1,905,000	0	110,000	1,795,000	100,000
Term Certificates	3,305,000	0	0	3,305,000	0
Total Certificates of Participation	<u>29,419,037</u>	<u>0</u>	<u>936,086</u>	<u>28,482,951</u>	<u>961,000</u>
General Obligation Bonds:					
2017 School Improvement Bonds					
Serial Bonds	18,870,000	0	760,000	18,110,000	790,000
Term Bonds	91,020,000	0	0	91,020,000	0
Premium on Bonds	1,466,319	0	42,000	1,424,319	0
2019 Bus Acquisition Bonds					
Serial Bonds	495,000	0	72,000	423,000	102,000
Total General Obligation Bonds	<u>111,851,319</u>	<u>0</u>	<u>874,000</u>	<u>110,977,319</u>	<u>892,000</u>
Net Pension Liability					
SERS	23,954,222	0	2,106,753	21,847,469	0
STRS	71,590,904	0	937,880	70,653,024	0
Total Net Pension Liability	<u>95,545,126</u>	<u>0</u>	<u>3,044,633</u>	<u>92,500,493</u>	<u>0</u>
Net OPEB Liability					
SERS	11,637,841	0	2,438,597	9,199,244	0
Compensated Absences	2,960,215	526,371	395,627	3,090,959	402,500
Total Governmental Activities					
Long-Term Liabilities	<u>\$251,413,538</u>	<u>\$526,371</u>	<u>\$7,688,943</u>	<u>\$244,250,966</u>	<u>\$2,255,500</u>

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-

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year terms through October 1, 2044 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 3.00 to 5.00 percent. The School District has the option to purchase the elementary building on any lease payment date by paying the amount necessary to defease the indenture.

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

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

Net proceeds of \$8,942,092 (after payment of \$222,380 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2010 COPs. As a result, \$7,810,000 of these COPs are considered defeased and the liability for the refunded COPs has been removed from the School District’s financial statements. Accordingly, the trust account assets and liabilities for the defeased COPs are not included in the School District’s financial statements. On June 30, 2020, \$7,810,000 of the defeased bonds are still outstanding.

On December 27, 2017, the School District issued \$14,279,000 in Certificates of Participation (COPs), for the purpose of partially refunding the COPs issued in fiscal year 2014 for the purpose of building a new elementary school. The COPs included issuance costs of \$170,106. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code.

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The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term of five years with includes the right to renew for 19 successive one-year terms through October 1, 2039, subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of 3.43 percent. The School District has the option to purchase the elementary building on any lease payment date by paying the amount necessary to defease the indenture. The COPs were issued for a 22 year period with final maturity during fiscal year 2040. The COPs will be retired through the general fund.

The term certificate maturing on October 1, 2039 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on October 1 in the years and in the principal amounts as follows:

Year	<u>2018 Certificate of Participation</u> \$14,279,000
2021	\$71,000
2022	72,000
2023	73,000
2024	75,000
2025	81,000
2026	83,000
2027	84,000
2028	86,000
2029	92,000
2030	94,000
2031	945,000
2032	1,195,000
2033	1,234,000
2034	1,277,000
2035	1,321,000
2036	1,364,000
2037	1,412,000
2038	1,459,000
2039	1,509,000
Total	12,527,000
Stated Maturity	10/1/2039

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

Net proceeds of \$14,108,894 (after payment of \$170,106 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded 2014 COPs. As a result, the \$13,450,000 of these COPs are considered defeased and the liability for the refunded COPs has been removed from the School District’s financial statements. Accordingly, the trust account assets and liabilities for the defeased COPs are not included in the School District’s financial statements. On June 30, 2020, \$13,450,000 of the defeased bonds are still outstanding.

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

On December 28, 2018, the School District issued \$5,210,000 in Certificates of Participation (COPs), for the purpose of making improvements to the School District’s High School Performing Arts Center and Building site and other improvements to School District Facilities. The COPs included issuance costs of \$207,144. 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 six months with includes the right to renew for 29 successive one-year terms through December 1, 2048, subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component of three to four percent. The School District has the option to purchase the leased property with 90 days’ prior written notice for a price equal to the amount necessary to cause all lease payments to be paid or deemed paid. The COPs were issued for a 29 year period with final maturity during fiscal year 2049. The COPs will be retired through the permanent improvement capital projects fund. The School District had \$5,100,000 in unspent proceeds as of June 30, 2020.

The term certificate maturing on December 1, 2044 and December 1, 2048 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 December 1 in the years and in the principal amounts as follows:

Year	2019 Certificate of Participation	
	\$2,225,000	\$1,080,000
2034	\$165,000	\$0
2035	170,000	0
2036	180,000	0
2037	185,000	0
2038	195,000	0
2039	200,000	0
2040	210,000	0
2041	215,000	0
2042	225,000	0
2043	235,000	0
2045	0	255,000
2046	0	265,000
2047	0	275,000
Total	1,980,000	795,000
Stated Maturity	12/1/2044	12/1/2048

The remaining principal amount of the term certificates (\$245,000 and \$285,000) will mature at the stated maturity.

Annual base rent requirements to retire COPs outstanding at June 30, 2020 are as follows:

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

	Certificates of Participation			
	Serial		Term	
	Principal	Interest	Principal	Interest
2021	\$890,000	\$299,927	\$71,000	\$614,304
2022	925,000	273,257	72,000	611,851
2023	940,000	252,507	73,000	609,364
2024	960,000	229,232	75,000	606,826
2025	985,000	203,407	81,000	604,151
2026 - 2030	5,350,000	590,412	439,000	2,977,193
2031 - 2035	795,000	47,423	6,137,000	2,451,726
2036 - 2040	0	0	8,238,000	1,181,710
2041 - 2045	0	0	1,130,000	332,600
2046 - 2049	0	0	1,080,000	88,400
Total	\$10,845,000	\$1,896,165	\$17,396,000	\$10,078,125

On March 2, 2017, the School District issued \$112,500,000 in general obligation bonds, which included \$21,480,000 in serial bonds and \$91,020,000 in term bonds with interest rates varying from 3.84 percent to 5.00 percent. These bonds were issued for the purpose of constructing, renovating, remodeling, rehabilitating, adding to, furnishing, equipping and otherwise improving buildings and facilities. The bonds were issued at a premium of \$1,564,319, which is amortized over the life of the bonds, and issuance costs of \$1,353,238. The bonds were issued for a 36 year period with final maturity during fiscal year 2054. The School District had \$15,621,477 in unspent proceeds including accruals, as of June 30, 2020. The bonds will be retired through the debt service fund.

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

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

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

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

On March 13, 2019, the School District issued \$495,000 in serial bus acquisition bonds at an interest rate of 2.45 percent. The bonds included issuance costs of \$15,000. These bonds were issued for the purpose of acquiring school buses and related equipment used in transporting pupils. The bonds were issued for a 5 year period with final maturity during fiscal year 2024. The bonds will be retired through the permanent improvement capital projects fund.

At June 30, 2020 the School District's overall legal debt margin was \$22,348,773 with an unvoted debt margin of \$1,450,832. Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2020 are as follows:

Fiscal Year Ending June 30	General Obligation Bonds			
	Serial Bonds		Term Bonds	
	Principal	Interest	Principal	Interest
2021	\$892,000	\$686,039	\$0	\$3,855,975
2022	909,500	659,509	0	3,855,975
2023	1,102,000	630,868	0	3,855,975
2024	1,174,500	596,966	0	3,855,975
2025	1,160,000	545,325	0	3,855,975
2026 - 2030	7,445,000	1,881,162	0	19,279,875
2031 - 2035	5,850,000	361,401	4,585,000	19,099,375
2036 - 2040	0	0	14,380,000	16,798,013
2041 - 2045	0	0	19,850,000	12,696,150
2046 - 2050	0	0	26,080,000	7,939,400
2051 - 2054	0	0	26,125,000	2,154,300
Total	\$18,533,000	\$5,361,270	\$91,020,000	\$97,246,988

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

Note 21 – Significant Commitments

Contractual Commitments

At June 30, 2020, the School District's significant contractual commitments consisted of:

Project	Contract Amount	Amount Paid	Remaining Contract
Middle School	\$461,960	\$378,166	\$83,794
District Facilities	7,657,299	6,325,718	1,331,581
Brook Park Elementary	26,960,931	22,105,968	4,854,963
Big Creek Elementary	4,002,164	3,853,142	149,022
High School	19,750,184	6,001,854	13,748,330
	\$58,832,538	\$38,664,848	\$20,167,690

Berea City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

The amount paid as of June 30, 2020, as well as accounts, contracts and retainage payable totaling \$13,649,758 have been capitalized. The remaining commitments amounts were encumbered at fiscal year end.

Encumbrances

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

Major Funds:	
General	\$1,203,533
Building	20,062,885
Other Governmental Funds	<u>25,035,457</u>
Total	<u>\$46,301,875</u>

Note 22 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the School District. The School District's investment portfolio and the investments of the pension and other employee benefit plans in which the School District participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the School District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 23 – Subsequent Event

During fiscal year 2021, the School District became fiscal agent for the Great Lakes Council of Governments.

Required Supplementary Information

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

	2020	2019	2018
School District's Proportion of the Net Pension Liability	0.36514840%	0.41825470%	0.34791870%
School District's Proportionate Share of the Net Pension Liability	\$21,847,469	\$23,954,222	\$20,787,374
School District's Covered Payroll	\$12,540,081	\$12,425,333	\$11,404,864
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	174.22%	192.79%	182.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.85%	71.36%	69.50%

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

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014
0.39983420%	0.41362290%	0.43617500%	0.43617500%
\$29,264,174	\$23,601,723	\$22,074,568	\$25,937,927
\$12,442,300	\$12,457,449	\$12,673,622	\$9,402,489
235.20%	189.46%	174.18%	275.86%
62.98%	69.16%	71.70%	65.52%

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

	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.36580570%	0.41949200%	0.35631640%	0.40236190%
School District's Proportionate Share of the Net OPEB Liability	\$9,199,244	\$11,637,841	\$9,562,596	\$11,468,803
School District's Covered Payroll	\$12,540,081	\$12,425,333	\$11,404,864	\$12,442,300
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	73.36%	93.66%	83.85%	92.18%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	15.57%	13.57%	12.46%	11.49%

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

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

See accompanying notes to the required supplementary information

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

	2020	2019	2018
School District's Proportion of the Net Pension Liability	0.31948878%	0.32559443%	0.32721499%
School District's Proportionate Share of the Net Pension Liability	\$70,653,024	\$71,590,904	\$77,730,622
School District's Covered Payroll	\$37,569,943	\$37,054,414	\$36,229,707
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	188.06%	193.20%	214.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.40%	77.30%	75.30%

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

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014
0.33284536%	0.33767048%	0.36280548%	0.36280548%
\$111,413,375	\$93,322,244	\$88,246,848	\$105,119,069
\$35,172,107	\$34,421,322	\$35,863,107	\$39,619,977
316.77%	271.12%	246.07%	265.32%
66.80%	72.10%	74.70%	69.30%

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

	2020	2019	2018	2017
School District's Proportion of the Net OPEB (Asset) Liability	0.31948878%	0.32559443%	0.32721499%	0.33284536%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$5,291,501)	(\$5,231,970)	\$12,766,721	\$17,800,656
School District's Covered Payroll	\$37,569,943	\$37,054,414	\$36,229,707	\$35,172,107
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-14.08%	-14.12%	35.24%	50.61%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability	174.70%	176.00%	47.10%	37.30%

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

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

See accompanying notes to the required supplementary information

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Pension Liability				
Contractually Required Contribution	\$1,784,729	\$1,692,911	\$1,677,420	\$1,596,681
Contributions in Relation to the Contractually Required Contribution	<u>(1,784,729)</u>	<u>(1,692,911)</u>	<u>(1,677,420)</u>	<u>(1,596,681)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$12,748,064	\$12,540,081	\$12,425,333	\$11,404,864
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	\$127,448	\$246,292	\$267,315	\$209,277
Contributions in Relation to the Contractually Required Contribution	<u>(127,448)</u>	<u>(246,292)</u>	<u>(267,315)</u>	<u>(209,277)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll (2)	<u>1.00%</u>	<u>1.96%</u>	<u>2.15%</u>	<u>1.83%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.00%</u>	<u>15.46%</u>	<u>15.65%</u>	<u>15.83%</u>

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2016	2015	2014	2013	2012	2011
\$1,741,922	\$1,641,892	\$1,756,564	\$1,301,304	\$1,770,542	\$1,849,827
(1,741,922)	(1,641,892)	(1,756,564)	(1,301,304)	(1,770,542)	(1,849,827)
\$0	\$0	\$0	\$0	\$0	\$0
\$12,442,300	\$12,457,449	\$12,673,622	\$9,402,489	\$13,163,882	\$14,716,207
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%
\$191,471	\$237,422	\$138,359	\$220,974	\$290,929	\$431,441
(191,471)	(237,422)	(138,359)	(220,974)	(290,929)	(431,441)
\$0	\$0	\$0	\$0	\$0	\$0
1.54%	1.91%	1.09%	2.35%	2.21%	2.93%
15.54%	15.09%	14.95%	16.19%	15.66%	15.50%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Pension Liability				
Contractually Required Contribution	\$5,364,027	\$5,259,792	\$5,187,618	\$5,072,159
Contributions in Relation to the Contractually Required Contribution	<u>(5,364,027)</u>	<u>(5,259,792)</u>	<u>(5,187,618)</u>	<u>(5,072,159)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$38,314,479	\$37,569,943	\$37,054,414	\$36,229,707
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

See accompanying notes to the required supplementary information

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$4,924,095	\$4,818,985	\$4,662,204	\$5,150,597	\$5,093,110	\$5,120,193
<u>(4,924,095)</u>	<u>(4,818,985)</u>	<u>(4,662,204)</u>	<u>(5,150,597)</u>	<u>(5,093,110)</u>	<u>(5,120,193)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$35,172,107	\$34,421,322	\$35,863,107	\$39,619,977	\$39,177,769	\$39,386,100
<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>	<u>13.00%</u>
\$0	\$0	\$358,631	\$396,200	\$391,778	\$393,861
<u>0</u>	<u>0</u>	<u>(358,631)</u>	<u>(396,200)</u>	<u>(391,778)</u>	<u>(393,861)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Berea City School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Net Pension Liability

Changes in Assumptions – SERS

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

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

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

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

Changes in Assumptions - STRS

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

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

Berea City School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

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

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

Net OPEB Liability

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:	
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

Berea City School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Changes in Benefit Terms – STRS OPEB

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

Combining and Individual Fund Statements and Schedules

Combining Statements– Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

Student Activities Fund This fund accounts for and reports resources restricted to the student bodies of the various schools, accounting for sales and other revenue generating activities for which the School District has administrative involvement.

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.

Student Wellness Fund This fund accounts for and reports monies restricted for student wellness and success initiatives.

Miscellaneous State Grants Fund This fund accounts for and reports restricted State monies which support academic and enrichment programs for the student body.

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

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

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

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

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

Scholarship Fund This fund accounts for and reports restricted monies received to provide scholarships for students.

Staff Services Fund This fund accounts for and reports for monies assigned for purchases of supplies on behalf of employees of the School District. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

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

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

Berea City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,374,699	\$2,028,595	\$374,840	\$3,778,134
Accounts Receivable	5,573		0	5,573
Intergovernmental Receivable	964,007	0	245,622	1,209,629
Inventory Held for Resale	21,857	0	0	21,857
Materials and Supplies Inventory	7,110	0	0	7,110
Property Taxes Receivable	0	5,873,048	1,448,954	7,322,002
<i>Total Assets</i>	<u>\$2,373,246</u>	<u>\$7,901,643</u>	<u>\$2,069,416</u>	<u>\$12,344,305</u>
Liabilities				
Accounts Payable	\$116,153	\$0	\$134,119	\$250,272
Contracts Payable	0	0	38,058	38,058
Accrued Wages	324,174	0	0	324,174
Matured Compensated Absences Payable	12,947		0	12,947
Interfund Payable	6,387	0	0	6,387
Intergovernmental Payable	87,938	0	0	87,938
Accrued Interest Payable	0	0	1,673	1,673
Notes Payable	0	0	965,000	965,000
<i>Total Liabilities</i>	<u>547,599</u>	<u>0</u>	<u>1,138,850</u>	<u>1,686,449</u>
Deferred Inflows of Resources				
Unavailable Revenue	837,641	379,198	341,105	1,557,944
Property Taxes	0	5,230,574	1,294,001	6,524,575
<i>Total Deferred Inflows of Resources</i>	<u>837,641</u>	<u>5,609,772</u>	<u>1,635,106</u>	<u>8,082,519</u>
Fund Balances				
Nonspendable	7,110	0	0	7,110
Restricted	1,082,357	2,291,871	21,600	3,395,828
Unassigned (Deficit)	(101,461)	0	(726,140)	(827,601)
<i>Total Fund Balances (Deficit)</i>	<u>988,006</u>	<u>2,291,871</u>	<u>(704,540)</u>	<u>2,575,337</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$2,373,246</u>	<u>\$7,901,643</u>	<u>\$2,069,416</u>	<u>\$12,344,305</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, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$4,776,945	\$1,183,231	\$5,960,176
Intergovernmental	4,678,474	163,025	150,436	4,991,935
Interest	11,746	0	0	11,746
Tuition and Fees	699,547	0	0	699,547
Extracurricular Activities	237,243	0	0	237,243
Rentals	6,000	0	0	6,000
Charges for Services	517,292	0	0	517,292
Contributions and Donations	160,619	0	0	160,619
Miscellaneous	37,092	0	0	37,092
<i>Total Revenues</i>	<u>6,348,013</u>	<u>4,939,970</u>	<u>1,333,667</u>	<u>12,621,650</u>
Expenditures				
Current:				
Instruction:				
Regular	125,999	0	0	125,999
Special	1,580,581	0	0	1,580,581
Support Services:				
Pupil	838,065	0	0	838,065
Instructional Staff	8,597	0	0	8,597
Administration	292,602	0	0	292,602
Fiscal	166,161	82,782	0	248,943
Operation and Maintenance of Plant	42,827	0	0	42,827
Pupil Transportation	282	0	0	282
Central	627,475	0	0	627,475
Operation of Non-Instructional Services	1,479,337	0	0	1,479,337
Operation of Food Service	1,774,118	0	0	1,774,118
Extracurricular Activities	301,498	0	0	301,498
Intergovernmental	0	0	245,622	245,622
Capital Outlay	0	0	1,317,798	1,317,798
Debt Service:				
Principal Retirement	0	760,000	182,000	942,000
Interest and Fiscal Charges	0	4,556,000	321,035	4,877,035
<i>Total Expenditures</i>	<u>7,237,542</u>	<u>5,398,782</u>	<u>2,066,455</u>	<u>14,702,779</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(889,529)	(458,812)	(732,788)	(2,081,129)
Other Financing Sources (Uses)				
Transfers In	52,549	0	200,000	252,549
<i>Net Change in Fund Balances</i>	(836,980)	(458,812)	(532,788)	(1,828,580)
<i>Fund Balances (Deficit) Beginning of Year - (Restated - See Note 3)</i>	<u>1,824,986</u>	<u>2,750,683</u>	<u>(171,752)</u>	<u>4,403,917</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$988,006</u>	<u>\$2,291,871</u>	<u>(\$704,540)</u>	<u>\$2,575,337</u>

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Berea City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	Title VI-B	Auxiliary Services	Title I	Student Activities
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$34,195	\$62,220	\$153,480	\$187,746
Accounts Receivable	0	0	0	914
Intergovernmental Receivable	232,479	0	479,561	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$266,674</u>	<u>\$62,220</u>	<u>\$633,041</u>	<u>\$188,660</u>
Liabilities				
Accounts Payable	\$0	\$3,174	\$95,947	\$0
Accrued Wages	18,252	0	134,239	0
Matured Compensated Absences Payable	0	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	17,951	0	18,859	2,633
<i>Total Liabilities</i>	<u>36,203</u>	<u>3,174</u>	<u>249,045</u>	<u>2,633</u>
Deferred Inflows of Resources				
Unavailable Revenue	232,479	0	468,299	844
Fund Balances				
Nonspendable	0	0	0	0
Restricted	0	59,046	0	185,183
Unassigned (Deficit)	(2,008)	0	(84,303)	0
<i>Total Fund Balances (Deficit)</i>	<u>(2,008)</u>	<u>59,046</u>	<u>(84,303)</u>	<u>185,183</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$266,674</u>	<u>\$62,220</u>	<u>\$633,041</u>	<u>\$188,660</u>

District Managed Student Activities	Preschool at Risk	Student Wellness	Miscellaneous State Grants	Local Grants	Preschool
\$121,506	\$1,160	\$80,359	\$26,119	\$97,261	\$0
2,400	0	0	0	0	0
0	54,989	0	0	57,607	5,931
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$123,906</u>	<u>\$56,149</u>	<u>\$80,359</u>	<u>\$26,119</u>	<u>\$154,868</u>	<u>\$5,931</u>
\$0	\$0	\$0	\$0	\$1,000	\$0
0	0	4,405	0	0	4,955
0	0	0	0	0	0
0	0	0	0	0	505
0	0	546	0	0	610
0	0	4,951	0	1,000	6,070
2,400	54,989	0	0	0	2,403
0	0	0	0	0	0
121,506	1,160	75,408	26,119	153,868	0
0	0	0	0	0	(2,542)
<u>121,506</u>	<u>1,160</u>	<u>75,408</u>	<u>26,119</u>	<u>153,868</u>	<u>(2,542)</u>
<u>\$123,906</u>	<u>\$56,149</u>	<u>\$80,359</u>	<u>\$26,119</u>	<u>\$154,868</u>	<u>\$5,931</u>

(continued)

Berea City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2020

	<u>Food Service</u>	<u>Community Education</u>	<u>Title IIA</u>	<u>Title III</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$426,774	\$166,819	\$1,151	\$1,851
Accounts Receivable	0	2,259	0	0
Intergovernmental Receivable	33,074	0	85,133	15,233
Inventory Held for Resale	21,857	0	0	0
Materials and Supplies Inventory	7,110	0	0	0
<i>Total Assets</i>	<u>\$488,815</u>	<u>\$169,078</u>	<u>\$86,284</u>	<u>\$17,084</u>
Liabilities				
Accounts Payable	\$14,409	\$1,127	\$496	\$0
Accrued Wages	55,609	75,981	28,788	1,945
Matured Compensated Absences Payable	12,947	0	0	0
Interfund Payable	0	0	5,882	0
Intergovernmental Payable	27,499	14,943	4,700	197
<i>Total Liabilities</i>	<u>110,464</u>	<u>92,051</u>	<u>39,866</u>	<u>2,142</u>
Deferred Inflows of Resources				
Unavailable Revenue	0	2,259	58,811	15,157
Fund Balances				
Nonspendable	7,110	0	0	0
Restricted	371,241	74,768	0	0
Unassigned (Deficit)	0	0	(12,393)	(215)
<i>Total Fund Balances (Deficit)</i>	<u>378,351</u>	<u>74,768</u>	<u>(12,393)</u>	<u>(215)</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$488,815</u>	<u>\$169,078</u>	<u>\$86,284</u>	<u>\$17,084</u>

<u>Scholarship</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$14,058	\$1,374,699
0	5,573
0	964,007
0	21,857
<u>0</u>	<u>7,110</u>
<u>\$14,058</u>	<u>\$2,373,246</u>
\$0	\$116,153
0	324,174
0	12,947
0	6,387
<u>0</u>	<u>87,938</u>
<u>0</u>	<u>547,599</u>
<u>0</u>	<u>837,641</u>
0	7,110
14,058	1,082,357
<u>0</u>	<u>(101,461)</u>
<u>14,058</u>	<u>988,006</u>
<u>\$14,058</u>	<u>\$2,373,246</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, 2020*

	Title VI-B	Auxiliary Services	Title I	Student Activities
Revenues				
Intergovernmental	\$1,479,450	\$287,262	\$1,174,021	\$0
Interest	0	90	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	32,533
Rentals	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	28,726
<i>Total Revenues</i>	<u>1,479,450</u>	<u>287,352</u>	<u>1,174,021</u>	<u>61,259</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	1,283
Special	705,845	0	736,857	0
Support Services:				
Pupil	363,360	0	0	0
Instructional Staff	8,597	0	0	0
Administration	273,810	0	0	0
Fiscal	44,109	0	31,312	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	282	0	0	0
Central	4,127	0	364,104	0
Operation of Non-Instructional Services	19,184	254,993	16,125	0
Operation of Food Service	0	0	0	0
Extracurricular Activities	0	0	0	30,013
<i>Total Expenditures</i>	<u>1,419,314</u>	<u>254,993</u>	<u>1,148,398</u>	<u>31,296</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	60,136	32,359	25,623	29,963
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	60,136	32,359	25,623	29,963
<i>Fund Balances (Deficit) Beginning of Year - (Restated - See Note 3)</i>	<u>(62,144)</u>	<u>26,687</u>	<u>(109,926)</u>	<u>155,220</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$2,008)</u></u>	<u><u>\$59,046</u></u>	<u><u>(\$84,303)</u></u>	<u><u>\$185,183</u></u>

District Managed Student Activities	Preschool at Risk	Student Wellness	Miscellaneous State Grants	Local Grants	Preschool
\$0	\$89,010	\$515,004	\$26,119	\$0	\$38,012
0	0	0	0	0	0
0	0	0	0	0	0
195,288	0	0	0	411	0
6,000	0	0	0	0	0
0	0	0	0	0	0
19,584	0	0	0	141,035	0
8,366	0	0	0	0	0
<u>229,238</u>	<u>89,010</u>	<u>515,004</u>	<u>26,119</u>	<u>141,446</u>	<u>38,012</u>
0	81,603	0	0	43,113	0
0	0	0	0	120,517	0
0	0	439,596	0	0	35,109
0	0	0	0	0	0
0	3,036	0	0	15,756	0
0	0	0	0	0	1,112
8,995	0	0	33,832	0	0
0	0	0	0	0	0
0	0	0	0	0	0
200	0	0	0	2,268	0
0	0	0	0	0	0
<u>271,117</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>368</u>	<u>0</u>
<u>280,312</u>	<u>84,639</u>	<u>439,596</u>	<u>33,832</u>	<u>182,022</u>	<u>36,221</u>
(51,074)	4,371	75,408	(7,713)	(40,576)	1,791
<u>52,513</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
1,439	4,371	75,408	(7,713)	(40,576)	1,791
<u>120,067</u>	<u>(3,211)</u>	<u>0</u>	<u>33,832</u>	<u>194,444</u>	<u>(4,333)</u>
<u>\$121,506</u>	<u>\$1,160</u>	<u>\$75,408</u>	<u>\$26,119</u>	<u>\$153,868</u>	<u>(\$2,542)</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, 2020*

	Food Service	Community Education	Title IIA	Title III
Revenues				
Intergovernmental	\$753,361	\$0	\$291,547	\$24,688
Interest	11,452	0	0	0
Tuition and Fees	0	699,547	0	0
Extracurricular Activities	0	9,011	0	0
Rentals	0	0	0	0
Charges for Services	517,292	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>1,282,105</u>	<u>708,558</u>	<u>291,547</u>	<u>24,688</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	17,362
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Fiscal	41,922	38,485	8,552	669
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	258,370	874
Operation of Non-Instructional Services	0	1,178,987	7,580	0
Operation of Food Service	1,774,118	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>1,816,040</u>	<u>1,217,472</u>	<u>274,502</u>	<u>18,905</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(533,935)	(508,914)	17,045	5,783
Other Financing Sources (Uses)				
Transfers In	36	0	0	0
<i>Net Change in Fund Balances</i>	(533,899)	(508,914)	17,045	5,783
<i>Fund Balances (Deficit) Beginning of Year - (Restated - See Note 3)</i>	<u>912,250</u>	<u>583,682</u>	<u>(29,438)</u>	<u>(5,998)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$378,351</u></u>	<u><u>\$74,768</u></u>	<u><u>(\$12,393)</u></u>	<u><u>(\$215)</u></u>

<u>Scholarship</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$4,678,474
204	11,746
0	699,547
0	237,243
0	6,000
0	517,292
0	160,619
0	37,092
<u>204</u>	<u>6,348,013</u>
0	125,999
0	1,580,581
0	838,065
0	8,597
0	292,602
0	166,161
0	42,827
0	282
0	627,475
0	1,479,337
0	1,774,118
0	301,498
<u>0</u>	<u>7,237,542</u>
204	(889,529)
<u>0</u>	<u>52,549</u>
204	(836,980)
<u>13,854</u>	<u>1,824,986</u>
<u>\$14,058</u>	<u>\$988,006</u>

Berea City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2020

	<u>Permanent Improvement</u>	<u>Network Connectivity</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$353,240	\$21,600	\$374,840
Intergovernmental Receivable	245,622	0	245,622
Property Taxes Receivable	1,448,954	0	1,448,954
<i>Total Assets</i>	<u>\$2,047,816</u>	<u>\$21,600</u>	<u>\$2,069,416</u>
Liabilities			
Accounts Payable	\$134,119	\$0	\$134,119
Contracts Payable	38,058	0	38,058
Accrued Interest Payable	1,673	0	1,673
Notes Payable	965,000	0	965,000
<i>Total Liabilities</i>	<u>1,138,850</u>	<u>0</u>	<u>1,138,850</u>
Deferred Inflows of Resources			
Unavailable Revenue	341,105	0	341,105
Property Taxes	1,294,001	0	1,294,001
<i>Total Deferred Inflows of Resources</i>	<u>1,635,106</u>	<u>0</u>	<u>1,635,106</u>
Fund Balances			
Restricted	0	21,600	21,600
Unassigned (Deficit)	(726,140)	0	(726,140)
<i>Total Fund Balances (Deficit)</i>	<u>(726,140)</u>	<u>21,600</u>	<u>(704,540)</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$2,047,816</u>	<u>\$21,600</u>	<u>\$2,069,416</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, 2020*

	Permanent Improvement	Network Connectivity	Total Nonmajor Capital Projects Funds
Revenues			
Property Taxes	\$1,183,231	\$0	\$1,183,231
Intergovernmental	139,636	10,800	150,436
<i>Total Revenues</i>	<u>1,322,867</u>	<u>10,800</u>	<u>1,333,667</u>
Expenditures			
Intergovernmental	245,622	0	245,622
Capital Outlay	1,317,798	0	1,317,798
Debt Service:			
Principal Retirement	182,000	0	182,000
Interest and Fiscal Charges	321,035	0	321,035
<i>Total Expenditures</i>	<u>2,066,455</u>	<u>0</u>	<u>2,066,455</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(743,588)	10,800	(732,788)
Other Financing Sources (Uses)			
Transfers In	200,000	0	200,000
<i>Net Change in Fund Balances</i>	(543,588)	10,800	(532,788)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(182,552)</u>	<u>10,800</u>	<u>(171,752)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$726,140)</u></u>	<u><u>\$21,600</u></u>	<u><u>(\$704,540)</u></u>

Combining Statements– Internal Service Funds

Internal Service Funds

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

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

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

Berea City School District
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2020

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,079	\$138,167	\$140,246
Cash and Cash Equivalents with Fiscal Agent	2,030,573	0	2,030,573
Prepaid Items	0	145,232	145,232
<i>Total Assets</i>	<u>2,032,652</u>	<u>283,399</u>	<u>2,316,051</u>
Liabilities			
Accounts Payable	\$3,535	\$0	\$3,535
Intergovernmental Payable	3,231	0	3,231
Interfund Payable	2,179,291	0	2,179,291
Claims Payable	1,240,564	0	1,240,564
<i>Total Liabilities</i>	<u>3,426,621</u>	<u>0</u>	<u>3,426,621</u>
Net Position			
Unrestricted (Deficit)	<u>(\$1,393,969)</u>	<u>\$283,399</u>	<u>(\$1,110,570)</u>

Berea City School District
*Combining Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2020*

	<u>Self Insurance</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
Operating Revenues			
Charges for Services	\$13,123,753	\$246,690	\$13,370,443
Other	216,599	0	216,599
<i>Total Operating Revenues</i>	<u>13,340,352</u>	<u>246,690</u>	<u>13,587,042</u>
Operating Expenses			
Purchased Services	1,443,134	261,023	1,704,157
Claims	11,369,886	0	11,369,886
<i>Total Operating Expenses</i>	<u>12,813,020</u>	<u>261,023</u>	<u>13,074,043</u>
<i>Operating Income (Loss)</i>	527,332	(14,333)	512,999
Non-Operating Revenues (Expenses)			
Interest	1,614	0	1,614
<i>Change in Net Position</i>	528,946	(14,333)	514,613
<i>Net Position Beginning of Year</i>	<u>(1,922,915)</u>	<u>297,732</u>	<u>(1,625,183)</u>
<i>Net Position End of Year</i>	<u><u>(\$1,393,969)</u></u>	<u><u>\$283,399</u></u>	<u><u>(\$1,110,570)</u></u>

Berea City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2020

	Self Insurance	Workers' Compensation	Total Internal Service Funds
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Interfund Services	\$13,125,617	\$246,690	\$13,372,307
Other Cash Receipts	216,599	0	216,599
Cash Payments for Goods and Services	(1,446,136)	(245,566)	(1,691,702)
Cash Payments for Claims	(11,078,201)	0	(11,078,201)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>817,879</u>	<u>1,124</u>	<u>819,003</u>
Cash Flows from Noncapital Financing Activities			
Advance In	2,179,291	0	2,179,291
Advance Out	(972,222)	0	(972,222)
<i>Net Cash Provided By (Used for) Noncapital Financing Activities</i>	<u>1,207,069</u>	<u>0</u>	<u>1,207,069</u>
Cash Flows from Investing Activities			
Interest on Investments	1,614	0	1,614
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	2,026,562	1,124	2,027,686
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>6,090</u>	<u>137,043</u>	<u>143,133</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$2,032,652</u></u>	<u><u>\$138,167</u></u>	<u><u>\$2,170,819</u></u>
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</i>			
<i>Operating Income (Loss)</i>	<u>\$527,332</u>	<u>(\$14,333)</u>	<u>\$512,999</u>
(Increase) Decrease in Assets			
Accounts Receivable	1,864	0	1,864
Prepaid Items	0	15,457	15,457
Increase (Decrease) in Liabilities			
Accounts Payable	(3,002)	0	(3,002)
Claims Payable	291,685	0	291,685
<i>Total Adjustments</i>	<u>290,547</u>	<u>15,457</u>	<u>306,004</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$817,879</u></u>	<u><u>\$1,124</u></u>	<u><u>\$819,003</u></u>

**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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$57,415,510	\$57,620,385	\$57,117,504	(\$502,881)
Intergovernmental	21,886,884	21,771,434	20,501,788	(1,269,646)
Interest	340,000	400,000	428,503	28,503
Tuition and Fees	3,797,613	3,798,433	2,900,079	(898,354)
Extracurricular Activities	87,450	104,450	37,171	(67,279)
Rentals	17,000	17,000	4,884	(12,116)
Payments in Lieu of Taxes	0	100,000	49,212	(50,788)
Contributions and Donations	5,100	7,100	13,737	6,637
Miscellaneous	371,350	393,550	267,460	(126,090)
<i>Total Revenues</i>	83,920,907	84,212,352	81,320,338	(2,892,014)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	22,077,815	21,987,797	21,804,741	183,056
Fringe Benefits	11,356,209	11,333,578	11,062,182	271,396
Purchased Services	4,758,799	4,554,501	4,541,970	12,531
Materials and Supplies	679,661	409,860	409,860	0
Capital Outlay	217,989	60,721	53,771	6,950
Other	179,572	165,183	152,379	12,804
Total Regular	39,270,045	38,511,640	38,024,903	486,737
Special:				
Salaries and Wages	8,228,164	8,309,903	8,309,903	0
Fringe Benefits	4,309,200	4,356,017	4,356,017	0
Purchased Services	1,513,292	1,419,087	1,377,827	41,260
Materials and Supplies	21,799	12,580	10,140	2,440
Other	900	800	90	710
Total Special	14,073,355	14,098,387	14,053,977	44,410
Vocational:				
Salaries and Wages	216,420	227,577	227,577	0
Fringe Benefits	108,562	97,405	90,059	7,346
Purchased Services	1,700	2,700	2,044	656
Materials and Supplies	16,175	14,860	4,434	10,426
Capital Outlay	19,688	19,688	12,708	6,980
Other	0	315	315	0
Total Vocational	362,545	362,545	337,137	25,408
Total Instruction	53,705,945	52,972,572	52,416,017	556,555
Support Services:				
Pupil:				
Salaries and Wages	2,405,831	2,410,697	2,410,697	0
Fringe Benefits	1,200,795	1,195,929	1,167,690	28,239
Purchased Services	1,605,188	1,571,263	1,517,876	53,387
Materials and Supplies	40,805	36,918	19,701	17,217
Capital Outlay	1,200	1,200	0	1,200
Other	10,000	11,600	1,600	10,000
Total Pupil	\$5,263,819	\$5,227,607	\$5,117,564	\$110,043

(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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Staff:				
Salaries and Wages	\$1,017,659	\$1,017,659	\$987,411	\$30,248
Fringe Benefits	515,181	509,799	457,025	52,774
Purchased Services	637,631	627,126	408,657	218,469
Materials and Supplies	80,981	82,052	54,656	27,396
Capital Outlay	13,430	15,481	7,557	7,924
Other	45,007	69,632	41,311	28,321
Total Instructional Staff	2,309,889	2,321,749	1,956,617	365,132
Board of Education:				
Salaries and Wages	7,500	7,500	7,500	0
Fringe Benefits	2,355	2,355	1,789	566
Purchased Services	36,991	35,451	17,409	18,042
Other	15,300	15,300	14,246	1,054
Total Board of Education	62,146	60,606	40,944	19,662
Administration:				
Salaries and Wages	3,027,517	3,143,227	3,143,227	0
Fringe Benefits	1,536,128	1,565,393	1,565,393	0
Purchased Services	377,496	174,099	174,099	0
Materials and Supplies	17,784	13,744	10,135	3,609
Capital Outlay	9,000	4,929	4,537	392
Other	17,351	16,031	14,524	1,507
Total Administration	4,985,276	4,917,423	4,911,915	5,508
Fiscal:				
Salaries and Wages	597,609	603,876	603,876	0
Fringe Benefits	320,107	321,156	321,156	0
Purchased Services	220,932	220,932	218,042	2,890
Materials and Supplies	6,749	6,749	5,080	1,669
Capital Outlay	6,000	8,644	8,644	0
Other	989,357	684,588	606,254	78,334
Total Fiscal	2,140,754	1,845,945	1,763,052	82,893
Business:				
Salaries and Wages	110,633	110,633	75,740	34,893
Fringe Benefits	60,569	60,569	34,233	26,336
Purchased Services	204,104	206,237	191,422	14,815
Materials and Supplies	8,763	16,887	16,313	574
Capital Outlay	39,187	89,208	68,291	20,917
Other	89,966	108,302	105,868	2,434
Total Business	\$513,222	\$591,836	\$491,867	\$99,969

(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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation and Maintenance of Plant:				
Salaries and Wages	\$2,887,591	\$2,887,591	\$2,868,453	\$19,138
Fringe Benefits	1,353,551	1,350,651	1,303,216	47,435
Purchased Services	2,061,718	2,064,319	2,013,536	50,783
Materials and Supplies	286,928	432,113	424,016	8,097
Capital Outlay	113,100	93,067	79,465	13,602
Other	17,475	17,475	16,072	1,403
Total Operation and Maintenance of Plant	6,720,363	6,845,216	6,704,758	140,458
Pupil Transportation:				
Salaries and Wages	3,021,464	3,155,598	3,155,598	0
Fringe Benefits	1,469,904	1,493,214	1,493,214	0
Purchased Services	218,610	184,790	184,790	0
Materials and Supplies	529,402	448,577	448,577	0
Capital Outlay	10,000	8,982	8,982	0
Other	500	0	0	0
Total Pupil Transportation	5,249,880	5,291,161	5,291,161	0
Central:				
Salaries and Wages	935,826	948,566	948,566	0
Fringe Benefits	489,071	476,331	451,974	24,357
Purchased Services	424,780	370,894	297,298	73,596
Materials and Supplies	12,454	42,059	23,184	18,875
Capital Outlay	506,842	636,595	620,138	16,457
Other	1,325	1,325	875	450
Total Central	2,370,298	2,475,770	2,342,035	133,735
Total Support Services	29,615,647	29,577,313	28,619,913	957,400
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	4,034	4,617	539	4,078
Other	20,270	19,687	1,098	18,589
Total Community Services	24,304	24,304	1,637	22,667
Other Non-Instructional Services:				
Materials and Supplies	5,182	5,182	0	5,182
Total Operation of Non-Instructional Services	29,486	29,486	1,637	27,849
Operation of Food Service:				
Fringe Benefits	0	813	813	0
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	104,000	104,000	73,634	30,366
Fringe Benefits	27,572	27,572	25,127	2,445
Materials and Supplies	700	700	100	600
Capital Outlay	4,081	4,081	81	4,000
Other	142,600	142,455	2,656	139,799
Total Academic and Subject Oriented Activities	\$278,953	\$278,808	\$101,598	\$177,210

(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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Occupational Oriented Activities:				
Other	\$5,000	\$5,000	\$5,000	\$0
Sports Oriented Activities:				
Salaries and Wages	762,590	725,717	628,460	97,257
Fringe Benefits	218,857	226,619	226,619	0
Purchased Services	25,675	12,775	7,775	5,000
Total Sports Oriented Activities	1,007,122	965,111	862,854	102,257
School and Public Service				
Co-Curricular Activities:				
Salaries and Wages	31,455	31,369	31,369	0
Fringe Benefits	7,285	7,285	7,285	0
Materials and Supplies	5,300	4,361	4,361	0
Capital Outlay	1,000	291	291	0
Other	1,256	0	0	0
Total School and Public Service Co-Curricular Activities	46,296	43,306	43,306	0
Total Extracurricular Activities	1,337,371	1,292,225	1,012,758	279,467
Intergovernmental:				
Site Improvement Services:				
Capital Outlay	18,296	18,296	18,296	0
Capital Outlay:				
Facilities Acquisition and Construction:				
Capital Outlay	516,613	606,613	599,757	6,856
Debt Service:				
Principal Retirement	830,000	830,000	830,000	0
Interest and Fiscal Charges	748,209	748,209	748,209	0
Total Debt Service	1,578,209	1,578,209	1,578,209	0
<i>Total Expenditures</i>	86,801,567	86,075,527	84,247,400	1,828,127
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,880,660)	(1,863,175)	(2,927,062)	(1,063,887)
Other Financing Sources (Uses)				
Advances In	100,000	972,223	972,222	(1)
Advances Out	(250,000)	(250,000)	(2,179,291)	(1,929,291)
Transfers Out	(100,000)	(700,000)	(252,549)	447,451
<i>Total Other Financing Sources (Uses)</i>	(250,000)	22,223	(1,459,618)	(1,481,841)
<i>Net Change in Fund Balance</i>	(3,130,660)	(1,840,952)	(4,386,680)	(2,545,728)
<i>Fund Balance Beginning of Year</i>	18,557,109	18,557,109	18,557,109	0
Prior Year Encumbrances Appropriated	1,609,855	1,609,855	1,609,855	0
<i>Fund Balance End of Year</i>	\$17,036,304	\$18,326,012	\$15,780,284	(\$2,545,728)

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$1,500,000	\$1,500,000	\$1,362,593	(\$137,407)
Expenditures				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay	15,773	15,773	0	15,773
Architecture and Engineering Services:				
Purchased Services	4,675,268	4,675,268	2,104,525	2,570,743
Capital Outlay	1,038,933	764,547	725,834	38,713
Total Architecture and Engineering Services	5,714,201	5,439,815	2,830,359	2,609,456
Building Acquisition and Construction Services:				
Purchased Services	132,360	222,002	113,432	108,570
Capital Outlay	63,966,989	63,198,341	62,935,367	262,974
Total Building Acquisition and Construction Services	64,099,349	63,420,343	63,048,799	371,544
Building Improvement Services:				
Capital Outlay	821,823	821,822	311,822	510,000
Other Facilities Acquisition and Construction Services:				
Capital Outlay	0	4,055,000	4,055,000	0
<i>Total Expenditures</i>	70,651,146	73,752,753	70,245,980	3,506,773
<i>Net Change in Fund Balance</i>	(69,151,146)	(72,252,753)	(68,883,387)	3,369,366
<i>Fund Balance Beginning of Year</i>	7,854,696	7,854,696	7,854,696	0
Prior Year Encumbrances Appropriated	66,347,446	66,347,446	66,347,446	0
<i>Fund Balance End of Year</i>	\$5,050,996	\$1,949,389	\$5,318,755	\$3,369,366

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$1,556,924	\$1,823,648	\$1,529,612	(\$294,036)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	0	283,645	283,645	0
Fringe Benefits	0	228,022	228,022	0
Purchased Services	18,190	167,504	167,504	0
Materials and Supplies	18,764	38,723	38,723	0
Capital Outlay	120	10,411	10,411	0
Total Instruction	37,074	728,305	728,305	0
Support Services:				
Pupil:				
Purchased Services	90,008	487,765	432,784	54,981
Instructional Staff:				
Purchased Services	0	13,000	10,502	2,498
Administration:				
Salaries and Wages	1,363,132	196,796	180,812	15,984
Fringe Benefits	7,490	102,490	94,180	8,310
Purchased Services	47	4,047	1,980	2,067
Total Administration	1,370,669	303,333	276,972	26,361
Fiscal:				
Other	0	53,795	44,109	9,686
Pupil Transportation:				
Purchased Services	0	800	282	518
Central:				
Purchased Services	6,473	6,473	4,127	2,346
Total Support Services	1,467,150	865,166	768,776	96,390
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	2,538	22,015	21,970	45
<i>Total Expenditures</i>	1,506,762	1,615,486	1,519,051	96,435
<i>Net Change in Fund Balance</i>	50,162	208,162	10,561	(197,601)
<i>Fund Deficit Beginning of Year</i>	(186,302)	(186,302)	(186,302)	0
Prior Year Encumbrances Appropriated	136,140	136,140	136,140	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	\$158,000	(\$39,601)	(\$197,601)

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$194,362	\$304,362	\$287,262	(\$17,100)
Interest	0	0	90	90
<i>Total Revenues</i>	<u>194,362</u>	<u>304,362</u>	<u>287,352</u>	<u>(17,010)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	228,045	250,523	288,097	(37,574)
Materials and Supplies	10,033	22,365	22,365	0
Capital Outlay	8,057	9,843	9,843	0
<i>Total Expenditures</i>	<u>246,135</u>	<u>282,731</u>	<u>320,305</u>	<u>(37,574)</u>
<i>Net Change in Fund Balance</i>	(51,773)	21,631	(32,953)	(54,584)
<i>Fund Balance Beginning of Year</i>	1,667	1,667	1,667	0
Prior Year Encumbrances Appropriated	51,773	51,773	51,773	0
<i>Fund Balance End of Year</i>	<u>\$1,667</u>	<u>\$75,071</u>	<u>\$20,487</u>	<u>(\$54,584)</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, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,286,298	\$1,670,951	\$1,199,775	(\$471,176)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	1,157,747	387,670	387,670	0
Fringe Benefits	32,223	207,402	207,402	0
Materials and Supplies	570	266,165	266,165	0
Capital Outlay	0	13,275	13,275	0
Total Instruction	1,190,540	874,512	874,512	0
Support Services:				
Fiscal:				
Other	0	31,312	31,312	0
Central:				
Salaries and Wages	37,251	230,585	230,585	0
Fringe Benefits	18,636	117,887	117,887	0
Purchased Services	1,808	5,642	5,642	0
Capital Outlay	0	230	230	0
Total Central	57,695	354,344	354,344	0
Total Support Services	57,695	385,656	385,656	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	730	11,261	11,261	0
Materials and Supplies	318	5,205	5,205	0
Total Operation of Non-Instructional Services	1,048	16,466	16,466	0
<i>Total Expenditures</i>	1,249,283	1,276,634	1,276,634	0
<i>Net Change in Fund Balance</i>	37,015	394,317	(76,859)	(471,176)
<i>Fund Deficit Beginning of Year</i>	(40,441)	(40,441)	(40,441)	0
Prior Year Encumbrances Appropriated	3,426	3,426	3,426	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	\$357,302	(\$113,874)	(\$471,176)

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Student Activities Fund
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Extracurricular Activities	\$114,210	\$116,865	\$32,463	(\$84,402)
Miscellaneous	21,950	22,100	28,726	6,626
<i>Total Revenues</i>	<u>136,160</u>	<u>138,965</u>	<u>61,189</u>	<u>(77,776)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Other	1,732	1,732	1,283	449
Special:				
Other	3,600	3,600	0	3,600
<i>Total Instruction</i>	<u>5,332</u>	<u>5,332</u>	<u>1,283</u>	<u>4,049</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Other	25,294	28,048	10,945	17,103
School and Public Service				
Co-Curricular Activities:				
Other	141,250	141,251	18,438	122,813
<i>Total Extracurricular Activities</i>	<u>166,544</u>	<u>169,299</u>	<u>29,383</u>	<u>139,916</u>
<i>Total Expenditures</i>	<u>171,876</u>	<u>174,631</u>	<u>30,666</u>	<u>143,965</u>
<i>Net Change in Fund Balance</i>	(35,716)	(35,666)	30,523	66,189
<i>Fund Balance Beginning of Year</i>	149,378	149,378	149,378	0
Prior Year Encumbrances Appropriated	5,842	5,842	5,842	0
<i>Fund Balance End of Year</i>	<u>\$119,504</u>	<u>\$119,554</u>	<u>\$185,743</u>	<u>\$66,189</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$150	\$150	\$0	(\$150)
Extracurricular Activities	248,300	262,300	195,019	(67,281)
Rentals	30,000	30,000	6,000	(24,000)
Contributions and Donations	22,450	22,450	19,584	(2,866)
Miscellaneous	10,500	10,500	8,366	(2,134)
<i>Total Revenues</i>	311,400	325,400	228,969	(96,431)
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	12,500	12,500	8,995	3,505
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	2,000	2,000	200	1,800
Capital Outlay	857	857	0	857
Total Operation of Non-Instructional Services	2,857	2,857	200	2,657
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	54,476	50,977	9,819	41,158
Materials and Supplies	35,228	35,228	8,652	26,576
Capital Outlay	9,000	8,800	384	8,416
Other	39,222	39,421	14,117	25,304
Total Academic and Subject Oriented Activities	137,926	134,426	32,972	101,454
Sports Oriented Activities:				
Salaries and Wages	0	8,098	8,098	0
Fringe Benefits	0	1,309	1,309	0
Purchased Services	187,725	133,256	133,256	0
Materials and Supplies	34,108	27,007	27,007	0
Capital Outlay	50,135	43,706	31,698	12,008
Other	46,530	46,622	39,746	6,876
Total Sports Oriented Activities	318,498	259,998	241,114	18,884
School and Public Service				
Co-Curricular Activities:				
Other	3,265	3,265	523	2,742
Total Extracurricular Activities	459,689	397,689	274,609	123,080
<i>Total Expenditures</i>	475,046	413,046	283,804	129,242
<i>Excess of Revenues Over (Under) Expenditures</i>	(163,646)	(87,646)	(54,835)	32,811
Other Financing Sources (Uses)				
Transfers In	48,600	48,600	52,513	3,913
<i>Net Change in Fund Balance</i>	(115,046)	(39,046)	(2,322)	36,724
<i>Fund Balance Beginning of Year</i>	111,340	111,340	111,340	0
Prior Year Encumbrances Appropriated	10,488	10,488	10,488	0
<i>Fund Balance End of Year</i>	\$6,782	\$82,782	\$119,506	\$36,724

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$163,931	\$163,931	\$96,219	(\$67,712)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	93,272	77,272	49,095	28,177
Fringe Benefits	63,450	53,450	35,719	17,731
Purchased Services	0	4,400	0	4,400
Total Regular	<u>156,722</u>	<u>135,122</u>	<u>84,814</u>	<u>50,308</u>
Support Services:				
Administration:				
Salaries and Wages	0	2,500	1,634	866
Fringe Benefits	0	2,300	1,402	898
Total Administration	<u>0</u>	<u>4,800</u>	<u>3,036</u>	<u>1,764</u>
Fiscal:				
Other	0	16,800	0	16,800
Total Support Services	<u>0</u>	<u>21,600</u>	<u>3,036</u>	<u>18,564</u>
<i>Total Expenditures</i>	<u>156,722</u>	<u>156,722</u>	<u>87,850</u>	<u>68,872</u>
<i>Net Change in Fund Balance</i>	7,209	7,209	8,369	1,160
<i>Fund Deficit Beginning of Year</i>	<u>(7,209)</u>	<u>(7,209)</u>	<u>(7,209)</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,160</u>	<u>\$1,160</u>

Berea City School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Student Wellness Fund
 For the Fiscal Year Ended June 30, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$515,296	\$515,296	\$515,004	(\$292)
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	59,000	59,000	55,642	3,358
Fringe Benefits	34,058	34,058	31,542	2,516
Purchased Services	413,400	413,400	346,978	66,422
Capital Outlay	8,000	8,000	483	7,517
Total Pupil	<u>514,458</u>	<u>514,458</u>	<u>434,645</u>	<u>79,813</u>
<i>Net Change in Fund Balance</i>	838	838	80,359	79,521
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$838</u></u>	<u><u>\$838</u></u>	<u><u>\$80,359</u></u>	<u><u>\$79,521</u></u>

Berea City School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 Miscellaneous State Grants Fund
 For the Fiscal Year Ended June 30, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$26,119	\$26,119	\$26,119	\$0
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	8,507	34,626	20,507	14,119
Materials and Supplies	6,145	6,145	6,145	0
Capital Outlay	19,180	19,180	19,180	0
Total Operation and Maintenance of Plant	33,832	59,951	45,832	14,119
<i>Net Change in Fund Balance</i>	(7,713)	(33,832)	(19,713)	14,119
<i>Fund Balance Beginning of Year</i>	33,832	33,832	33,832	0
<i>Fund Balance End of Year</i>	\$26,119	\$0	\$14,119	\$14,119

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, 2020*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Tuition and Fees	\$12,000	\$12,000	\$0	(\$12,000)
Extracurricular Activities	1,000	1,800	411	(1,389)
Contributions and Donations	175,350	192,418	107,615	(84,803)
<i>Total Revenues</i>	<u>188,350</u>	<u>206,218</u>	<u>108,026</u>	<u>(98,192)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	940	12,105	9,108	2,997
Materials and Supplies	26,089	49,221	15,275	33,946
Capital Outlay	6,078	15,374	15,374	0
Other	11,487	15,211	2,571	12,640
Total Regular	<u>44,594</u>	<u>91,911</u>	<u>42,328</u>	<u>49,583</u>
Special:				
Salaries and Wages	44,000	67,710	67,706	4
Fringe Benefits	30,600	37,000	36,986	14
Purchased Services	33,326	7,791	7,791	0
Materials and Supplies	25,863	16,338	9,708	6,630
Capital Outlay	40,000	15,000	1,087	13,913
Total Special	<u>173,789</u>	<u>143,839</u>	<u>123,278</u>	<u>20,561</u>
Vocational:				
Materials and Supplies	817	817	0	817
Total Instruction	<u>219,200</u>	<u>236,567</u>	<u>165,606</u>	<u>70,961</u>
Support Services:				
Pupil:				
Purchased Services	8,000	8,000	2,205	5,795
Materials and Supplies	1,081	1,081	0	1,081
Total Pupil	9,081	9,081	2,205	6,876
Instructional Staff:				
Materials and Supplies	465	465	0	465
Administration:				
Purchased Services	23,615	23,615	15,756	7,859
Total Support Services	<u>\$33,161</u>	<u>\$33,161</u>	<u>\$17,961</u>	<u>\$15,200</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, 2020*

	<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:				
Materials and Supplies	\$3,822	\$4,099	\$2,590	\$1,509
Extracurricular Activities:				
School and Public Service				
Co-Curricular Activities:				
Materials and Supplies	400	900	368	532
<i>Total Expenditures</i>	<u>256,583</u>	<u>274,727</u>	<u>186,525</u>	<u>88,202</u>
<i>Net Change in Fund Balance</i>	(68,233)	(68,509)	(78,499)	(9,990)
<i>Fund Balance Beginning of Year</i>	171,563	171,563	171,563	0
Prior Year Encumbrances Appropriated	<u>1,584</u>	<u>1,584</u>	<u>1,584</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$104,914</u></u>	<u><u>\$104,638</u></u>	<u><u>\$94,648</u></u>	<u><u>(\$9,990)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$44,288	\$44,281	\$36,679	(\$7,602)
Expenditures				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	33,722	21,497	21,497	0
Fringe Benefits	8,371	12,380	12,380	0
Total Pupil	42,093	33,877	33,877	0
Fiscal:				
Other	0	1,113	1,112	1
<i>Total Expenditures</i>	42,093	34,990	34,989	1
<i>Net Change in Fund Balance</i>	2,195	9,291	1,690	(7,601)
<i>Fund Deficit Beginning of Year</i>	(2,195)	(2,195)	(2,195)	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	\$7,096	(\$505)	(\$7,601)

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, 2020*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$925,000	\$925,000	\$720,287	(\$204,713)
Interest	13,000	13,000	11,452	(1,548)
Charges for Services	611,919	611,919	518,351	(93,568)
<i>Total Revenues</i>	<u>1,549,919</u>	<u>1,549,919</u>	<u>1,250,090</u>	<u>(299,829)</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	50,000	50,000	41,922	8,078
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	655,410	660,045	660,045	0
Fringe Benefits	356,263	356,263	347,553	8,710
Purchased Services	336,310	331,675	273,693	57,982
Materials and Supplies	811,043	811,043	659,895	151,148
Capital Outlay	319,725	319,725	76,496	243,229
Total Operation of Non-Instructional Services	<u>2,478,751</u>	<u>2,478,751</u>	<u>2,017,682</u>	<u>461,069</u>
<i>Total Expenditures</i>	<u>2,528,751</u>	<u>2,528,751</u>	<u>2,059,604</u>	<u>469,147</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(978,832)	(978,832)	(809,514)	169,318
Other Financing Sources (Uses)				
Transfers In	0	0	36	36
<i>Net Change in Fund Balance</i>	(978,832)	(978,832)	(809,478)	169,354
<i>Fund Balance Beginning of Year</i>	559,854	559,854	559,854	0
Prior Year Encumbrances Appropriated	418,978	418,978	418,978	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$169,354</u>	<u>\$169,354</u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Community Education Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$1,090,000	\$1,090,000	\$716,207	(\$373,793)
Extracurricular Activities	10,000	10,000	9,411	(589)
<i>Total Revenues</i>	<u>1,100,000</u>	<u>1,100,000</u>	<u>725,618</u>	<u>(374,382)</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	34,000	38,485	38,485	0
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	672,025	688,892	688,892	0
Fringe Benefits	357,416	416,688	416,688	0
Purchased Services	85,928	49,476	49,476	0
Materials and Supplies	50,145	13,320	13,320	0
Capital Outlay	13,000	4,241	1,190	3,051
Other	7,500	8,912	8,912	0
Total Operation of Non-Instructional Services	<u>1,186,014</u>	<u>1,181,529</u>	<u>1,178,478</u>	<u>3,051</u>
<i>Total Expenditures</i>	<u>1,220,014</u>	<u>1,220,014</u>	<u>1,216,963</u>	<u>3,051</u>
<i>Net Change in Fund Balance</i>	(120,014)	(120,014)	(491,345)	(371,331)
<i>Fund Balance Beginning of Year</i>	629,039	629,039	629,039	0
Prior Year Encumbrances Appropriated	<u>25,448</u>	<u>25,448</u>	<u>25,448</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$534,473</u></u>	<u><u>\$534,473</u></u>	<u><u>\$163,142</u></u>	<u><u>(\$371,331)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$313,530	\$362,522	\$276,530	(\$85,992)
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	0	8,552	8,552	0
Central:				
Salaries and Wages	287,897	173,199	173,199	0
Fringe Benefits	11,475	81,056	81,056	0
Purchased Services	2,853	720	720	0
Total Central	302,225	254,975	254,975	0
Total Support Services	302,225	263,527	263,527	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	0	7,581	7,580	1
<i>Total Expenditures</i>	302,225	271,108	271,107	1
<i>Net Change in Fund Balance</i>	11,305	91,414	5,423	(85,991)
<i>Fund Deficit Beginning of Year</i>	(14,158)	(14,158)	(14,158)	0
Prior Year Encumbrances Appropriated	2,853	2,853	2,853	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	\$80,109	(\$5,882)	(\$85,991)

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$30,113	\$45,422	\$25,279	(\$20,143)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	23,213	11,475	11,475	0
Fringe Benefits	2,097	7,404	7,404	0
Materials and Supplies	4,118	7,528	7,528	0
Total Instruction	29,428	26,407	26,407	0
Support Services:				
Fiscal:				
Other	0	669	669	0
Central:				
Purchased Services	18	913	913	0
Total Support Services	18	1,582	1,582	0
<i>Total Expenditures</i>	29,446	27,989	27,989	0
<i>Net Change in Fund Balance</i>	667	17,433	(2,710)	(20,143)
<i>Fund Deficit Beginning of Year</i>	(803)	(803)	(803)	0
Prior Year Encumbrances Appropriated	136	136	136	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	\$16,766	(\$3,377)	(\$20,143)

Berea City School District
*Schedule of Revenues, Expenses and Changes
 In Fund Equity - Budget (Non-GAAP) and Actual
 Scholarship Fund
 For the Fiscal Year Ended June 30, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$150	\$150	\$204	\$54
Expenditures				
	0	0	0	0
<i>Net Change in Fund Balance</i>	150	150	204	54
<i>Fund Balance Beginning of Year</i>	13,854	13,854	13,854	0
<i>Fund Balance End of Year</i>	\$14,004	\$14,004	\$14,058	\$54

Berea City School District
*Schedule of Revenues, Expenses and Changes
 In Fund Equity - Budget (Non-GAAP) and Actual
 Staff Services Fund
 For the Fiscal Year Ended June 30, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$18,749	\$18,749	\$18,182	(\$567)
Expenditures				
Operation of Non-Instructional Services:				
Other	12,206	12,206	12,037	169
<i>Net Change in Fund Balance</i>	6,543	6,543	6,145	(398)
<i>Fund Balance Beginning of Year</i>	26,657	26,657	26,657	0
Prior Year Encumbrances Appropriated	941	941	941	0
<i>Fund Balance End of Year</i>	\$34,141	\$34,141	\$33,743	(\$398)

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$5,973,615	\$6,011,056	\$5,891,656	(\$119,400)
Intergovernmental	170,000	170,000	163,025	(6,975)
<i>Total Revenues</i>	<u>6,143,615</u>	<u>6,181,056</u>	<u>6,054,681</u>	<u>(126,375)</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	85,000	85,000	82,782	2,218
Debt Service:				
Principal Retirement	1,070,000	1,070,000	1,070,000	0
Interest and Fiscal Charges	5,339,296	5,339,296	4,579,296	760,000
<i>Total Debt Service</i>	<u>6,409,296</u>	<u>6,409,296</u>	<u>5,649,296</u>	<u>760,000</u>
<i>Total Expenditures</i>	<u>6,494,296</u>	<u>6,494,296</u>	<u>5,732,078</u>	<u>762,218</u>
<i>Net Change in Fund Balance</i>	(350,681)	(313,240)	322,603	635,843
<i>Fund Balance Beginning of Year</i>	<u>1,705,992</u>	<u>1,705,992</u>	<u>1,705,992</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,355,311</u>	<u>\$1,392,752</u>	<u>\$2,028,595</u>	<u>\$635,843</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, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$987,520	\$999,254	\$1,020,965	\$21,711
Intergovernmental	142,000	142,000	139,636	(2,364)
<i>Total Revenues</i>	<u>1,129,520</u>	<u>1,141,254</u>	<u>1,160,601</u>	<u>19,347</u>
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	67,052	67,052	45,790	21,262
Capital Outlay	302,500	390,028	390,028	0
Total Instructional Staff	<u>369,552</u>	<u>457,080</u>	<u>435,818</u>	<u>21,262</u>
Fiscal:				
Other	21,000	21,000	19,471	1,529
Operation and Maintenance of Plant:				
Purchased Services	566	566	0	566
Materials and Supplies	7,944	2,747	253	2,494
Capital Outlay	50,644	50,644	49,563	1,081
Total Operation and Maintenance of Plant	<u>59,154</u>	<u>53,957</u>	<u>49,816</u>	<u>4,141</u>
Pupil Transportation:				
Capital Outlay	430,267	556,545	556,545	0
Total Support Services	<u>879,973</u>	<u>1,088,582</u>	<u>1,061,650</u>	<u>26,932</u>
Intergovernmental:				
Site Improvement Services:				
Capital Outlay	242,842	242,842	242,842	0
Capital Outlay:				
Site Improvement Services:				
Capital Outlay	410,657	226,840	226,804	36
Building Improvement Services:				
Capital Outlay	340,973	316,181	316,181	0
Total Capital Outlay	<u>751,630</u>	<u>543,021</u>	<u>542,985</u>	<u>36</u>
Debt Service:				
Principal Retirement	182,000	182,000	182,000	0
Interest and Fiscal Charges	298,276	298,276	298,276	0
Total Debt Service	<u>480,276</u>	<u>480,276</u>	<u>480,276</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,354,721</u>	<u>2,354,721</u>	<u>2,327,753</u>	<u>26,968</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,225,201)	(1,213,467)	(1,167,152)	46,315
Other Financing Sources (Uses)				
Transfers In	200,000	200,000	200,000	0
<i>Net Change in Fund Balance</i>	(1,025,201)	(1,013,467)	(967,152)	46,315
<i>Fund Balance Beginning of Year</i>	627,023	627,023	627,023	0
Prior Year Encumbrances Appropriated	398,178	398,178	398,178	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$11,734</u>	<u>\$58,049</u>	<u>\$46,315</u>

Berea City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Network Connectivity Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$10,800	\$21,600	\$10,800	(\$10,800)
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	10,800	21,600	0	21,600
<i>Net Change in Fund Balance</i>	0	0	10,800	10,800
<i>Fund Balance Beginning of Year</i>	10,800	10,800	10,800	0
<i>Fund Balance End of Year</i>	<u>\$10,800</u>	<u>\$10,800</u>	<u>\$21,600</u>	<u>\$10,800</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, 2020

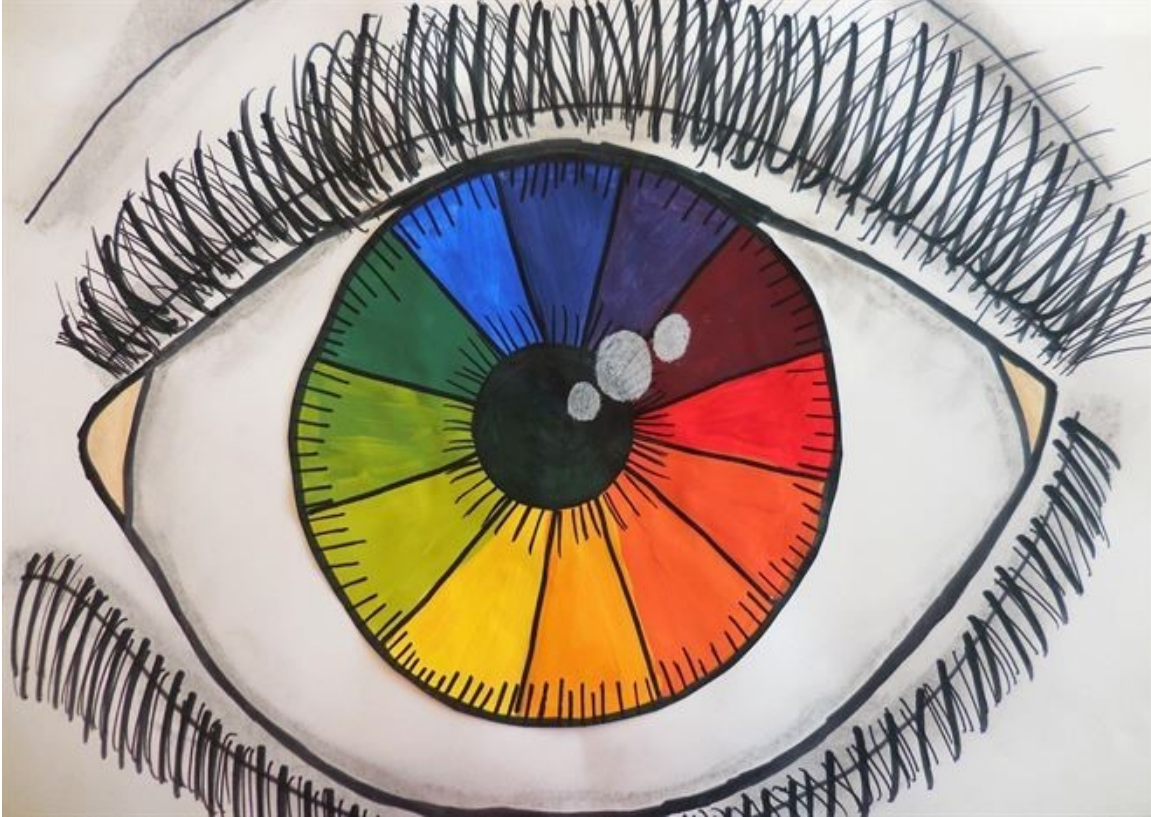
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$15,176,799	\$14,129,437	\$13,125,617	(\$1,003,820)
Expenses				
Purchased Services	3,217,245	3,295,052	3,263,741	31,311
Claims	11,078,201	11,078,201	11,078,201	0
<i>Total Expenses</i>	<u>14,295,446</u>	<u>14,373,253</u>	<u>14,341,942</u>	<u>31,311</u>
<i>Excess of Revenues Over (Under) Expenses Before Advances</i>	881,353	(243,816)	(1,216,325)	(972,509)
Advances In	0	2,100,000	2,179,291	79,291
Advances Out	<u>0</u>	<u>(972,222)</u>	<u>(972,222)</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	881,353	883,962	(9,256)	(893,218)
<i>Fund Equity Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>6,090</u>	<u>6,090</u>	<u>6,090</u>	<u>0</u>
<i>Fund Equity (Deficit) End of Year</i>	<u>\$887,443</u>	<u>\$890,052</u>	<u>(\$3,166)</u>	<u>(\$893,218)</u>

Berea City School District
*Schedule of Revenues, Expenses and Changes
 In Fund Equity - Budget (Non-GAAP) and Actual
 Workers' Compensation Fund
 For the Fiscal Year Ended June 30, 2020*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$325,000	\$325,000	\$246,690	(\$78,310)
Expenses				
Purchased Services	325,000	325,000	245,566	79,434
<i>Net Change in Fund Equity</i>	0	0	1,124	1,124
<i>Fund Equity Beginning of Year</i>	137,043	137,043	137,043	0
<i>Fund Equity End of Year</i>	<u>\$137,043</u>	<u>\$137,043</u>	<u>\$138,167</u>	<u>\$1,124</u>

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Statistical Section



Ashlyn Anderson • 4th Grade

Statistical Section

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

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

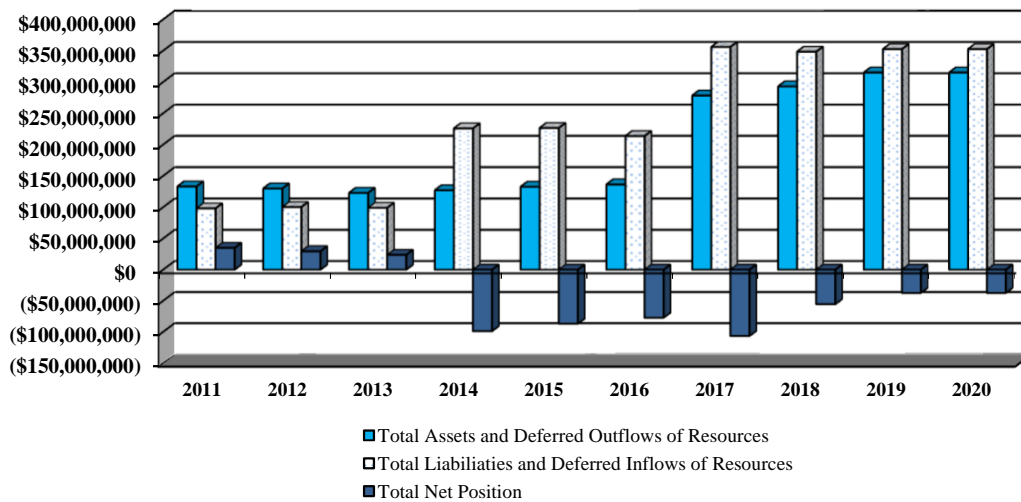
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>
Governmental Activities:				
Net Investment in Capital Assets	\$14,326,886	\$12,126,538	\$13,489,578	\$14,028,113
Restricted for:				
Capital Projects	1,467,073	2,853,456	1,325,817	614,126
Debt Service	2,994,724	3,125,971	3,337,903	2,956,126
Set Asides	193,440	99,686	0	28,983
Other Purposes	3,103,252	3,151,214	2,813,429	2,513,170
Unrestricted (Deficit)	<u>13,169,406</u>	<u>8,433,168</u>	<u>3,091,121</u>	<u>(118,731,269)</u>
<i>Total Net Position of Governmental Activities</i>	<u>\$35,254,781</u>	<u>\$29,790,033</u>	<u>\$24,057,848</u>	<u>(\$98,590,751)</u>

- (1) The School District reported the impact of GASB Statement No. 68 beginning in fiscal year 2014.
- (2) The School District reported the impact of GASB Statement No. 75 beginning in fiscal year 2017.
- (3) The School District reported the impact of GASB Statement No. 84 beginning in fiscal year 2019.

Net Position



2015	2016	2017 (2)	2018	2019 (3)	2020
\$13,782,338	\$14,073,293	\$16,438,747	\$23,844,288	\$25,174,402	\$25,042,885
191,417	1,585,366	1,470,269	2,485,689	4,487,867	5,509,269
3,736,492	1,652,894	2,266,997	141,560	780,313	662,871
0	0	0	0	0	0
2,783,666	2,852,141	3,271,177	3,264,867	2,566,316	1,793,261
(107,091,078)	(97,200,890)	(129,847,312)	(85,038,645)	(70,197,266)	(79,462,127)
<u>(\$86,597,165)</u>	<u>(\$77,037,196)</u>	<u>(\$106,400,122)</u>	<u>(\$55,302,241)</u>	<u>(\$37,188,368)</u>	<u>(\$46,453,841)</u>

Berea City School District

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2011	2012	2013	2014
Expenses				
Governmental Activities:				
Regular Instruction	\$48,818,126	\$41,353,215	\$39,608,990	\$36,199,890
Special Instruction	8,879,849	10,245,263	13,517,350	16,507,159
Vocational Instruction	747,511	755,157	557,365	461,608
Adult/Continuing Instruction	167	0	0	0
Pupil Support	5,233,024	5,613,451	5,486,171	5,060,741
Instructional Staff Support	5,898,656	6,585,844	6,429,274	1,936,743
Board of Education	40,279	33,962	29,421	30,936
Administration	4,481,530	4,976,072	4,689,371	5,149,936
Fiscal	1,713,498	1,867,747	1,889,015	1,886,716
Business	836,727	615,697	908,587	930,614
Operation and Maintenance of Plant	7,697,334	7,484,540	7,089,550	6,640,901
Pupil Transportation	3,577,492	4,737,450	4,589,088	5,703,126
Central	2,750,598	3,169,134	2,974,477	2,497,201
Operation of Non-Instructional Services	2,561,931	3,466,400	3,323,805	4,208,485
Extracurricular Activities	1,711,255	1,733,246	1,980,304	1,498,499
Extracurricular Activities:				
Intergovernmental	0	0	0	0
Interest and Fiscal Charges	2,190,396	2,124,918	2,645,105	1,721,028
<i>Total Governmental Activities Expenses</i>	<u>97,138,373</u>	<u>94,762,096</u>	<u>95,717,873</u>	<u>90,433,583</u>
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
Regular Instruction	1,359,352	1,037,994	1,254,464	1,764,837
Special Instruction	1,736,219	1,274,859	1,823,523	2,565,414
Adult/Continuing	170	0	0	0
Pupil Support	2,207	1,769	1,249	0
Instructional Staff Support	0	0	0	0
Fiscal	0	0	0	0
Business	101,338	79,724	96,770	136,140
Operation and Maintenance of Plant	33,459	178,773	69,586	80,579
Pupil Transportation	95,206	67,061	77,436	58,826
Operation of Non-Instructional Services	2,157,619	2,110,236	2,056,037	1,803,214
Extracurricular Activities	524,532	598,101	656,322	598,546
Operating Grants and Contributions				
Regular Instruction	766,495	496,491	118,881	188,555
Special Instruction	2,064,492	1,070,960	1,153,964	2,205,144
Vocational Instruction	0	0	0	0
Pupil Support	1,087,625	831,186	713,117	894,215
Instructional Staff Support	1,157,931	557,118	315,957	33,821
Administration	179,389	125,451	97,373	189,657
Fiscal	0	0	0	0
Business	0	7,814	0	0
Operation and Maintenance of Plant	478	0	965	0
Pupil Transportation	40,381	168,815	21,150	2,789
Central	5,000	622,915	361,531	456,851
Operation of Non-Instructional Services	1,838,840	1,587,131	1,859,766	1,625,303
Extracurricular Activities	46,262	0	144,556	23,717
Intergovernmental	0	0	0	0
Capital Grants and Contributions				
Regular Instruction	0	250,000	0	3,000
Instructional Staff Support	0	0	47,379	0
Operation and Maintenance of Plant	0	0	0	7,000
Central	25,025	16,200	0	12,600
Extracurricular Activities	0	0	167,000	0
Interest and Fiscal Charges	326,576	326,576	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$13,548,596</u>	<u>\$11,409,174</u>	<u>\$11,037,026</u>	<u>\$12,650,208</u>

2015 (1)	2016	2017	2018 (2) (3)	2019	2020 (4)
\$33,899,991	\$34,675,549	\$38,742,810	\$12,312,233	\$31,592,146	\$39,750,537
12,957,488	14,369,441	14,924,379	5,506,454	12,630,609	16,314,207
449,327	281,881	304,519	94,264	278,798	355,967
0	0	0	0	0	0
5,296,091	5,180,499	5,753,491	2,571,937	4,546,439	6,046,331
2,026,693	1,873,500	2,210,710	1,045,776	1,785,199	2,040,688
31,884	40,802	28,976	48,601	44,546	40,645
4,962,719	5,075,784	5,516,878	1,834,766	4,255,353	5,451,287
1,929,973	2,078,462	2,343,485	2,087,469	2,315,567	2,052,251
1,102,810	658,200	503,791	346,703	439,260	486,587
6,907,464	5,570,470	6,288,109	4,520,998	6,115,703	7,225,801
5,719,081	5,877,604	6,281,638	5,925,401	5,911,804	6,837,412
2,058,421	1,949,975	2,673,824	1,305,965	2,249,789	3,073,890
3,257,825	3,207,160	3,458,007	2,849,116	3,516,814	3,466,500
1,018,512	1,404,707	1,368,948	1,383,137	1,667,485	1,338,903
0	0	0	0	0	263,918
1,152,966	1,210,442	2,773,750	5,502,748	5,576,940	5,658,789
82,771,245	83,454,476	93,173,315	47,335,568	82,926,452	100,403,713
1,790,405	1,446,786	2,217,870	2,050,604	2,507,703	1,886,551
1,681,630	1,470,301	2,179,966	2,548,435	536,462	1,110,522
0	0	0	0	0	0
0	750	0	0	0	0
0	20,319	0	0	0	0
0	22,967	10,398	11,333	8,408	34,330
64,857	24,214	4,446	0	0	0
69,241	74,130	91,336	5,557	1,548	4,884
142,936	207,648	186,044	182,616	175,774	117,209
1,780,337	1,683,701	1,674,661	1,723,781	1,637,174	1,191,852
418,124	416,581	467,138	473,677	349,800	270,507
221,274	193,444	223,091	174,834	366,197	165,677
4,011,352	4,219,640	3,996,264	3,998,854	3,933,599	4,195,621
20,724	27,112	34,668	37,293	33,988	33,988
796,230	673,554	591,930	443,272	391,565	891,856
0	17,489	8,208	10,808	5,047	17,671
227,549	241,772	308,439	279,443	238,311	294,008
5,527	93,586	119,384	109,130	73,774	501,862
0	0	1,316	0	0	0
0	1,113	0	891	1,392	26,257
1,884	665	918	355	596	265
386,804	340,446	547,407	496,492	595,394	274,154
1,684,954	1,641,179	1,639,355	1,535,570	1,320,941	1,079,742
30,969	122,434	29,813	46,154	195,653	20,652
0	0	0	0	0	263,918
0	8,117	373,090	1,354,178	2,203,034	1,100,373
0	0	247,000	247,000	0	0
0	0	0	0	0	0
14,400	4,483	4,483	4,483	0	0
0	0	0	0	0	0
0	0	0	0	0	0
\$13,349,197	\$12,952,431	\$14,957,225	\$15,734,760	\$14,576,360	\$13,481,899

(continued)

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net (Expense)/Revenue	<u>(\$83,589,777)</u>	<u>(\$83,352,922)</u>	<u>(\$84,680,847)</u>	<u>(\$77,783,375)</u>
General Revenues				
Governmental Activities:				
Taxes:				
Property and Other Local Taxes Levied For:				
General Purposes	49,482,680	50,612,454	52,931,241	54,324,820
Debt Service	1,030,334	1,033,395	1,077,944	928,565
Capital Outlay	934,134	1,303,640	1,280,245	1,310,611
Grants and Entitlements not Restricted to Specific Programs	20,908,683	23,706,710	22,622,495	22,999,655
Payment in Lieu of Taxes	0	0	0	0
Unrestricted Contributions	66,896	0	51,316	51,639
Gain on Sale of Capital Assets	0	243,452	0	0
Investment Earnings	88,002	34,505	20,181	8,164
Miscellaneous	<u>226,471</u>	<u>954,018</u>	<u>965,240</u>	<u>149,550</u>
<i>Total Governmental Activities General Revenue</i>	<u>72,737,200</u>	<u>77,888,174</u>	<u>78,948,662</u>	<u>79,773,004</u>
<i>Total Primary Government Change in Net Position</i>	<u>(\$10,852,577)</u>	<u>(\$5,464,748)</u>	<u>(\$5,732,185)</u>	<u>\$1,989,629</u>

- (1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in fiscal year 2015
- (2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in fiscal year 2018
- (3) During 2018, there was a large decrease in expenses as a result from changes in assumptions and benefit terms related to pension
- (4) Expenses are first impacted by the implementation of GASB Statement No. 84 beginning in fiscal year 2020

<u>2015 (1)</u>	<u>2016 (1)</u>	<u>2017 (1)</u>	<u>2018 (1)</u>	<u>2019</u>	<u>2020</u>
<u>(\$69,422,048)</u>	<u>(\$70,502,045)</u>	<u>(\$78,216,090)</u>	<u>(\$31,600,808)</u>	<u>(\$68,350,092)</u>	<u>(\$86,921,814)</u>
54,892,650	55,882,938	50,318,517	54,514,378	58,010,465	52,082,979
1,410,043	146,897	4,109,314	5,134,082	5,895,203	4,994,713
728,822	1,314,500	1,192,802	1,468,167	1,372,232	1,237,259
23,876,897	22,430,197	21,679,782	21,045,208	20,360,996	18,034,319
0	0	0	0	0	49,212
39,419	0	0	0	0	0
0	0	0	0	0	0
7,265	37,954	146,467	262,005	510,554	691,142
460,538	249,528	466,464	274,849	314,515	566,717
<u>81,415,634</u>	<u>80,062,014</u>	<u>77,913,346</u>	<u>82,698,689</u>	<u>86,463,965</u>	<u>77,656,341</u>
<u>\$11,993,586</u>	<u>\$9,559,969</u>	<u>(\$302,744)</u>	<u>\$51,097,881</u>	<u>\$18,113,873</u>	<u>(\$9,265,473)</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$171,517	\$187,478	\$185,814	\$212,861
Restricted	206,582	99,686	0	28,983
Committed	0	0	0	0
Assigned	196,107	1,745,897	1,416,139	285,566
Unassigned	<u>14,928,456</u>	<u>6,935,260</u>	<u>27,598</u>	<u>4,441,691</u>
<i>Total General Fund</i>	<u>15,502,662</u>	<u>8,968,321</u>	<u>1,629,551</u>	<u>4,969,101</u>
All Other Governmental Funds				
Nonspendable	11,072	10,900	10,809	10,212
Restricted	9,177,338	7,677,737	7,514,018	5,856,149
Unassigned (Deficit)	<u>(234,765)</u>	<u>(758,626)</u>	<u>(1,100,574)</u>	<u>(2,191,354)</u>
Total All Other Governmental Funds	<u>8,953,645</u>	<u>6,930,011</u>	<u>6,424,253</u>	<u>3,675,007</u>
<i>Total Governmental Funds</i>	<u><u>\$24,456,307</u></u>	<u><u>\$15,898,332</u></u>	<u><u>\$8,053,804</u></u>	<u><u>\$8,644,108</u></u>

2015	2016	2017	2018	2019	2020
\$173,388	\$119,475	\$116,634	\$57,477	\$24,499	\$23,400
0	0	0	0	0	0
0	0	0	138,451	352,059	189,547
609,623	795,952	708,842	550,292	2,125,832	520,019
14,243,775	21,706,939	21,184,483	20,188,001	21,378,427	13,239,922
15,026,786	22,622,366	22,009,959	20,934,221	23,880,817	13,972,888
9,386	8,906	9,455	9,281	6,562	7,110
6,509,565	4,781,997	119,836,080	100,881,654	61,838,654	15,531,578
(3,388,561)	(1,335,522)	(1,715,265)	(915,292)	(397,602)	(827,601)
3,130,390	3,455,381	118,130,270	99,975,643	61,447,614	14,711,087
\$18,157,176	\$26,077,747	\$140,140,229	\$120,909,864	\$85,328,431	\$28,683,975

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

	2011	2012	2013	2014
Revenues				
Property Taxes	\$51,029,228	\$51,417,177	\$55,022,732	\$57,550,637
Intergovernmental	28,419,803	29,207,458	28,235,695	29,000,164
Interest	88,002	34,505	20,181	8,164
Tuition and Fees	3,711,286	3,780,047	3,981,655	4,018,423
Extracurricular Activities	580,322	708,113	695,598	598,546
Rentals	31,032	174,798	68,650	79,031
Charges for Services	1,255,224	1,177,577	1,095,096	1,009,180
Payment in Lieu of Taxes	0	0	0	0
Contributions and Donations	153,717	354,898	386,584	129,911
Miscellaneous	226,471	954,018	965,240	149,550
<i>Total Revenues</i>	<u>85,495,085</u>	<u>87,808,591</u>	<u>90,471,431</u>	<u>92,543,606</u>
Expenditures				
Current:				
Instruction:				
Regular	39,077,887	38,236,513	37,335,907	35,321,823
Special	10,734,786	10,350,252	13,674,321	16,154,620
Vocational	910,458	768,027	584,269	454,754
Adult/Continuing	167	0	0	0
Support Services:				
Pupil	5,743,923	5,680,392	5,531,744	5,013,480
Instructional Staff	8,253,865	6,645,875	6,677,925	1,980,267
Board of Education	40,279	33,962	29,421	30,981
Administration	5,120,714	4,949,479	4,717,817	5,092,297
Fiscal	1,808,492	2,017,012	1,888,299	1,871,639
Business	888,137	780,589	911,931	902,132
Operation and Maintenance of Plant	8,583,494	7,547,015	7,173,156	6,535,277
Pupil Transportation	4,771,895	4,610,385	4,648,162	4,750,302
Central	3,059,261	3,015,167	3,004,102	2,457,830
Operation of Non-Instructional Services	3,670,827	3,490,834	3,467,797	4,142,443
Extracurricular Activities	1,761,982	1,745,513	2,014,019	1,566,036
Intergovernmental	0	0	0	0
Capital Outlay	14,970,422	3,305,605	2,758,857	2,176,308
Debt Service:				
Principal Retirement	1,320,000	1,375,000	1,870,000	1,855,000
Interest and Fiscal Charges	2,152,031	2,083,398	2,028,232	1,648,113
Debt Issuance Costs	0	0	0	356,418
<i>Total Expenditures</i>	<u>112,868,620</u>	<u>96,635,018</u>	<u>98,315,959</u>	<u>92,309,720</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(27,373,535)</u>	<u>(8,826,427)</u>	<u>(7,844,528)</u>	<u>233,886</u>
Other Financing Sources (Uses)				
General Obligation Bonds Issued	0	0	0	0
Certificates of Participation Issued	0	0	0	13,685,000
Bus Acquisition Bonds Issued	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0
Premium on Certificates of Participation	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	(13,074,651)
Discount on Certificates of Participation	0	0	0	(253,931)
Transfers In	1,005,734	570,437	571,137	0
Transfers Out	(1,005,734)	(570,437)	(571,137)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>356,418</u>
Special Item				
Sale of CA Thomas Elementary	0	268,452	0	0
<i>Net Change in Fund Balances</i>	<u>(\$27,373,535)</u>	<u>(\$8,557,975)</u>	<u>(\$7,844,528)</u>	<u>\$590,304</u>
Debt Service as a Percentage of Noncapital Expenditures	3.7%	3.7%	4.0%	3.9%

2015	2016	2017	2018	2019	2020
\$57,215,966	\$58,226,212	\$55,293,938	\$61,150,597	\$65,415,998	\$55,758,233
31,535,412	29,924,108	28,615,793	28,207,656	26,862,209	25,486,457
7,265	39,318	521,038	1,627,411	2,720,570	1,790,847
5,055,528	3,815,856	5,460,488	4,498,408	4,214,365	4,297,428
409,016	404,938	433,106	403,521	339,524	274,368
70,429	73,197	124,466	71,621	23,778	10,884
855,786	766,205	633,355	602,820	632,626	517,292
0	0	0	0	0	49,212
147,662	192,101	367,468	341,793	398,451	174,356
460,538	249,528	274,619	274,103	312,515	350,118
<u>95,757,602</u>	<u>93,691,463</u>	<u>91,724,271</u>	<u>97,177,930</u>	<u>100,920,036</u>	<u>88,709,195</u>
34,343,286	34,864,569	36,074,257	36,380,449	37,805,621	38,942,183
13,090,313	14,232,343	14,286,503	14,014,668	14,725,275	15,899,179
489,976	283,808	285,446	334,293	346,301	343,266
0	0	0	0	0	0
5,328,640	5,359,881	5,386,938	5,292,070	5,219,111	5,971,695
2,044,328	1,910,149	2,060,714	2,040,209	2,042,438	1,940,124
31,897	40,738	28,575	48,237	44,445	40,780
5,114,218	5,099,125	5,074,548	5,036,326	5,057,379	5,242,789
1,919,004	2,045,894	2,224,571	2,383,479	2,246,225	1,996,158
1,073,329	658,971	469,412	408,672	424,491	468,192
5,880,086	5,566,073	5,683,973	5,803,600	5,924,519	6,506,340
5,206,133	4,999,087	5,474,561	6,247,930	5,217,248	5,225,729
2,067,684	1,947,997	2,414,948	2,252,932	2,327,616	2,893,485
3,271,791	3,106,638	3,237,037	3,420,439	3,469,989	3,266,406
1,022,526	1,415,283	1,327,908	1,463,966	1,662,852	1,316,250
0	0	0	0	0	263,918
2,133,519	1,114,388	1,896,516	19,209,529	48,433,504	47,639,913
1,900,000	1,930,000	2,150,000	6,605,000	1,648,000	1,772,000
1,327,804	1,195,949	2,296,963	5,466,496	5,389,311	5,625,244
0	222,380	1,353,238	170,106	222,144	0
<u>86,244,534</u>	<u>85,993,273</u>	<u>91,726,108</u>	<u>116,578,401</u>	<u>142,206,469</u>	<u>145,353,651</u>
<u>9,513,068</u>	<u>7,698,190</u>	<u>(1,837)</u>	<u>(19,400,471)</u>	<u>(41,286,433)</u>	<u>(56,644,456)</u>
0	0	112,500,000	0	0	0
0	8,900,000	0	14,279,000	5,210,000	0
0	0	0	0	495,000	0
0	0	1,564,319	0	0	0
0	264,473	0	0	0	0
0	(8,942,092)	0	(14,108,894)	0	0
0	0	0	0	0	0
39,212	2,225,942	464,158	3,169,688	307,407	252,549
<u>(39,212)</u>	<u>(2,225,942)</u>	<u>(464,158)</u>	<u>(3,169,688)</u>	<u>(307,407)</u>	<u>(252,549)</u>
<u>0</u>	<u>222,381</u>	<u>114,064,319</u>	<u>170,106</u>	<u>5,705,000</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$9,513,068</u>	<u>\$7,920,571</u>	<u>\$114,062,482</u>	<u>(\$19,230,365)</u>	<u>(\$35,581,433)</u>	<u>(\$56,644,456)</u>
3.8%	3.7%	4.9%	12.5%	7.6%	7.5%

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

Collection Year	Real Property			Tangible Personal Property Public Utility	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial/PU			
2011	\$889,364,590	\$488,484,510	\$3,936,711,714	\$23,832,328	\$27,082,191
2012	888,117,120	489,346,920	3,935,611,543	24,692,430	28,059,580
2013	829,921,220	460,919,440	3,688,116,171	30,559,960	34,727,227
2014	834,432,190	463,754,130	3,709,103,771	33,200,280	37,727,591
2015	835,121,070	466,729,860	3,719,574,086	35,071,880	39,854,409
2016	823,937,040	451,072,190	3,642,883,514	36,528,700	41,509,886
2017	825,589,220	430,825,830	3,589,757,286	40,412,290	45,923,057
2018	826,049,630	450,089,880	3,646,112,886	44,823,660	50,935,977
2019	914,935,120	461,240,710	3,931,930,943	50,087,240	56,917,318
2020	918,745,410	477,920,580	3,990,474,257	54,166,250	61,552,557

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

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Total			
Assessed Value	Estimated Actual Value	Full Tax Rate Per \$1,000 of Assessed Valuation	Weighted Average Tax Rate
\$1,401,681,428	\$3,963,793,905	\$74.90	\$41.41
1,402,156,470	3,963,671,122	75.00	41.62
1,321,400,620	3,722,843,399	78.90	47.93
1,331,386,600	3,746,831,362	78.90	48.07
1,336,922,810	3,759,428,495	78.70	48.08
1,311,537,930	3,684,393,401	78.00	48.22
1,296,827,340	3,635,680,343	82.20	52.43
1,320,963,170	3,697,048,863	82.10	52.33
1,426,263,070	3,988,848,261	82.20	49.33
1,450,832,240	4,052,026,814	82.10	49.32

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

	2011	2012	2013	2014	2015
Unvoted Millage					
Operating	<u>\$4.05</u>	<u>\$4.05</u>	<u>\$4.05</u>	<u>\$4.05</u>	<u>\$4.05</u>
Voted Millage - by levy					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	\$6.88	\$6.88	\$7.41	\$7.42	\$7.43
Commercial/Industrial and Public Utility Real	12.24	12.32	13.04	13.10	13.25
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	3.07	3.07	3.31	3.31	3.31
Commercial/Industrial and Public Utility Real	3.62	3.64	3.85	3.88	3.92
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	3.69	3.69	3.97	3.98	3.99
Commercial/Industrial and Public Utility Real	4.17	4.19	4.44	4.46	4.51
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	3.79	3.79	4.09	4.09	4.09
Commercial/Industrial and Public Utility Real	4.00	4.02	4.26	4.28	4.33
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	4.81	4.81	5.18	5.18	5.19
Commercial/Industrial and Public Utility Real	4.47	4.49	4.76	4.77	4.83
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	5.34	5.35	5.76	5.77	5.78
Commercial/Industrial and Public Utility Real	5.50	5.53	5.86	5.88	5.90
General Business and Public Utility Personal	5.90	5.90	5.90	5.90	5.90
2006 Operating -continuing					
Effective Millage Rates					
Residential/Agricultural Real	5.20	5.20	5.25	5.25	5.25
Commercial/Industrial and Public Utility Real	5.03	5.05	5.25	5.25	5.25
General Business and Public Utility Personal	5.25	5.25	5.25	5.25	5.25
2012 Operating -continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.00	0.00	3.90	3.90	3.90
Commercial/Industrial and Public Utility Real	0.00	0.00	3.90	3.90	3.90
General Business and Public Utility Personal	0.00	0.00	3.90	3.90	3.90
1992 Bond Levy (debt service)	0.80	0.90	0.90	0.90	0.70
2016 Bond Levy (debt service)	0.00	0.00	0.00	0.00	0.00

2016	2017	2018	2019	2020
\$4.05	\$4.05	\$4.05	\$4.05	\$4.05
\$7.54	\$7.54	\$7.54	\$6.82	\$6.81
13.91	13.90	13.66	13.29	13.26
31.40	31.40	31.40	31.40	31.40
3.36	3.36	3.37	3.04	3.04
4.11	4.11	4.04	3.93	3.92
6.90	6.90	6.90	6.90	6.90
4.04	4.04	4.05	3.66	3.66
4.74	4.74	4.65	4.53	4.52
6.90	6.90	6.90	6.90	6.90
4.16	4.15	4.16	3.76	3.76
4.54	4.54	4.46	4.34	4.33
5.90	5.90	5.90	5.90	5.90
5.27	5.27	5.27	4.77	4.76
5.07	5.07	4.98	4.85	4.84
5.90	5.90	5.90	5.90	5.90
5.85	5.86	5.86	5.30	5.30
5.90	5.90	5.79	5.64	5.62
5.90	5.90	5.90	5.90	5.90
5.25	5.25	5.25	4.74	4.74
5.25	5.25	5.16	5.02	5.00
5.25	5.25	5.25	5.25	5.25
3.90	3.90	3.90	3.52	3.52
3.90	3.90	3.83	3.73	3.72
3.90	3.90	3.90	3.90	3.90
0.00	0.00	0.00	0.00	0.00
0.00	4.20	4.20	4.20	4.10

(continued)

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

	2011	2012	2013	2014	2015
1976 Permanent Improvement Continuing					
Effective Millage Rates					
Residential/Agricultural Real	\$0.19	\$0.19	\$0.21	\$0.21	\$0.21
Commercial/Industrial and Public Utility Real	0.35	0.35	0.37	0.38	0.38
General Business and Public Utility Personal	0.90	0.90	0.90	0.90	0.90
1996 Permanent Improvement Continuing					
Effective Millage Rates					
Residential/Agricultural Real	0.74	0.74	0.80	0.80	0.80
Commercial/Industrial and Public Utility Real	0.74	0.74	0.79	0.79	0.80
General Business and Public Utility Personal	1.00	1.00	1.00	1.00	1.00
Total voted millage by type of property					
Residential/Agricultural Real	\$34.51	\$34.62	\$40.78	\$40.81	\$40.65
Commercial/Industrial and Public Utility Real	40.92	41.23	47.42	47.59	47.77
General Business and Public Utility Personal	70.85	70.95	74.85	74.85	74.65
Total millage by type of property					
Residential/Agricultural Real	\$38.56	\$38.67	\$44.83	\$44.86	\$44.70
Commercial/Industrial and Public Utility Real	44.97	45.28	51.47	51.64	51.82
General Business and Public Utility Personal	74.90	75.00	78.90	78.90	78.70
Total Weighted Average Tax Rate					
	\$41.41	\$41.62	\$47.93	\$48.07	\$48.08
Overlapping Rates by Taxing District					
Berea City					
Effective Millage Rates					
Residential/Agricultural Real	\$13.13	\$13.13	\$12.75	\$12.76	\$12.76
Commercial/Industrial and Public Utility Real	13.56	13.56	13.31	13.31	13.32
General Business and Public Utility Personal	17.20	17.20	16.80	16.80	16.80
Middleburg Heights City					
Effective Millage Rates					
Residential/Agricultural Real	4.65	4.65	4.71	4.71	4.71
Commercial/Industrial and Public Utility Real	4.83	4.83	4.88	4.88	4.88
General Business and Public Utility Personal	5.45	5.45	5.45	5.45	5.45
Brook Park City					
Effective Millage Rates					
Residential/Agricultural Real	4.67	4.67	4.73	4.73	4.73
Commercial/Industrial and Public Utility Real	4.68	4.68	4.67	4.67	4.68
General Business and Public Utility Personal	4.75	4.75	4.80	4.75	4.75
Cleveland City					
Effective Millage Rates					
Residential/Agricultural Real	12.70	12.70	12.70	12.70	12.70
Commercial/Industrial and Public Utility Real	12.70	12.70	12.70	12.70	12.70
General Business and Public Utility Personal	12.70	12.70	12.70	12.70	12.70
Fairview Park City					
Effective Millage Rates					
Residential/Agricultural Real	11.58	11.58	11.61	11.61	11.61
Commercial/Industrial and Public Utility Real	11.73	11.74	11.73	11.73	11.75
General Business and Public Utility Personal	11.80	11.80	11.80	11.80	11.80

2016	2017	2018	2019	2020
\$0.21	\$0.21	\$0.21	\$0.19	\$0.19
0.39	0.40	0.39	0.38	0.38
0.90	0.90	0.90	0.90	0.90
0.81	0.81	0.82	0.74	0.74
0.84	0.84	0.83	0.80	0.80
1.00	1.00	1.00	1.00	1.00
\$40.39	\$44.59	\$44.63	\$40.74	\$40.62
48.65	52.85	51.99	50.71	50.49
73.95	78.15	78.15	78.15	78.05
\$44.44	\$48.64	\$48.68	\$44.79	\$44.67
52.70	56.90	56.04	54.76	54.54
78.00	82.20	82.20	82.20	82.10
\$48.22	\$52.43	\$52.33	\$49.33	\$49.32
\$12.78	\$12.78	\$12.79	\$12.56	\$12.56
13.38	13.38	13.37	13.30	13.30
16.80	16.80	16.80	16.80	16.80
4.71	4.71	4.71	4.68	4.68
4.91	4.91	4.89	4.88	4.88
5.45	5.45	5.45	5.45	5.45
4.74	4.74	4.74	4.71	4.71
4.68	4.68	4.68	4.67	4.67
4.75	4.75	4.75	4.75	4.75
12.70	12.70	12.70	12.70	12.70
12.70	12.70	12.70	12.70	12.70
12.70	12.70	12.70	12.70	12.70
11.56	11.56	11.56	11.47	11.47
11.79	11.79	11.79	11.73	11.73
11.80	11.80	11.80	11.80	11.80

(continued)

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

	2011	2012	2013	2014	2015
Olmsted Falls City					
Effective Millage Rates					
Residential/Agricultural Real	\$11.40	\$11.61	\$11.69	\$10.60	\$10.60
Commercial/Industrial and Public Utility Real	10.97	11.16	11.34	10.32	10.56
General Business and Public Utility Personal	14.25	14.45	14.45	13.35	13.35
Cuyahoga County					
Effective Millage Rates					
Residential/Agricultural Real	18.46	12.78	13.22	13.94	14.05
Commercial/Industrial and Public Utility Real	18.87	13.11	12.99	14.05	14.01
General Business and Public Utility Personal	19.05	13.22	20.80	14.05	14.05
Polaris J.V.S.D.					
Effective Millage Rates					
Residential/Agricultural Real	2.01	2.04	2.33	2.33	2.33
Commercial/Industrial and Public Utility Real	2.18	2.18	2.13	2.14	2.17
General Business and Public Utility Personal	2.40	2.40	2.40	2.40	2.40
Cuyahoga County Public Library					
Effective Millage Rates					
Residential/Agricultural Real	2.50	2.50	2.50	2.50	2.50
Commercial/Industrial and Public Utility Real	2.50	2.50	2.50	2.50	2.50
General Business and Public Utility Personal	2.50	2.50	2.50	2.50	2.50
Cleveland Metroparks					
Effective Millage Rates					
Residential/Agricultural Real	1.81	1.82	2.75	2.75	2.71
Commercial/Industrial and Public Utility Real	1.72	1.74	2.70	2.74	2.75
General Business and Public Utility Personal	1.85	1.85	2.75	2.75	2.75
Cleveland Cuyahoga Port Authority					
Effective Millage Rates					
Residential/Agricultural Real	0.10	0.10	0.11	0.14	0.11
Commercial/Industrial and Public Utility Real	0.11	0.11	0.11	0.11	0.11
General Business and Public Utility Personal	0.13	0.13	0.13	0.13	0.13
Cuyahoga Community College					
Effective Millage Rates					
Residential/Agricultural Real	3.08	3.08	3.10	3.10	4.00
Commercial/Industrial and Public Utility Real	3.02	3.02	3.06	3.07	3.99
General Business and Public Utility Personal	3.10	3.10	3.10	3.10	4.00

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

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

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

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

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

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

2016	2017	2018	2019	2020
\$10.50	\$9.80	\$9.80	\$9.22	\$9.21
10.55	9.85	9.85	9.53	9.52
13.35	12.65	12.65	12.65	12.65
14.05	13.88	13.91	12.80	12.80
13.87	14.01	14.01	13.08	13.23
14.05	14.05	14.05	14.05	14.05
2.29	2.98	2.99	2.69	2.69
2.27	2.96	2.94	2.80	2.83
2.40	3.09	3.09	3.09	3.09
2.47	2.47	2.48	2.26	2.26
2.50	2.50	2.50	2.37	2.38
2.50	2.50	2.50	2.50	2.50
2.71	2.71	2.72	2.48	2.48
2.75	2.74	2.74	2.54	2.57
2.75	2.75	2.75	2.75	2.75
0.11	0.11	0.11	0.10	0.10
0.12	0.12	0.12	0.11	0.11
0.13	0.13	0.13	0.13	0.13
3.94	3.95	4.46	4.10	4.50
4.00	3.99	4.49	4.19	4.64
4.00	4.00	4.50	4.50	4.90

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
2010	\$58,469,967	\$52,974,409	90.60%	\$3,956,993	\$56,931,402	97.37%
2011	58,241,431	55,834,655	95.86	3,578,785	59,413,440	102.01
2012	63,666,931	60,646,452	95.26	1,879,820	62,526,272	98.21
2013	64,016,614	58,980,806	92.13	1,944,222	60,925,028	95.17
2014	64,540,119	60,082,521	93.09	1,573,779	61,656,300	95.53
2015	62,695,041	60,196,116	96.01	1,477,262	61,673,378	98.37
2016	69,358,945	67,268,407	96.99	1,894,592	69,162,999	99.72
2017	69,228,399	66,818,863	96.52	1,928,302	68,747,165	99.30
2018	70,450,978	68,574,699	97.34	2,121,449	70,696,148	100.35
2019	73,010,501	68,799,840	94.23	1,728,407	70,528,247	96.60

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 2020 information cannot be presented because all collections have not been made by June 30, 2020.
- (3) The County's current operating system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.
- (3) Tax information cannot be broken out for real property, public utility and personal tangible.

Berea City School District*Principal Taxpayers**Real Estate Tax**2020 and 2011(1)*

Name of Taxpayer	2020	
	Assessed Value	Percent of Real Property Assessed Value
City of Cleveland	\$51,321,200	3.68 %
The Islander Company, LLC	14,692,220	1.05
Baldwin -Wallace University	14,175,450	1.01
Southland Shopping Center, LLC	12,750,440	0.91
Ford Motor Company	10,100,070	0.72
Deep Discount Properties LLC	10,062,020	0.72
Cleveland Airport	6,201,450	0.45
CP-Snow Properties, LLC	5,986,900	0.43
Middleburg - Legacy Place	5,747,950	0.41
HJB Holdings, LLC	4,349,980	0.31
Totals	<u>\$135,387,680</u>	<u>9.69 %</u>
Total Real Property Assessed Valuation	<u>\$1,396,665,990</u>	

Name of Taxpayer	2011	
	Assessed Value	Percent of Real Property Assessed Value
City of Cleveland	\$59,619,350	4.33 %
Cleveland Electric Illuminating	16,011,210	1.16
Southland Shopping Center, LLC	12,981,260	0.94
The Islander Company, LLC.	10,240,190	0.75
Middleburg - Legacy Place	5,682,400	0.41
Ford Motor Company	5,649,450	0.41
Albrecht Inc	5,207,690	0.38
MWP Company	4,822,600	0.35
Ozre Lodging LLC.	4,733,130	0.34
CP Snow Properties, LLC.	4,705,330	0.34
Totals	<u>\$129,652,610</u>	<u>9.41 %</u>
Total Real Property Assessed Valuation	<u>\$1,377,849,100</u>	

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

(1) The amounts presented represent the assessed values upon which 2020 and 2011 collections were based.

Berea City School District
Principal Taxpayers
Public Utilities Real Property Tax
2020 and 2011(1)

Name of Taxpayer	2020	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$27,870,930	51.45 %
American Transmission System	18,453,000	34.07
Columbia Gas of Ohio Inc	6,531,360	12.06
Totals	<u>\$52,855,290</u>	<u>97.58 %</u>
Total Public Utility Assessed Valuation	<u>\$54,166,250</u>	

Name of Taxpayer	2011	
	Assessed Value	Percent of Public Utility
Cleveland Electric Illuminating Company	\$16,011,210	67.18 %
American Transmission System	3,108,350	13.04
Columbia Gas of Ohio Inc	2,940,420	12.34
Totals	<u>\$22,059,980</u>	<u>92.56 %</u>
Total Public Utility Assessed Valuation	<u>\$23,832,328</u>	

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

(1) The amounts presented represent the assessed values upon which 2020 and 2011 collections were based.

Berea City School District
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2020*

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Berea City School District			
General Obligation Bonds	\$110,977,319	100.00 %	\$110,977,319
Certificates of Participation	<u>28,482,951</u>	100.00	<u>28,482,951</u>
Total Direct	<u>139,460,270</u>		<u>139,460,270</u>
Overlapping:			
Cuyahoga County	1,388,005,680	4.74	65,791,469
Greater Cleveland Regional Transit	138,064,434	4.74	6,544,254
City of Middleburg Heights	7,384,090	100.00	7,384,090
City of Brook Park	13,049,693	94.76	12,365,889
City of Berea	23,487,541	93.39	21,935,015
City of Olmsted Falls	9,980,953	3.18	317,394
City of Fairview Park	18,942,564	0.11	20,837
City of Cleveland	<u>844,613,000</u>	1.19	<u>10,050,895</u>
Total Overlapping	<u>2,443,527,955</u>		<u>124,409,843</u>
Total	<u><u>\$2,582,988,225</u></u>		<u><u>\$263,870,113</u></u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The values used were for the 2019 collection year.

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

	2011	2012	2013	2014
Assessed Valuation	<u>\$1,401,681,428</u>	<u>\$1,402,156,470</u>	<u>\$1,321,400,620</u>	<u>\$1,331,386,600</u>
Debt Limit - 9% of Assessed Value (1)	<u>\$126,151,329</u>	<u>\$126,194,082</u>	<u>\$118,926,056</u>	<u>\$119,824,794</u>
Amount of Debt Applicable to Debt Limit				
Certificates of Participation	26,000,000	26,000,000	25,500,000	25,790,000
General Obligation Bonds	11,960,000	10,585,000	9,215,000	7,885,000
Notes	2,085,000	1,820,000	4,545,000	3,985,000
Less Amount Available in Debt Service	<u>(3,595,079)</u>	<u>(3,696,184)</u>	<u>(3,870,286)</u>	<u>(3,535,427)</u>
Total	36,449,921	34,708,816	35,389,714	34,124,573
Exemptions:				
Certificates of Participation	26,000,000	26,000,000	25,500,000	25,790,000
Energy Conservation Bonds	<u>5,470,000</u>	<u>5,080,000</u>	<u>4,675,000</u>	<u>4,250,000</u>
Amount of Debt Subject to Limit	<u>4,979,921</u>	<u>3,628,816</u>	<u>5,214,714</u>	<u>4,084,573</u>
Overall Debt Margin	<u>\$121,171,408</u>	<u>\$122,565,266</u>	<u>\$113,711,342</u>	<u>\$115,740,221</u>
Legal Debt Margin as a Percentage of the Debt Limit	8.64%	8.74%	8.61%	8.69%
Unvoted Debt Limit - 10% of Assessed Value (2)	\$1,401,681	\$1,402,156	\$1,321,401	\$1,331,387
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$1,401,681</u>	<u>\$1,402,156</u>	<u>\$1,321,401</u>	<u>\$1,331,387</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100%	100%	100%	100%
Additional Limit for Unvoted Debt:				
Debt Limit - .9% of Assessed Value	\$12,615,133	\$12,619,408	\$11,892,606	\$11,982,479
Certificates of Participation	26,000,000	26,000,000	25,500,000	0
Energy Conservation Bonds	<u>5,470,000</u>	<u>5,080,000</u>	<u>4,675,000</u>	<u>4,250,000</u>
Additional Unvoted Debt Margin	<u>(\$18,854,867)</u>	<u>(\$18,460,592)</u>	<u>(\$18,282,394)</u>	<u>\$7,732,479</u>

Source: Cuyahoga Fiscal Officer and School District Financial Records

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

2015	2016	2017	2018	2019	2020
<u>\$1,336,922,810</u>	<u>\$1,311,537,930</u>	<u>\$1,296,827,340</u>	<u>\$1,320,963,170</u>	<u>\$1,426,263,070</u>	<u>\$1,450,832,240</u>
<u>\$120,323,053</u>	<u>\$118,038,414</u>	<u>\$116,714,461</u>	<u>\$118,886,685</u>	<u>\$128,363,676</u>	<u>\$130,574,902</u>
25,155,000	25,640,000	24,805,000	24,889,000	29,181,000	28,241,000
6,620,000	5,295,000	116,480,000	110,620,000	110,385,000	109,553,000
3,410,000	2,815,000	2,205,000	1,575,000	1,275,000	965,000
<u>(3,998,187)</u>	<u>(2,243,594)</u>	<u>(4,409,270)</u>	<u>(2,075,361)</u>	<u>(2,750,683)</u>	<u>(2,291,871)</u>
31,186,813	31,506,406	139,080,730	135,008,639	138,090,317	136,467,129
25,155,000	25,640,000	24,805,000	24,889,000	29,181,000	28,241,000
<u>3,855,000</u>	<u>3,445,000</u>	<u>3,020,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>2,176,813</u>	<u>2,421,406</u>	<u>111,255,730</u>	<u>110,119,639</u>	<u>108,909,317</u>	<u>108,226,129</u>
<u>\$118,146,240</u>	<u>\$115,617,008</u>	<u>\$5,458,731</u>	<u>\$8,767,046</u>	<u>\$19,454,359</u>	<u>\$22,348,773</u>
8.84%	8.82%	0.42%	0.66%	1.36%	1.54%
\$1,336,923	\$1,311,538	\$1,296,827	\$1,320,963	\$1,426,263	\$1,450,832
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$1,336,923</u>	<u>\$1,311,538</u>	<u>\$1,296,827</u>	<u>\$1,320,963</u>	<u>\$1,426,263</u>	<u>\$1,450,832</u>
100%	100%	100%	100%	100%	100%
\$12,032,305	\$11,803,841	\$11,671,446	\$11,888,669	\$12,836,368	\$13,057,490
0	0	0	0	0	0
<u>3,855,000</u>	<u>3,445,000</u>	<u>3,020,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$8,177,305</u>	<u>\$8,358,841</u>	<u>\$8,651,446</u>	<u>\$11,888,669</u>	<u>\$12,836,368</u>	<u>\$13,057,490</u>

Berea City School District
*Ratio of General Bonded Debt to Estimated Actual Value and per Capita,
Ratio of General Debt to Personal Income and per Capita
Last Ten Fiscal Years*

Fiscal Year	General Bonded Debt			Other General Debt		Ratio of General Debt to Personal Income (3)	Total Debt per Capita (2)
	General Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value (1)	Bonded Debt per Capita (2)	Certificates of Participation	Total Debt		
2011	\$12,131,033	0.31	\$215.64	\$25,742,839	\$37,873,872	2.79	\$673.23
2012	10,734,025	0.27	197.86	25,756,135	36,490,160	2.60	672.62
2013	9,300,454	0.25	171.43	25,269,431	34,569,885	2.46	637.22
2014	7,960,410	0.21	146.73	25,423,146	33,383,556	2.38	617.73
2015	6,685,366	0.18	123.23	24,802,630	31,487,996	2.24	580.41
2016	5,351,035	0.15	98.63	25,639,899	30,990,934	2.21	571.25
2017	118,077,726	3.25	2,176.51	24,814,405	142,892,131	10.18	2,633.91
2018	112,128,319	3.03	2,066.84	25,123,371	137,251,690	9.77	2,529.94
2019	111,851,319	2.80	2,061.74	29,419,037	141,270,356	10.06	2,604.01
2020	110,977,319	2.74	2,045.63	28,482,951	139,460,270	9.14	2,667.46

Source: School District Records

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

Berea City School District
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Household Income</u>	<u>Median Age</u>	<u>Unemployment Rate</u>
2011	56,257	\$1,358,575,269	\$24,149	\$52,800	37.9	8.6
2012	54,251	1,404,216,035	26,126	56,362	40.5	7.7
2013	54,251	1,404,216,035	26,126	47,945	40.5	7.1
2014	54,042	1,401,687,354	25,937	54,329	40.5	7.9
2015	54,251	1,404,232,884	25,884	56,626	40.5	5.6
2016	54,251	1,404,232,884	25,884	56,626	40.5	5.6
2017	54,251	1,404,232,884	25,884	56,626	40.5	6.6
2018	54,251	1,404,216,035	25,884	56,626	40.5	6.4
2019	54,251	1,404,216,035	25,884	56,626	40.5	4.9
2020	52,282	1,526,416,556	29,196	57,521	42.8	4.8

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	2020	
		Number of Employees	Percentage of Total Employment
Baldwin Wallace University	Higher Education	3,065	5.05%
Southwest General Hospital	Hospital	2,748	4.53
United Parcel Service	Delivery	2,579	4.25
Ford Motor Company	Automobile	1,926	3.17
Department of Interior	Government	1,662	2.74
Quadax, Inc	Manufacturing	682	1.12
Marc Glassman Inc	Warehouse	676	1.11
Cleveland Brown Football	Sports	601	0.99
Ohio Guidestone	Family Services	598	0.98
DSS Holdings	Financial Services	557	0.92
Total		<u>15,094</u>	
Total Employment within the School District		<u>60,723</u>	

Employer	Nature of Business	2011	
		Number of Employees	Percentage of Total Employment
Baldwin Wallace University	Higher Education	3,054	6.05%
Southwest General Hospital	Hospital	2,639	5.23
United Parcel Service	Delivery	1,862	3.69
Department of Interior	Government	1,730	3.42
Ford Motor Company	Automobile	1,298	2.57
Berea City School District	Education	983	1.95
OHNH EMP LLC	Healthcare	741	1.47
Marc Glassman Inc	Warehouse	558	1.10
Amerimark Direct LLC	Manufacturing	555	1.10
Berea Children's Home	Treatment Facility	514	1.02
Total		<u>13,934</u>	
Total Employment within the School District		<u>50,489</u>	

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

Berea City School District
Per Pupil Cost
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of Students Receiving Free and Reduced Lunch</u>
2011	\$97,138,373	7,018	\$13,841	1.35	495	14.2	37.50%
2012	94,762,096	7,121	13,307	(3.86)	506	14.1	33.8
2013	95,717,873	6,980	13,713	3.05	502	13.9	34.7
2014	90,433,583	6,694	13,510	(1.48)	479	14.0	34.7
2015	82,771,245	6,789	12,192	(9.75)	440	15.4	33.1
2016	83,454,476	6,549	12,743	4.52	449	14.6	32.0
2017	93,173,315	6,373	14,620	14.73	437	14.6	34.6
2018 (1)	47,335,568	5,977	7,920	(45.83)	432	13.8	34.6
2019	82,926,452	5,817	14,256	80.01	454	12.8	34.4
2020	100,975,509	5,725	17,638	23.72	448	12.8	33.6

Source: School District Records
Ohio Department of Education

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

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

	2011	2012	2013	2014	2015
Big Creek Elementary School					
Constructed in 1954					
Total Building Square Footage	116,620	116,620	116,620	116,620	116,620
Enrollment Grades K-6	764	0	0	0	0
Enrollment Grades K-4 (2)	0	718	780	642	622
Student Capacity	1,010	1,010	1,010	1,010	1,010
Regular Instruction Classrooms	49	49	49	49	49
Regular Instruction Teachers	35	37	37	31	29
Special Instruction Teachers	6	7	14	9	10
Brookpark Elementary School					
Constructed in 1956					
Total Building Square Footage	96,900	96,900	96,900	96,900	96,900
Enrollment Grades K-6	661	0	0	0	0
Enrollment Grades PrK-4 (2)	0	658	757	647	707
Student Capacity	836	836	836	836	836
Regular Instruction Classrooms	56	56	56	56	56
Regular Instruction Teachers	30	32	32	27	23
Special Instruction Teachers	11	9	14	16	21
Brookview Elementary School					
Constructed in 1965					
Total Building Square Footage	53,400	53,400	53,400	53,400	53,400
Enrollment Grades K-6	494	0	0	0	0
Enrollment Grades K-4 (2)	0	514	543	438	445
Student Capacity	437	437	437	437	437
Regular Instruction Classrooms	31	31	31	31	31
Regular Instruction Teachers	25	26	21	22	18
Special Instruction Teachers	3	4	9	10	7
Parknoll Elementary School					
Constructed in 1961					
Total Building Square Footage	41,746	0	0	0	0
Enrollment Grades K-5	378	0	0	0	0
Student Capacity	334	0	0	0	0
Regular Instruction Classrooms	24	0	0	0	0
Regular Instruction Teachers	20	0	0	0	0
Special Instruction Teachers	4	0	0	0	0
Riveredge Elementary School					
Constructed in 1960					
Total Building Square Footage	44,384	0	0	0	0
Enrollment Grades K-6	158	0	0	0	0
Student Capacity	355	0	0	0	0
Regular Instruction Classrooms	25	0	0	0	0
Regular Instruction Teachers	10	0	0	0	0
Special Instruction Teachers	5	0	0	0	0
Smith Elementary School (1)					
Constructed in 1966					
Total Building Square Footage	42,000	42,000	42,000	42,000	4,200
Enrollment Grades K-6	481	0	0	0	0
Student Capacity	336	336	336	336	336
Regular Instruction Classrooms	21	0	0	0	0
Regular Instruction Teachers	24	0	0	0	0
Special Instruction Teachers	4	0	0	0	0
Grindstone Elementary School (1)					
Constructed in 2011					
Total Building Square Footage	NA	105,000	105,000	105,000	105,000
Enrollment Grades K-4	NA	820	901	899	890
Student Capacity	NA	820	820	820	820
Regular Instruction Classrooms	NA	43	43	43	43
Regular Instruction Teachers	NA	38	40	39	40
Special Instruction Teachers	NA	10	16	20	12

2016	2017	2018	2019	2020
116,620	116,620	116,620	116,620	116,620
0	0	0	0	0
631	732	599	552	552
1,010	1,010	1,010	1,010	1,010
49	49	49	49	49
33	33	32	36	31
11	11	9	9	13
96,900	96,900	96,900	96,900	96,900
0	0	0	0	0
643	521	616	836	836
836	836	836	836	836
56	56	56	56	56
25	25	21	42	20
21	21	10	5	32
53,400	53,400	53,400	53,400	53,400
0	0	0	0	0
441	458	381	363	363
437	437	437	437	437
31	31	31	31	31
25	25	20	27	20
7	7	9	6	13
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
4,200	4,200	4,200	4,200	4,200
0	0	0	0	0
336	336	336	336	336
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
105,000	105,000	105,000	105,000	105,000
831	791	700	633	633
820	820	820	820	820
43	43	43	43	43
40	40	33	31	30
14	14	8	7	10

(continued)

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

	2011	2012	2013	2014	2015
Ford Intermediate School (3) (6)					
Constructed in 1961					
Total Building Square Footage	165,800	165,800	165,800	165,800	165,800
Enrollment Grades 6-8	1,003	0	0	0	0
Enrollment Grades 5-6 (3)	0	1,038	999	925	905
Student Capacity	1,175	1,175	1,175	1,175	1,175
Regular Instruction Classrooms	66	66	66	66	66
Regular Instruction Teachers	48	42	49	47	39
Special Instruction Teachers	11	14	14	11	12
Roehm Middle School					
Constructed in 1956					
Total Building Square Footage	133,804	133,804	133,804	133,804	133,804
Enrollment Grades 6-8	631	777	703	0	0
Student Capacity	1,163	1,163	1,163	1,163	1,163
Regular Instruction Classrooms	47	47	47	47	0
Regular Instruction Teachers	32	40	41	0	0
Special Instruction Teachers	8	9	13	0	0
Berea Midpark High School (4) (6)					
Constructed in 1928					
Total Building Square Footage	264,266	264,266	264,266	264,266	264,266
Enrollment Grades 9-12 (6)	1,100	0	0	0	0
Enrollment Grades 10-12 (4)	0	1,170	1,064	1,672	1,682
Student Capacity	1,582	1,582	1,582	1,582	1,582
Regular Instruction Classrooms	67	67	67	67	67
Regular Instruction Teachers	45	45	44	88	67
Special Instruction Teachers	13	12	15	16	21
Berea Midpark Middle School (5) (6)					
Constructed in 1962					
Total Building Square Footage	236,563	236,563	236,563	236,563	236,563
Enrollment Grades 9-12	1,348	0	0	0	0
Enrollment Grades 7-9 (5)	0	1,426	1,233	1,471	1,541
Enrollment Grades 5-8 (6)	0	0	0	0	0
Student Capacity	1,418	1,418	1,418	1,418	1,418
Regular Instruction Classrooms	55	55	55	55	55
Regular Instruction Teachers	65	60	55	73	69
Special Instruction Teachers	12	11	13	21	28

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

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

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

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

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

(6) With the School District's restructuring after the bond issue was passed in 2017, Ford Intermediate School was demolished and the site is being utilized for the construction of a new elementary school to house student from Brook Park Memorial School and Brookview Elementary School. The intermediate students were moved to the Junior High, which was renamed Berea Midpark Middle School. The middle school now houses grades 5 to 8. With this change 9th grade was moved back to the high school.

Source: School District's Records

2016	2017	2018	2019	2020
165,800	165,800	165,800	0	0
0	0	0	0	0
955	917	878	0	0
1,185	1,185	1,185	0	0
66	66	66	0	0
47	47	47	0	0
16	16	16	0	0
27,290	27,290	27,290	27,290	27,290
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
264,266	264,266	264,266	264,266	264,266
0	0	0	1,670	1,670
1,615	1,549	1,422	0	0
1,582	1,582	1,582	1,582	1,582
67	67	67	67	67
60	60	60	88	74
20	20	20	33	25
236,563	236,563	236,563	236,563	236,563
0	0	0	0	0
1,433	1,405	1,381	0	0
0	0	0	1,763	1,763
1,418	1,418	1,418	1,800	1,800
55	55	55	55	55
62	62	57	97	98
32	32	21	23	29

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

Degree	2011	2012	2013	2014
Bachelor's Degree	42	67	31	36
Bachelor + 15	9	20	15	7
Bachelor + 30	32	25	24	23
Master's Degree	322	317	325	296
Master + 15	40	47	51	54
Master + 30	14	16	24	21
PhD	36	14	32	42
Total	495	506	502	479

Source: School District Records

2015	2016	2017	2018	2019	2020
18	36	20	24	16	24
4	4	2	11	13	13
21	20	25	22	21	19
286	278	264	123	134	122
57	60	63	128	132	133
23	22	27	101	98	98
31	29	36	41	40	39
440	449	437	450	454	448

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

Fiscal Year	Berea Attendance Rate	State Average	Berea Graduation Rate	State Average
2011	95.30	93.00	91.10	90.00
2012	95.30	93.00	91.10	90.00
2013	92.20	94.20	93.40	82.40
2014	95.00	94.30	92.70	82.20
2015	95.30	94.10	93.10	83.80
2016	93.50	94.00	90.90	83.00
2017	94.00	93.90	91.70	83.60
2018	93.90	NA	89.80	84.10
2019	93.80	NA	92.60	85.30
2020	95.00	NA	91.80	85.90

Source: Ohio Department of Education Local Report Cards

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

Function/Program	2011	2012	2013	2014	2015
Regular Instruction					
Elementary Classroom Teachers	137.00	137.00	131.00	120.00	110.00
(2) Intermediate School Classroom Teachers	82.00	83.00	92.00	49.00	39.00
(2) Junior High Schools Classroom Teachers	NA	NA	NA	74.00	69.00
(2) Middle School Classroom Teachers	NA	NA	NA	NA	NA
High School Classroom Teachers	108.00	108.00	99.00	88.00	67.00
(1) Non-Teaching Support Staff Elementary	NA	NA	NA	24.00	26.00
(1) Non-Teaching Support Staff Intermediate	NA	NA	NA	5.00	5.00
(1) Non-Teaching Support Staff Junior High	NA	NA	NA	7.00	5.00
Non-Teaching Support Staff Middle	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff High School	NA	NA	NA	6.00	2.00
Special Instruction					
Elementary Classroom Teachers	60.00	47.00	53.00	48.00	53.00
Gifted Education Teachers	5.00	5.00	5.00	5.00	4.00
(2) Intermediate School Classroom Teachers	NA	NA	NA	10.00	11.00
(2) Junior High Schools Classroom Teachers	28.00	30.00	28.00	31.50	28.00
(2) Middle School Classroom Teachers	NA	NA	NA	NA	NA
High School Classroom Teachers	25.00	24.00	28.00	16.50	17.00
(1) Non-Teaching Support Staff Elementary	NA	NA	NA	38.00	34.00
(1) Non-Teaching Support Staff Intermediate	NA	NA	NA	13.00	8.00
(1) Non-Teaching Support Staff Junior High	NA	NA	NA	6.00	16.00
(2) Non-Teaching Support Staff Middle	NA	NA	NA	NA	NA
(1) Non-Teaching Support Staff High School	NA	NA	NA	10.00	12.00
Vocational Instruction					
High School Classroom Teachers	5.00	7.00	4.00	4.00	3.00
Pupil Support Services					
Guidance Counselors	18.00	18.00	18.00	15.00	15.00
Librarians	5.50	6.00	6.00	5.00	5.00
Psychologists	4.00	4.00	4.00	2.00	2.00
Speech and Language Pathologists	13.00	16.00	16.00	11.00	11.00
(1) Non-Teaching Support Staff Central	5.00	4.00	4.00	5.00	8.00
Instructional Support Service					
(1) Non-Teaching Support Staff Elementary	75.50	54.00	65.00	NA	NA
(1) Non-Teaching Support Staff Middle	33.00	29.00	28.00	NA	NA
(1) Non-Teaching Support Staff High	33.00	38.00	33.00	NA	NA
(1) Non-Teaching Support Staff Central	9.00	8.00	3.00	NA	NA
Administration					
Elementary	8.00	7.00	7.00	7.00	7.00
(2) Intermediate School	NA	NA	NA	3.00	2.00
(2) Junior High Schools	6.00	6.00	6.00	4.00	6.00
(2) Middle School	NA	NA	NA	NA	NA
High School	8.00	8.00	6.00	5.00	4.00
Central	2.00	2.00	2.00	2.00	4.00
(1) Non-Teaching Support Staff	18.00	24.00	26.00	23.00	28.00
Business					
Central	3.00	3.00	2.00	2.00	2.00

2016	2017	2018	2019	2020
123.00	125.00	125.00	136.00	100.00
47.00	47.00	49.00	0.00	0.00
62.00	59.00	59.00	0.00	0.00
NA	NA	NA	97.00	98.00
56.00	66.00	66.00	88.00	75.00
28.00	28.00	28.00	44.00	39.00
5.00	5.00	5.00	0.00	0.00
5.00	5.00	5.00	0.00	0.00
NA	NA	NA	13.00	11.00
4.00	4.00	4.00	13.00	12.00
49.00	48.00	48.00	27.00	46.00
4.00	4.00	4.00	5.00	5.00
16.00	15.00	15.00	0.00	0.00
32.00	18.00	18.00	0.00	0.00
NA	NA	NA	23.00	26.00
20.00	29.00	29.00	33.00	36.00
31.00	30.00	30.00	23.00	24.00
8.00	8.00	8.00	0.00	0.00
13.00	13.00	13.00	0.00	0.00
NA	NA	NA	15.00	10.00
12.00	12.00	12.00	15.00	25.00
4.00	4.00	4.00	2.00	1.00
15.00	15.00	15.00	12.00	15.00
5.00	5.00	5.00	4.00	4.00
1.00	1.00	1.00	2.00	2.00
12.00	11.00	11.00	14.00	14.00
9.00	9.00	9.00	17.00	17.00
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
7.00	7.00	7.00	6.00	7.00
2.00	2.00	2.00	0.00	0.00
6.00	5.00	5.00	0.00	0.00
NA	NA	NA	4.00	5.00
4.00	6.00	6.00	5.00	6.00
4.00	2.00	2.00	2.00	2.00
28.00	28.00	28.00	14.00	9.00
2.00	2.00	2.00	0.00	2.00

(continued)

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

Function/Program	2011	2012	2013	2014	2015
Fiscal					
Treasurer Department	7.00	7.00	7.00	6.00	8.00
Operation of Plant					
Custodial Dept.	61.00	46.00	46.00	46.00	41.00
Maintenance Dept.	16.00	16.00	16.00	12.00	13.00
Pupil Transportation					
Bus Drivers	45.00	62.00	62.00	68.00	80.00
Bus Aides	12.00	15.00	15.00	12.00	17.00
Mechanics	5.00	5.00	5.00	4.00	4.00
Transportation support staff	3.00	3.00	4.00	3.00	4.00
Central					
Community Relations	2.00	2.00	2.00	2.00	1.00
Technology	16.00	14.00	12.00	12.00	12.00
Personnel	5.00	4.00	4.00	4.00	4.00
Extracurricular					
Athletic Department	4.00	4.00	4.00	2.00	1.00
Food Service Program					
Elementary	14.00	14.00	14.00	11.00	11.00
(2) Intermediate	NA	NA	NA	5.00	3.00
(2) Junior High School	14.00	14.00	14.00	5.00	4.00
(2) Middle School	NA	NA	NA	NA	NA
High School	11.00	11.00	11.00	5.00	4.00
Central	1.00	1.00	1.00	1.00	1.00
Adult Education/Community Service					
Preschool	12.00	12.00	12.00	11.00	8.00
Extended Care	18.00	25.00	22.00	15.00	14.00
Adult Education	0.00	0.00	0.00	0.00	0.00
Totals	<u>937.00</u>	<u>923.00</u>	<u>917.00</u>	<u>863.00</u>	<u>833.00</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.

2016	2017	2018	2019	2020
9.00	9.00	9.00	9.00	9.00
36.00	52.00	52.00	46.00	38.00
13.00	16.00	16.00	17.00	15.00
80.00	80.00	80.00	82.00	84.00
15.00	15.00	15.00	19.00	20.00
4.00	4.00	4.00	5.00	5.00
4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
11.00	17.00	17.00	11.00	11.00
4.00	4.00	4.00	4.00	4.00
1.00	3.00	3.00	3.00	3.00
10.00	10.00	10.00	17.00	16.00
4.00	4.00	4.00	0.00	0.00
4.00	4.00	4.00	0.00	0.00
NA	NA	NA	11.00	12.00
4.00	4.00	4.00	8.00	7.00
1.00	1.00	1.00	1.00	1.00
8.00	11.00	11.00	13.00	24.00
14.00	18.00	18.00	17.00	17.00
0.00	0.00	0.00	0.00	0.00
<u>837.00</u>	<u>870.00</u>	<u>872.00</u>	<u>882.00</u>	<u>862.00</u>

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OHIO AUDITOR OF STATE KEITH FABER



BEREA CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/19/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
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