



Henry Goldizen – Kindergarten  
Ledgemont Elementary

## Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017

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Berkshire Local School District  
Burton, Ohio

# Berkshire Local School District Burton, Ohio

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT



Adelaide Maple – Kindergarten  
Burton Elementary

For the Fiscal Year Ended June 30, 2017

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*Prepared by Beth A. McCaffrey  
Treasurer*





Mylee Klem – 6th grade  
Ledgemont Elementary

# Introductory Section

**Berkshire Local School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2017*  
*Table of Contents*

Page

**I. Introductory Section**

Table of Contents .....	i
Letter of Transmittal .....	iv
List of Principal Officials.....	ix
Organizational Chart .....	x
Certificate of Achievement .....	xi

**II. Financial Section**

Independent Auditors' Report.....	1
-----------------------------------	---

Management's Discussion and Analysis.....	5
---	---

Basic Financial Statements

Government-wide Financial Statements:

Statement of Net Position .....	16
---------------------------------	----

Statement of Activities .....	17
-------------------------------	----

Fund Financial Statements:

Balance Sheet - Governmental Funds.....	18
---	----

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	19
---	----

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	20
---	----

Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities.....	21
---	----

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual – General Fund .....	22
--	----

Statement of Fund Net Position - Internal Service Fund .....	23
--	----

Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Fund .....	24
---	----

Statement of Cash Flows - Internal Service Fund .....	25
---	----

Statement of Fiduciary Net Position - Fiduciary Funds .....	26
---	----

Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds.....	27
---	----

Notes to the Basic Financial Statements .....	28
---	----

## Required Supplementary Information

Schedule of the School District’s Proportionate Share of the Net Pension Liability – School Employees Retirement System of Ohio – Last Four Fiscal Years .....	58
---	----

Schedule of the School District’s Proportionate Share of the Net Pension Liability – State Teachers Retirement System of Ohio – Last Four Fiscal Years .....	59
---	----

Schedule of the School District’s Contributions – School Employees Retirement System of Ohio – Last Ten Fiscal Years .....	60
---	----

Schedule of the School District’s Contributions – State Teachers Retirement System of Ohio – Last Ten Fiscal Years.....	62
--	----

Notes to Required Supplementary Information .....	64
---	----

## Combining Statements and Individual Fund Schedules:

### Combining Statements - Nonmajor Governmental Funds:

Fund Descriptions.....	66
------------------------	----

Combining Balance Sheet - Nonmajor Special Revenue Funds.....	68
---	----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	70
---	----

### Combining Statements – Fiduciary Funds:

Fund Descriptions.....	72
------------------------	----

Combining Statement of Changes in Assets and Liabilities – All Agency Funds.....	73
--	----

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

### Major Funds:

General Fund .....	75
--------------------	----

Permanent Improvement Fund .....	79
----------------------------------	----

### Nonmajor Funds:

Food Service Fund.....	80
------------------------	----

Other Grants Fund .....	81
-------------------------	----

Athletics and Music Fund.....	82
-------------------------------	----

ONenet Fund.....	83
------------------	----

Title VI-B Fund .....	84
-----------------------	----

Title I Fund .....	85
--------------------	----

Title IIA Fund.....	86
---------------------	----

Straight A Fund .....	87
-----------------------	----

Latchkey Fund .....	88
---------------------	----

Leighton Fund.....	89
--------------------	----

Buckeye Healthy School Challenge .....	90
--	----

Uniform School Supplies Fund .....	91
------------------------------------	----

Special Rotary Fund .....	92
Public School Support Fund .....	93
School Improvement Model Fund .....	94
Unclaimed Funds Fund.....	95
Termination Benefit Fund .....	96
Self Insurance Fund .....	97

### **III. Statistical Section**

Net Position by Component - Last Ten Fiscal Years .....	S2
Changes in Net Position – Last Ten Fiscal Years .....	S4
Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	S6
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	S8
Assessed and Estimated Actual Value of Taxable Property – Last Ten Years .....	S10
Property Tax Rates--Direct and Overlapping Governments - Last Ten Years .....	S12
Property Tax Levies and Collections – Last Ten Years.....	S16
Principal Taxpayers:	
Real Estate Tax .....	S17
Public Utilities Tax .....	S18
Income Tax Revenue Base and Collections – Last Ten Years.....	S19
Computation of Direct and Overlapping Governmental Activities Debt.....	S20
Ratio of General Bonded Debt to Estimated Actual Value, Ratio of General Debt to Personal Income and Debt per Capita – Last Ten Fiscal Years.....	S22
Computation of Legal Debt Margin – Last Ten Fiscal Years .....	S24
Demographic and Economic Statistics – Last Ten Years .....	S26
Principal Employers – December 31, 2017 and December 31, 2008.....	S28
Building Statistics by Function/Program – Last Ten Fiscal Years .....	S30
Per Pupil Cost – Last Ten Fiscal Years.....	S32
Attendance and Graduation Rates – Last Ten School Years.....	S33
School District Employees by Function/Program – Last Ten Fiscal Years .....	S34
Full-Time Equivalent School District Teachers by Education – Last Ten Fiscal Years.....	S36
Enrollment Statistics – Last Ten Fiscal Years .....	S37
SAT Composite Scores – Last Ten Fiscal Years .....	S38
ACT Composite Scores – Last Ten School Years .....	S40
Average Number of Students per Teacher – Last Ten School Years.....	S41

**Berkshire Local School District**

*Principal Officials*

*June 30, 2017*

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***Board of Education***

John Manfredi .....President  
Bryan Wadsworth.....Vice-President  
James Boyd .....Member  
Kimberly Brown.....Member  
Barbara Raikes .....Member

***Treasurer***

Mrs. Beth A. McCaffrey

***Superintendent***

Mr. John Stoddard

# Berkshire Local School District

**14259 CLARIDON-TROY ROAD  
P.O. BOX 364  
BURTON OH 44021**

**PHONE: 440-834-3380  
FAX: 440-834-2058**

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November 28, 2017

Board of Education Members  
Berkshire Local School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Berkshire Local School District (the "School District") for the fiscal year ended June 30, 2017. This CAFR enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis 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 has been 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.

Under Ohio law, regular audits are required to be performed on all financial related operations of the School District. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For fiscal year 2017, the School District was audited by the Auditor of State's Office. Their unmodified opinion is included in the financial section of this CAFR.

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

## **The School District**

The Berkshire Local School District is located in eastern Geauga County and encompasses seventy (70) square miles which includes Burton Village and the Townships of Burton, Claridon and Troy. The School District operates under a locally-elected Board form of government. This Board manages the School District's three instructional/support facilities staffed by 58 non-certificated employees, 91 certificated full time teaching personnel and 6 administrative employees to provide services to 1,234 students and other community members.

The School District was established in June 1967 and is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. Under these provisions, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at-large for staggered four year terms. Statutorily, the School District operates under 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 services mandated by State and Federal agencies.



The Berkshire Local School District provides a comprehensive array of educational programs and services to students in three buildings:

- Berkshire Junior Senior High School built in 1936, with additions in 1973 and 2002, houses 480 students from grades 7 through 12.
- Burton Elementary School built in 1959, with an addition in 1962, and modular addition in 2009, houses 426 students from grades kindergarten through 6.
- Ledgemont Elementary School built in 1981 houses students from grades kindergarten through 6.

The Burton Elementary School and Ledgemont Elementary School provides general and special education services to children ranging from kindergarten through the sixth grade. The Berkshire Junior High/High School provides general, special education and vocational education services to students ranging from the seventh grade through the twelfth grade. Course offerings, supplemented by extra-curricular opportunities, provide students with the skills necessary to pursue post-high school educational and career goals.

The School District's cost-per-pupil is consistently among the lowest for Geauga County school districts. The results of achievement, competency and proficiency testing continue to substantiate the effectiveness of the teaching-learning process in the School District.

The annual budget serves as the foundation for the Berkshire Local School District's financial planning and control. The legal level of control has been established by the Board of Education at fund level for all funds. The Treasurer has been given authority to allocate board appropriations to the function and object levels within each fund. Transfers between funds, however, need special approval from the Board.

### **Economic Condition and Outlook**

The Berkshire Local School District is noteworthy for a variety of reasons. It is rural and includes part of the second largest Amish population in Ohio, yet it is an easy commute to Cleveland, a major metropolitan center. The population contains a relatively high number of senior citizens, testimony to the fact that the region is a safe, desirable place to live. Property values have remained steady despite the unpredictable economy. Several businesses are located in the area such as Great Lakes Cheese Company, Excel Polymers, LLC, Troy Manufacturing, Burton Floral and Garden, Preston Superstore, and TRC Manufacturing.

Many smaller run service businesses are located throughout the School District community. Adding to a strong small business base are construction, remodeling, plumbing, landscaping, door service, concrete, paving, hardware, coin-operated laundromat, and water softener businesses owned by people of the community. Professional service businesses such as insurance, attorneys' offices, credit union, banks, and accountants also contribute to the local economy. Many of these have been around for more than twenty years. Kent State Geauga Campus has begun an expansion project to bring more class offerings to the area. Currently they offer associates degrees in arts and sciences, accounting technology, business management technology, and computer technology along with baccalaureate degrees in business management technology and general studies. The commercial base, though growing and changing, is still rather small compared to more densely populated areas and neighboring school districts.

The high school and Burton Elementary building are located in Burton Village, known for its historical atmosphere – a place where history lives. Around the center of town and in the surrounding area are many specialty shops that add to the charm of the Village and to the local economy. These include All Matters, Inc., A.H., Christiansons, Beaches and Dreams Travel, Buckeye Chocolate Company, Coffee Corners Antiques, Lu Lu Tru Day Spa, White House Chocolates, Sweetbriar Suri Alpaca Farm, and Sunrise Farm Market. After a day of unique shopping, one can take in a good meal at Quintealias Tea Parlor, The Smith

Restaurant, or Warren's Spirited Kitchen; all are within walking distance of the square and the shops. One can end the day at the Red Maple Inn or the Goodwin Bed and Breakfast.

Burton is host to Century Village. This museum is open year round sharing a part of history with over twenty historically accurate buildings on sixty-five acres, 20,000 museum artifacts that depict a Western Reserve Village from 1798 to 1900 and a working farm with a sugar bush maintained for making maple syrup. Many events and festivals are held bringing in thousands of visitors to the area each year including music festivals, Civil War reenactments and the Apple Butter Festival. The Great Geauga County Fair, the oldest fair in Ohio, is held Labor Day weekend and shares the country atmosphere with over 100,000 visitors each year. Many events are real crowd pleasers such as the rooster flying contest hosted by Dick Goddard, cow milking, the demolition derby, and the battle of the fire departments. Two large antique fairs are held on the fairgrounds every May and September, as are other events throughout the year bringing in many visitors to the area and adding to the local economy.

Ledgemont Elementary is located in Thompson Township which is birthplace of Charles Martin Hall, the inventor of the commercial method of producing aluminum. Thompson is also home to Thompson Drag Raceway. The raceway was one of the first dragstrips in the nation, and the first dragstrip in Ohio. Famous drivers such as Don Garlits and T.V. Tommy Ivo received their start into the racing business at Thompson. After a day at the raceway, enjoy a delicious meal at Stocker on the Square or visit one of our many wineries such as Maple Ridge Vineyard, Grand River Cellars or St. Joseph Vineyard.

### **School District Local Funding**

The funding structure of public education in Ohio is such that school districts receive very little revenue growth as a result of inflationary increases in their tax base. This is a result of House Bill 920 which mandates that any increases in assessed real property values as a result of reappraisal result in a corresponding decrease in millage rate. This keeps the tax receipts the same as when the levy was first placed on the ballot. As a result, school districts throughout Ohio must place operating funding levies on the ballot at regular intervals to keep pace with inflation and added programming.

School District management will carefully control expenses during the coming years to continue to assure tax levy revenues are adequate and well spent. A one percent tax levy on earned income was approved by voters in May of 2007, with collection beginning in 2008. This levy replaced a .75 percent income tax on all income. Because of cuts in State funding, reduced revenues from the phasing out of the tangible personal property tax and increased costs in health care, bus fuel, and utilities, the School District was forced to return to the ballot for additional operating revenues. The earned income tax levy was the best option for the School District as it has a history of not passing operating levies. The option to change the current income tax levy to an earned income tax levy was just allowed in 2006 and the Board took advantage of this option to continue needed funding for the School District.

During fiscal year 2017, the School District maintained a restrictive budget and monitored costs to end the fiscal year with a conservative balance. The School District has continued to closely monitor expenditures as a result of declining revenue and anticipated revenue losses in the coming years. Various cost cutting measures including sharing transportation arrangements with other nearby districts when feasible. These efforts were made to attempt to keep ahead of the rising cost of utilities and fuel and building maintenance repairs. The School District is striving to maintain a quality education for its students within a tight budget.

### **Long-Term Planning**

Annually, the School District prepares a five-year financial forecast in accordance with State law. The financial forecast is the foundation for the School District's operations and is used as a financial planning tool to assist the School District in determining its ability to meet certain financial obligations and plan future funding needs. The forecast shows revenues and expenditures for the general operating fund for the past three

fiscal years and projects revenues and expenditures for the ensuing five-year period. Through a collaborative process, the administration assists the Board of Education in determining and prioritizing the needs of the School District.

## **Major Initiatives**

### ***Strategic Planning/Long-term Financial Goals***

For the future of the School District, the Board needs to evaluate the current and future revenue sources and expenditures and the needs of our facilities, and review curriculum and staffing needs at all levels. The Board is currently exploring the possibility of collaboration efforts with Kent State University, Newbury Local Schools and Cardinal Local Schools. The Board wants to make sure the needs of the School District are met with the lowest financial impact on the community.

To offset declining enrollment, the School District expanded their open enrollment policy in 2012 to include students at the Kindergarten through sixth grade levels. For fiscal year 2017, an additional one hundred forty five students open enrolled to the School District. The School District will continue the expanded open enrollment policy in the 2017/2018 school year.

### ***No Child Left Behind Compliance***

Unfunded federal mandates require additional extensive diagnostic and achievement testing of students. Berkshire Local School District has complied with such requirements. As such testing is introduced at various grade levels, the School District is working with the assessment instruments provided by the State of Ohio. In addition, Berkshire Local School District teachers are being measured by the No Child Left Behind standard of “highly qualified” in relationship to their teaching assignments.

### ***Federal Projects***

The School District files applications for federal funds electronically utilizing the Consolidated Local Plan. This allows the director to coordinate the application to the goals of the Continuous Improvement Plan. The School District continues to apply for all federal funds for which the School District is eligible. This includes the Title IIA Grant allowing for professional development opportunities for teachers and the Title I Reading Recovery program to improve the reading for eligible students at the elementary school. Student readiness for advancement in each grade has been the primary focus of these services.

### ***Educational Programs and Facilities Improvements***

One of the most successful programs instituted in the last ten years is the all day every day kindergarten program. The benefits of this program have moved the Board to consider other options for cost saving measures instead of reverting back to the half-day program. Given the lack of pre-schools in the area, all day programs for kindergarten become even more important.

During the 2017 school year, the School District’s curriculum included a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and vocational programs. Advanced placement courses are offered at the high school in Biology, Calculus and Chemistry. The high school offers over 180 courses on the main campus with over 50 additional vocational offerings at Auburn Career Center.

The School District regularly assesses the needs of the buildings and what facility improvements are needed for that school year. Minor repairs and updates have been made during the current year while

looking to the major needs and planning for those projects in the near future. The Facilities Committee has spent much time reviewing the needs, prioritizing them and planning a schedule of completion.

## **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 Berkshire Local School District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This 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 that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Acknowledgments**

The publication of this report is a significant step toward elevating the professional standards for Berkshire Local School District's financial reporting. We believe it enhances the School District's accountability to the residents and provides all interested parties with a broad historical perspective of the Berkshire Local School District's financial and demographic information. The preparation of this report would not have been possible without the efficient and dedicated service of the Treasurer's Office staff, Jaime Berman and Bonnie Makowski. Assistance from the Geauga County Auditor's staff and outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to the Local Government Services' section of the State Auditor Dave Yost's office for assistance in the planning, designing and reviewing of this financial report.

Finally, sincere appreciation is extended to the Board of Education for their support for this project and their continued commitment to providing quality education for the students in our community.

Respectfully submitted,



Beth A. McCaffrey  
Treasurer



John Stoddard  
Superintendent

**Berkshire Local School District**

*Principal Officials*

*June 30, 2017*

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***Board of Education***

John Manfredi .....President  
Bryan Wadsworth.....Vice-President  
James Boyd .....Member  
Kimberly Brown.....Member  
Barbara Raikes .....Member

***Treasurer***

Mrs. Beth A. McCaffrey

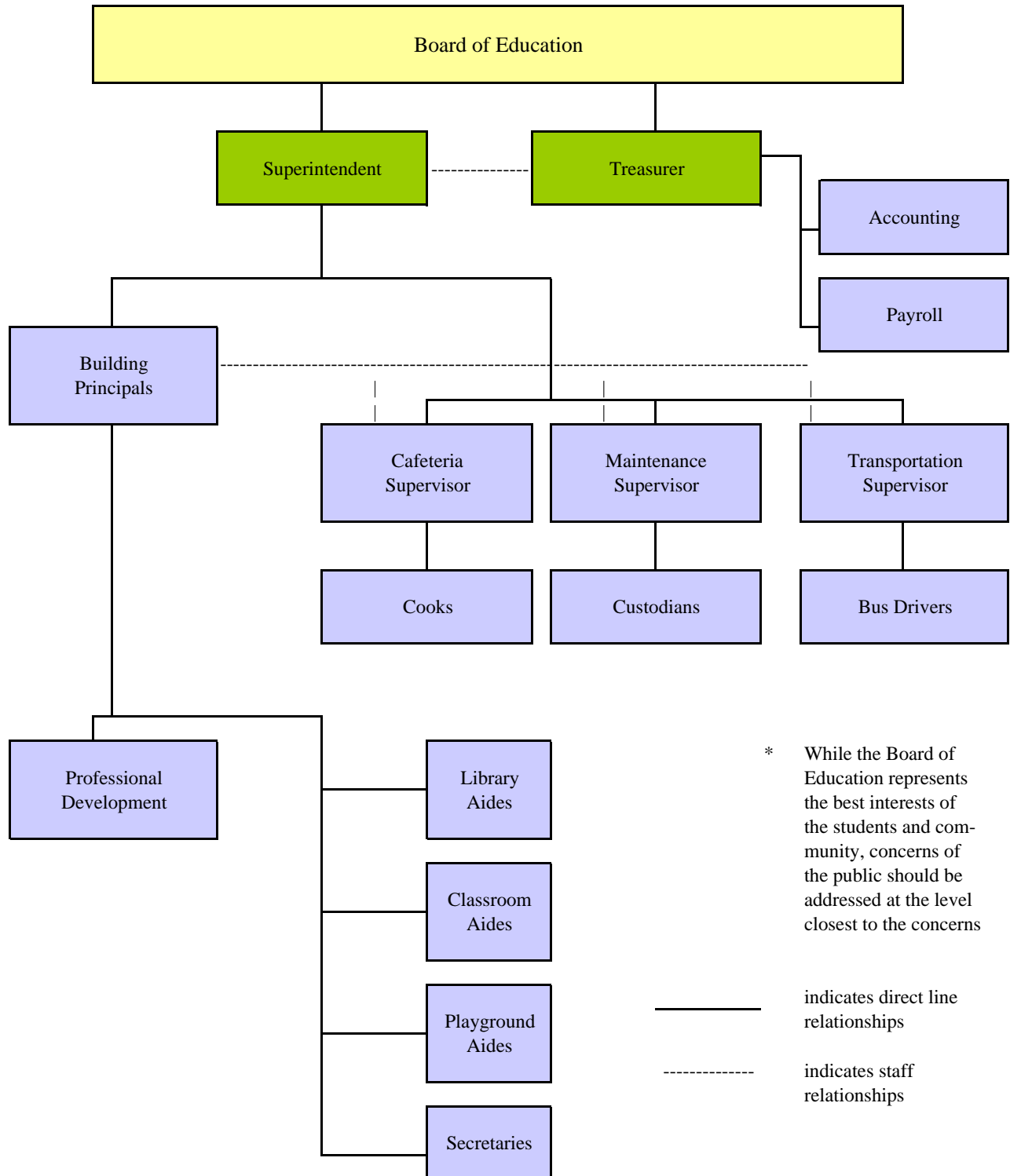
***Superintendent***

Mr. John Stoddard



# Berkshire Local School District

## Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Berkshire Local School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

*Christopher P. Morrell*

Executive Director/CEO

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Teegan Farley – 10th grade  
Berkshire High School

# Financial Section



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Berkshire Local School District  
Geauga County  
14259 Claridon Troy Road, Box 364  
Burton, Ohio 44021

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 Berkshire Local School District, Geauga County, Ohio (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no 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 Berkshire Local School District, Geauga County, Ohio, as of June 30, 2017, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Supplementary and Other Information***

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Dave Yost". The signature is fluid and cursive, with the first name "Dave" and last name "Yost" clearly distinguishable.

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

November 28, 2017

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**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

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The management's discussion and analysis of Berkshire Local School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key Financial Highlights for fiscal year 2017 are as follows:

- Total net position of governmental activities increased \$1,409,626 which represents a 11.43 percent increase from fiscal year 2016.
- Total revenues of \$19,551,211 were comprised of general revenues in the amount of \$17,016,475 or 87.04 percent and program specific revenues from charges for services, grants and contributions in the amount of \$2,534,736 or 12.96 percent.
- The School District leased three new buses in fiscal year 2017, through the general fund and new stadium bleachers through the permanent improvement fund. District wide improvements included repairs to asphalt and roofs throughout the District. These purchases were made through the permanent improvement levy.

### **Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Berkshire Local School District as a financial whole, or complete operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain how services were financed in the short-term as well as 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 the Berkshire Local School District, the general fund is by far the most significant fund.

### **Reporting the School District as a Whole**

#### *Statement of Net Position and the Statement of Activities*

While these statements contain information about the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all non-fiduciary assets and liabilities 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.

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

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These two statements report the School District's net position and changes in net 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 current property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, all of the School District's activities are classified as governmental. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of food services and extracurricular activities.

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

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

***Governmental Funds*** Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, 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 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 Fund*** The School District maintains a proprietary fund. 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 fund accounts for dental and prescription claims self-insurance. The proprietary fund uses the accrual basis of accounting.

***Fiduciary Funds*** Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These 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 2017 compared to 2016:



**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

**Table 1**  
**Net Position**  
**Governmental Activities**

	2017	2016	Change
<b>Assets</b>			
Current and Other Assets	\$13,039,897	\$9,872,134	\$3,167,763
Capital Assets, net	4,231,509	4,170,444	61,065
<i>Total Assets</i>	<u>17,271,406</u>	<u>14,042,578</u>	<u>3,228,828</u>
<b>Deferred Outflows of Resources</b>			
Pension	4,170,952	2,184,965	1,985,987
<b>Liabilities</b>			
Current Liabilities	1,622,284	1,645,941	23,657
Long-Term Liabilities			
Due Within One Year	443,850	447,617	3,767
Due In More Than One Year			
Other Amounts	1,126,678	991,754	(134,924)
Net Pension Liability	22,231,155	20,235,819	(1,995,336)
<i>Total Liabilities</i>	<u>25,423,967</u>	<u>23,321,131</u>	<u>(2,102,836)</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	5,240,264	3,852,520	(1,387,744)
Pension	1,696,375	1,381,766	(314,609)
<i>Total Deferred Inflows of Resources</i>	<u>6,936,639</u>	<u>5,234,286</u>	<u>(1,702,353)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	3,723,349	3,815,837	(92,488)
Restricted for:			
Capital Projects	207,023	63,347	143,676
Set Asides	39,468	39,468	0
Other Purposes	81,807	85,022	(3,215)
Unrestricted	(14,969,895)	(16,331,548)	1,361,653
<i>Total Net Position</i>	<u>(\$10,918,248)</u>	<u>(\$12,327,874)</u>	<u>\$1,409,626</u>

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2017 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

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pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 requires the net pension liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

By comparing assets and liabilities, one can see the overall position of the School District has increased as evidenced by the increase in net position. Management continues to diligently plan expenses, staying carefully within the School District's revenues in an effort to maintain the durations between its levy requests.

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 the current year. Table 2 shows total revenues, expenses and changes in net position for the fiscal years 2017 and 2016.

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

**Table 2**  
Governmental Activities

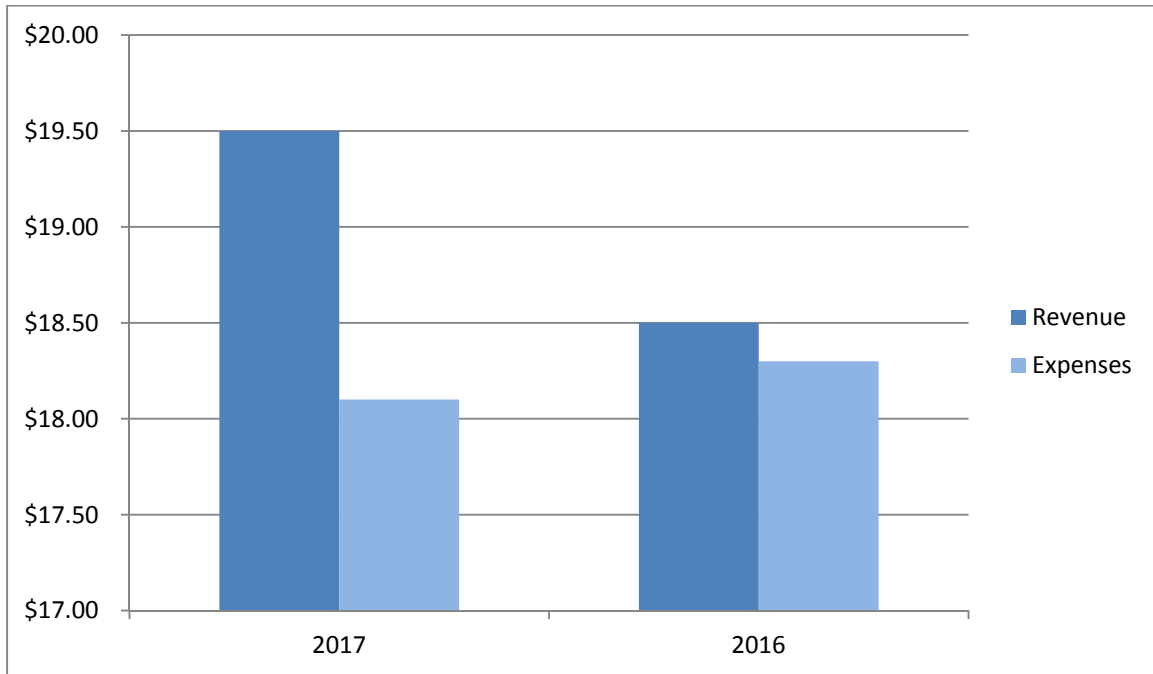
	2017	2016	Change
<b>Program Revenues</b>			
Charges for Services and Sales	\$1,483,242	\$1,409,209	\$74,033
Operating Grants and Contributions	1,051,494	1,106,833	(55,339)
<i>Total Program Revenues</i>	<u>2,534,736</u>	<u>2,516,042</u>	<u>18,694</u>
<b>General Revenues</b>			
Property Taxes	7,674,552	6,379,339	1,295,213
Income Taxes	2,984,250	3,086,088	(101,838)
Grants and Entitlements	6,318,925	6,437,569	(118,644)
Investment Earnings	11,681	10,051	1,630
Miscellaneous	27,067	22,605	4,462
<i>Total General Revenues</i>	<u>17,016,475</u>	<u>15,935,652</u>	<u>1,080,823</u>
<i>Total Revenues</i>	<u>19,551,211</u>	<u>18,451,694</u>	<u>1,099,517</u>
<b>Program Expenses</b>			
Instruction:			
Regular	8,703,253	8,715,698	12,445
Special	2,078,373	2,428,165	349,792
Vocational	77,369	73,049	(4,320)
Student Intervention	198,011	91,144	(106,867)
Support Services			
Pupil	1,001,316	770,575	(230,741)
Instructional Staff	326,916	428,670	101,754
Board of Education	138,441	140,276	1,835
Administration	1,235,711	1,364,413	128,702
Fiscal	485,976	519,363	33,387
Business	56	4,868	4,812
Operation and Maintenance of Plant	1,517,178	1,635,605	118,427
Pupil Transportation	1,419,591	1,295,324	(124,267)
Operation of Community Services	41,561	20,956	(20,605)
Operation of Food Services	376,625	324,091	(52,534)
Extracurricular Activities	530,337	485,217	(45,120)
Interest and Fiscal Charges	10,871	9,918	(953)
<i>Total Program Expenses</i>	<u>18,141,585</u>	<u>18,307,332</u>	<u>165,747</u>
<i>Change in Net Position</i>	1,409,626	144,362	1,265,264
Net Position Beginning of Year	<u>(12,327,874)</u>	<u>(12,472,236)</u>	<u>144,362</u>
Net Position End of Year	<u><u>(\$10,918,248)</u></u>	<u><u>(\$12,327,874)</u></u>	<u><u>\$1,409,626</u></u>

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

**Graph 1**  
Revenues and Expenses  
(In Millions)

	2017	2016
Revenues	\$19.5	\$18.5
Expenses	18.1	18.3

**Graph 1**  
Revenues and Expenses  
(In Millions)



***Governmental Activities***

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 the increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 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. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

---

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. The increase in property tax revenue was a result of the addition of assessed taxable property valuations due to the absorption of Ledgesmont Local Schools, which resulted in higher tax revenue collections.

In May 2007, the community approved a one percent income tax levy on all earned income within the School District effective for the 2008 collections. This replaced the .75 percent income tax levy on all income within the School District.

Overall revenues increased during fiscal year 2017 due to increased property tax collections.

The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District.

Parents continue to have the opportunity to pay for the student's lunch online. Each student uses his/her personal identification number, that accesses his/her account, when visiting the cafeteria.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental 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.

The negative amounts indicated in Table 3 should not be construed as something bad; they are merely indicative of whether a particular function of government relies on general revenues for financing or is a net contributor of resources to the School District. Clearly, the six communities that comprise the School District are, by far, the greatest source of financial support for the students of the Berkshire Local School District.



**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

**Table 3**  
**Total and Net Cost of Program Services**  
**Governmental Activities**

	2017		2016	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction:				
Regular	\$8,703,253	(\$7,064,420)	\$8,715,698	(\$6,865,766)
Special	2,078,373	(1,665,612)	2,428,165	(2,151,747)
Vocational	77,369	(72,358)	73,049	(73,049)
Student Intervention	198,011	(198,011)	91,144	(91,144)
Support Services:				
Pupil	1,001,316	(997,166)	770,575	(770,575)
Instructional Staff	326,916	(299,455)	428,670	(389,823)
Board of Education	138,441	(138,441)	140,276	(140,276)
Administration	1,235,711	(1,230,311)	1,364,413	(1,359,013)
Fiscal	485,976	(485,976)	519,363	(519,363)
Business	56	(56)	4,868	(4,868)
Operation and Maintenance of Plant	1,517,178	(1,517,178)	1,635,605	(1,635,605)
Pupil Transportation	1,419,591	(1,333,962)	1,295,324	(1,295,324)
Operation of Community Services	41,561	(28,298)	20,956	387
Operation of Food Services	376,625	(101,944)	324,091	(71,434)
Extracurricular Activities	530,337	(462,790)	485,217	(413,772)
Interest and Fiscal Charges	10,871	(10,871)	9,918	(9,918)
Total	<u>\$18,141,585</u>	<u>(\$15,606,849)</u>	<u>\$18,307,332</u>	<u>(\$15,791,290)</u>

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

Information regarding the School District's major funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$19,368,016 and expenditures of \$17,739,441. The general fund increase in fund balance is due to increased property tax collections. The permanent improvement fund balance increased due to increased property tax collections. The School District has developed a five year plan of improvements and continues to stay within revenue projections. As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, property and income taxes from the communities that comprise the School District are the largest revenue source, accounting for 54 percent of total governmental revenue.

### **General Fund Budgeting Highlights**

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant fund to be budgeted is the main operating fund of the School District, the general fund.

During the course of fiscal year 2017, the School District amended its general fund budget several times. The School District uses a site-based budgeting system designed to tightly control total site budgets, but provide flexibility for site management.

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

The School District is continuing to see an increase in the required services for our special education students. Additional physical and occupational therapy services were needed for students this year and we saw an increase in our special education students needing services. There were no individually significant events that caused this variance. The School District ended the fiscal year \$32,095 higher than budgeted. This is due in large part to the School District's continued commitment to provide a quality education while still controlling the costs of a quality education.

### **Capital Assets and Debt Administration**

#### ***Capital Assets***

Table 4 shows fiscal 2017 balances compared to 2016:

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

	2017	2016
Land	\$110,281	\$110,281
Land Improvements	59,222	74,111
Building and Improvements	2,778,386	2,778,129
Furniture, Fixtures and Equipment	380,708	419,641
Vehicles	902,912	788,282
<i>Total Capital Assets</i>	<u>\$4,231,509</u>	<u>\$4,170,444</u>

The School District purchased three new buses and new stadium bleachers for the high school stadium. This increase was offset by the annual depreciation. Ohio law requires school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2017, this amounted to \$216,441. See Note 13 to the basic financial statements for additional information on the School District's capital assets and Note 22 for additional information regarding required set-asides.

#### ***Debt***

The School District had no bonded debt in fiscal year 2017. The School District initiated capital leases in the amount of \$357,314 during the fiscal year. The outstanding capital lease balance as of the end of fiscal year 2017 was \$508,160. See Note 19 to the basic financial statements for additional information regarding long-term obligations.

### **School District Outlook**

The financial future of the School District is not without its challenges. These challenges are internal and external in nature. The internal challenges will continue to exist as the School District must rely heavily on local property taxes and earned income tax to fund its operations. External challenges continue to evolve as the State's educational funding system is generating zero to minimal growth in funding operations. As the preceding information shows, the School District is heavily reliant on local property taxpayers.

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

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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.

In December 2016, the Governor signed House Bill 148, as part of House Bill 438, which presents some unique opportunities to the School District. The bill provides classroom facilities assistance to certain school districts resulting from consolidation or merger. Because Berkshire underwent a territory transfer from Ledgemont Local Schools in 2015, we qualify for this facility assistance. The Bill provides for up to fifty-five percent funding towards the construction of school facilities. This funding can be used for renovation and new construction. The formula offers schools up to a twenty-five percent reduction due to consolidation and up to ten percent reduction if the school constructs a building on land owned by a state institution. As a result of this formula, The School District's local share of costs will be forty-five percent. The District is currently in talks with Kent State University to take advantage of this opportunity to construct new facilities.

The School District has committed itself to financial and educational excellence for many years to come. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 2000. Due to budget constraints during fiscal year 2009, the School District decided to forgo publishing a Comprehensive Annual Financial Report (CAFR) for one year and only publish the required Basic Financial Statements. The School District received the GFOA award for its report for fiscal year 2016 and has submitted this report to GFOA for consideration.

In conclusion, the Berkshire Local School District is in a period posing both significant challenges and opportunities. 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.

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

This financial report is designed to provide our citizens, taxpayers, 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 any questions about this report or need additional financial information contact Beth A. McCaffrey, in the Treasurer's Office, at Berkshire Local School District, 14259 Claridon Troy Road, P.O. Box 364, Burton, Ohio 44021. [beth.mccaffrey@berkshireschools.org](mailto:beth.mccaffrey@berkshireschools.org)

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**Berkshire Local School District***Statement of Net Position**June 30, 2017*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$3,929,381
Restricted Cash and Cash Equivalents	39,468
Accounts Receivable	34,498
Intergovernmental Receivable	66,676
Prepaid Items	20,061
Inventory Held for Resale	4,395
Materials and Supplies Inventory	1,843
Income Taxes Receivable	1,545,892
Property Taxes Receivable	7,397,683
Nondepreciable Capital Assets	110,281
Depreciable Capital Assets, Net	4,121,228
<i>Total Assets</i>	<u>17,271,406</u>
<b>Deferred Outflows of Resources</b>	
Pension	<u>4,170,952</u>
<b>Liabilities</b>	
Accounts Payable	253,474
Accrued Wages and Benefits	999,736
Intergovernmental Payable	286,854
Matured Compensated Absences Payable	35,296
Claims Payable	46,924
Long-Term Liabilities:	
Due Within One Year	443,850
Due In More Than One Year	1,126,678
Net Pension Liability (See Note 16)	<u>22,231,155</u>
<i>Total Liabilities</i>	<u>25,423,967</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	5,240,264
Pension	<u>1,696,375</u>
<i>Total Deferred Inflows of Resources</i>	<u>6,936,639</u>
<b>Net Position</b>	
Net Investment in Capital Assets	3,723,349
Restricted for:	
Capital Projects	207,023
Set Asides	39,468
Other Purposes	81,807
Unrestricted (Deficit)	<u>(14,969,895)</u>
<i>Total Net Position</i>	<u><u>(\$10,918,248)</u></u>

See accompanying notes to the basic financial statements

**Berkshire Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2017

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Instruction:				
Regular	\$8,703,253	\$1,288,796	\$350,037	(\$7,064,420)
Special	2,078,373	0	412,761	(1,665,612)
Vocational	77,369	0	5,011	(72,358)
Student Intervention	198,011	0	0	(198,011)
Support Services:				
Pupil	1,001,316	0	4,150	(997,166)
Instructional Staff	326,916	0	27,461	(299,455)
Board of Education	138,441	0	0	(138,441)
Administration	1,235,711	0	5,400	(1,230,311)
Fiscal	485,976	0	0	(485,976)
Business	56	0	0	(56)
Operation and Maintenance of Plant	1,517,178	0	0	(1,517,178)
Pupil Transportation	1,419,591	0	85,629	(1,333,962)
Operation of Community Services	41,561	13,263	0	(28,298)
Operation of Food Services	376,625	114,876	159,805	(101,944)
Extracurricular Activities	530,337	66,307	1,240	(462,790)
Interest and Fiscal Charges	10,871	0	0	(10,871)
<b>Totals</b>	<b>\$18,141,585</b>	<b>\$1,483,242</b>	<b>\$1,051,494</b>	<b>(15,606,849)</b>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes				7,322,777
Capital Outlay				351,775
Income Taxes Levied for General Purposes				2,984,250
Grants and Entitlements not Restricted to				
Specific Programs				6,318,925
Investment Earnings				11,681
Miscellaneous				27,067
<b>Total General Revenues</b>				<b>17,016,475</b>
Change in Net Position				1,409,626
<b>Net Position, Beginning of Year</b>				<b>(12,327,874)</b>
<b>Net Position, End of Year</b>				<b>(\$10,918,248)</b>

See accompanying notes to the basic financial statements

**Berkshire Local School District**

*Balance Sheet  
Governmental Funds  
June 30, 2017*

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and				
Cash Equivalents	\$3,727,562	\$101,261	\$95,756	\$3,924,579
Restricted Assets:				
Equity in Pooled Cash and				
Cash Equivalents	39,468	0	0	39,468
Accounts Receivable	34,423	0	75	34,498
Intergovernmental Receivable	30,523	0	36,153	66,676
Prepaid Items	19,745	0	316	20,061
Inventory Held for Resale	0	0	4,395	4,395
Materials and Supplies Inventory	0	0	1,843	1,843
Income Taxes Receivable	1,545,892	0	0	1,545,892
Property Taxes Receivable	7,031,906	365,777	0	7,397,683
	<u>\$12,429,519</u>	<u>\$467,038</u>	<u>\$138,538</u>	<u>\$13,035,095</u>
<i>Total Assets</i>				
<b>Liabilities</b>				
Accounts Payable	\$247,394	\$0	\$6,080	\$253,474
Accrued Wages and Benefits	949,942	0	49,794	999,736
Intergovernmental Payable	284,247	0	2,607	286,854
Matured Compensated Absences Payable	35,296	0	0	35,296
	<u>1,516,879</u>	<u>0</u>	<u>58,481</u>	<u>1,575,360</u>
<i>Total Liabilities</i>				
<b>Deferred Inflows of Resources</b>				
Property Taxes	4,980,249	260,015	0	5,240,264
Unavailable Revenue	1,119,330	37,762	0	1,157,092
	<u>6,099,579</u>	<u>297,777</u>	<u>0</u>	<u>6,397,356</u>
<i>Total Deferred Inflows of Resources</i>				
<b>Fund Balance</b>				
Nonspendable	29,728	0	2,159	31,887
Restricted	39,468	169,261	77,898	286,627
Committed	232,464	0	0	232,464
Assigned	85,152	0	0	85,152
Unassigned	4,426,249	0	0	4,426,249
	<u>4,813,061</u>	<u>169,261</u>	<u>80,057</u>	<u>5,062,379</u>
<i>Total Fund Balances</i>				
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$12,429,519</u>	<u>\$467,038</u>	<u>\$138,538</u>	<u>\$13,035,095</u>

See accompanying notes to the basic financial statements

**Berkshire Local School District**  
*Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
June 30, 2017*

<b>Total Governmental Fund Balances</b>		<b>\$5,062,379</b>
<b><i>Amounts reported for governmental activities in the statement of net position are different because:</i></b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		4,231,509
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.		
Property Taxes	770,619	
Income Taxes	<u>386,473</u>	
Total		1,157,092
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	4,170,952	
Deferred Inflows - Pension	(1,696,375)	
Net Pension Liability	<u>(22,231,155)</u>	
Total		(19,756,578)
An 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 governmental activities in the statement of net position.		(42,122)
Long-term liabilities payable, such as compensated absences and capital leases, are not due and payable in the current period and therefore are not reported in the funds.		<u>(1,570,528)</u>
<b><i>Net Position of Governmental Activities</i></b>		<b><u>(\$10,918,248)</u></b>

See accompanying notes to the basic financial statements



**Berkshire Local School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2017*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Income Taxes	\$2,960,730	\$0	\$0	\$2,960,730
Property Taxes	7,176,837	338,040	0	7,514,877
Intergovernmental	6,538,992	49,111	693,986	7,282,089
Interest	11,681	0	0	11,681
Tuition and Fees	1,288,124	0	0	1,288,124
Extracurricular Activities	14,479	0	51,828	66,307
Contributions and Donations	40,040	0	48,290	88,330
Charges for Services	0	0	128,139	128,139
Rentals	672	0	0	672
Miscellaneous	27,067	0	0	27,067
<i>Total Revenues</i>	<u>18,058,622</u>	<u>387,151</u>	<u>922,243</u>	<u>19,368,016</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	7,832,044	34,765	284,607	8,151,416
Special	1,783,071	0	234,223	2,017,294
Vocational	71,545	0	369	71,914
Student Intervention	185,061	0	0	185,061
Support Services:				
Pupil	956,714	0	5,861	962,575
Instructional Staff	318,473	0	33,130	351,603
Board of Education	138,441	0	0	138,441
Administration	1,191,466	0	5,400	1,196,866
Fiscal	470,415	5,733	0	476,148
Business	56	0	0	56
Operation and Maintenance of Plant	1,201,025	197,829	0	1,398,854
Pupil Transportation	1,292,214	0	0	1,292,214
Operation of Community Services	0	0	41,561	41,561
Operation of Food Services	4,088	0	352,416	356,504
Extracurricular Activities	425,681	0	81,951	507,632
Capital Outlay	259,067	117,603	0	376,670
Debt Service:				
Principal Retirement	192,925	10,836	0	203,761
Interest and Fiscal Charges	9,707	1,164	0	10,871
<i>Total Expenditures</i>	<u>16,331,993</u>	<u>367,930</u>	<u>1,039,518</u>	<u>17,739,441</u>
<i>Excess of Revenues Over (Under)</i> <i>Expenditures</i>	<u>1,726,629</u>	<u>19,221</u>	<u>(117,275)</u>	<u>1,628,575</u>
<b>Other Financing Sources (Uses)</b>				
Inception of Capital Lease	246,594	110,720	0	357,314
Transfers In	0	0	95,000	95,000
Transfers Out	(420,000)	0	0	(420,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(173,406)</u>	<u>110,720</u>	<u>95,000</u>	<u>32,314</u>
<i>Net Change in Fund Balances</i>	<u>1,553,223</u>	<u>129,941</u>	<u>(22,275)</u>	<u>1,660,889</u>
<i>Fund Balances Beginning of Year</i>	<u>3,259,838</u>	<u>39,320</u>	<u>102,332</u>	<u>3,401,490</u>
<i>Fund Balances End of Year</i>	<u>\$4,813,061</u>	<u>\$169,261</u>	<u>\$80,057</u>	<u>\$5,062,379</u>

See accompanying notes to the basic financial statements

**Berkshire Local School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2017*

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$1,660,889</b>
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*Amounts reported for governmental activities in the  
statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	365,430
Depreciation	<u>(304,365)</u>

Total	61,065
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	159,675
Income Taxes	<u>23,520</u>

Total	183,195
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows

1,082,537

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

(1,406,495)

Other financing sources, such as inception of capital leases, in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues in the statement of activities

(357,314)

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

203,761

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 as expenditures in governmental funds.

22,396

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement 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.

(40,408)

<i>Change in Net Position of Governmental Activities</i>	<u><u>\$1,409,626</u></u>
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See accompanying notes to the basic financial statements

**Berkshire Local School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Income Taxes	\$2,794,404	\$2,890,169	\$2,890,169	\$0
Property Taxes	6,413,137	6,467,437	6,467,437	0
Intergovernmental	6,515,812	6,626,286	6,627,338	1,052
Interest	0	11,300	11,681	381
Tuition and Fees	1,003,000	1,103,805	1,105,834	2,029
Extracurricular Activities	0	1,075	1,075	0
Contributions and Donations	0	650	4,149	3,499
Rentals	0	672	672	0
Miscellaneous	0	26,166	26,166	0
<i>Total Revenues</i>	<u>16,726,353</u>	<u>17,127,560</u>	<u>17,134,521</u>	<u>6,961</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	7,577,662	7,846,580	7,840,268	6,312
Special	2,327,945	1,922,271	1,921,905	366
Vocational	61,349	71,152	71,099	53
Student Intervention Services	100,156	175,718	175,338	380
Support Services:				
Pupil	916,913	944,931	943,288	1,643
Instructional Staff	344,779	350,107	350,031	76
Board of Education	121,053	137,421	137,421	0
Administration	1,290,720	1,216,165	1,213,783	2,382
Fiscal	496,387	480,757	474,204	6,553
Business	4,000	56	56	0
Operation and Maintenance of Plant	1,428,421	1,212,315	1,209,381	2,934
Pupil Transportation	1,246,306	1,303,102	1,298,722	4,380
Extracurricular Activities	353,456	390,587	390,532	55
Capital Outlay	100,000	215,105	215,105	0
<i>Total Expenditures</i>	<u>16,369,147</u>	<u>16,266,267</u>	<u>16,241,133</u>	<u>25,134</u>
<i>Excess of Revenues Over Expenditures</i>	<u>357,206</u>	<u>861,293</u>	<u>893,388</u>	<u>32,095</u>
<b>Other Financing Uses</b>				
Transfers Out	<u>(505,000)</u>	<u>(517,275)</u>	<u>(517,275)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(147,794)</u>	<u>344,018</u>	<u>376,113</u>	<u>32,095</u>
<i>Fund Balance Beginning of Year</i>	<u>2,513,283</u>	<u>2,513,283</u>	<u>2,513,283</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>235,073</u>	<u>235,073</u>	<u>235,073</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,600,562</u></u>	<u><u>\$3,092,374</u></u>	<u><u>\$3,124,469</u></u>	<u><u>\$32,095</u></u>

See accompanying notes to the basic financial statements

**Berkshire Local School District**

*Statement of Fund Net Position*

*Internal Service Fund*

*June 30, 2017*

		<hr/> <hr/>	
		Insurance	
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents			\$4,802
<b>Liabilities</b>			
Claims Payable			46,924
<b>Net Position</b>			
Unrestricted (Deficit)			(\$42,122)
		<hr/> <hr/>	

See accompanying notes to the basic financial statements

**Berkshire Local School District**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Position  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2017*

	<u>Insurance</u>
<b>Operating Revenues</b>	
Charges for Services	<u>\$102,058</u>
<b>Operating Expenses</b>	
Purchased Services	1,000
Claims	<u>466,466</u>
<i>Total Operating Expenses</i>	<u>467,466</u>
<i>Loss Before Transfers</i>	(365,408)
Transfers In	<u>325,000</u>
<i>Change in Net Position</i>	(40,408)
<i>Net Position, (Deficit) Beginning of Year</i>	<u>(1,714)</u>
<i>Net Position (Deficit), End of Year</i>	<u><u>(\$42,122)</u></u>

See accompanying notes to the basic financial statements

**Berkshire Local School District**  
*Statement of Cash Flows*  
*Internal Service Fund*  
*For the Fiscal Year Ended June 30, 2017*

	<u>Insurance</u>
<i><b>Increase (Decrease) in Cash and Cash Equivalents</b></i>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services Provided	\$102,058
Cash Payments for Goods and Services	(1,000)
Cash Payments for Claims	<u>(458,309)</u>
<i>Net Cash Used for Operating Activities</i>	(357,251)
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers In	<u>325,000</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(32,251)
<i>Cash and Cash Equivalents, Beginning of Year</i>	<u>37,053</u>
<i>Cash and Cash Equivalents, End of Year</i>	<u><u>\$4,802</u></u>
 <b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>	
Operating Loss	(\$365,408)
Adjustments:	
Decrease in Claims Payable	<u>8,157</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>(\$357,251)</u></u>

See accompanying notes to the basic financial statements

**Berkshire Local School District**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2017*

	Private Purpose Trust	
	Scholarships	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$46,451	\$54,779
<b>Liabilities</b>		
Due to Students	0	\$47,950
Undistributed Monies	0	6,829
<i>Total Liabilities</i>	0	\$54,779
<b>Net Position</b>		
Held in Trust for Scholarships	46,451	
<i>Total Net Position</i>	\$46,451	

See accompanying notes to the basic financial statements

**Berkshire Local School District**  
*Statement of Changes in Fiduciary Net Position*  
*Private Purpose Trust*  
*June 30, 2017*

	<u>Private Purpose Trust</u>
	<u>Scholarships</u>
<b>Additions</b>	
Gifts and Contributions	\$5,500
<b>Deductions</b>	
Payments in Accordance with Trust Agreements	<u>4,200</u>
<i>Change in Net Position</i>	1,300
Net Position Beginning of Year	<u>45,151</u>
Net Position End of Year	<u><u>\$46,451</u></u>

See accompanying notes to the basic financial statements



**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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

Berkshire Local School District (the "School District") operates under a locally elected Board form of government and provides educational services as authorized by state and/or federal agencies. This Board controls the School District's four instructional/support facilities staffed by 58 non-certified employees, 91 certified full time teaching personnel and 6 administrative employees to provide services to 1,234 students and other community members.

The School District was established in 1967 and is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at-large for staggered four year terms.

The School District serves an area of approximately 120 square miles. It is located in Geauga County, including all of Burton Village, Burton, Claridon, Montville, Thompson and Troy Townships, Ohio. It currently operates four instructional buildings and one administrative building.

*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 of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Berkshire Local School District, this includes the agencies and departments that provide the following services: general operations, food service and student related activities 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 School District is associated with three jointly governed organizations, one related organization and one insurance purchasing pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Ohio Schools Council Association, the Burton Public Library and the Ohio Association of School Business Officials Workers' Compensation Group Rating Program. These organizations are presented in Notes 20, 21 and 22 to the basic financial statements.

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

The financial statements of the 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.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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**A. 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. The activity of the internal service fund 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, however, has no 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 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 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. Fiduciary funds are reported by type.

**B. Fund Accounting**

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses 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 the operating fund of the School District and is used to account for and report all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Permanent Improvement Fund** The permanent improvement fund accounts for and reports property taxes restricted for the acquisition, construction or improvement of capital facilities.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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

***Proprietary Fund Type*** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

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

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

### ***C. Measurement Focus***

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

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

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

### ***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and statements for the 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 the modified accrual basis of accounting arise in the recognition

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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of revenue, the recording of deferred outflows/inflows of resources and in the presentation of expenses versus expenditures.

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

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

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

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. The deferred outflows of resources related to pension are explained in Note 16.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and income taxes. 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 fund on page 19. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 16)

**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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

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

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

During fiscal year 2017, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the fiscal year 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2017 amounted to \$11,681 which includes \$580 assigned from other funds.

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 presented on the financial statements as cash equivalents.

***F. Restricted Assets***

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or the laws of other governments. Restricted assets in the general fund include amounts for unclaimed monies and amounts required by State statute to be set aside to create a reserve for budget stabilization. See Note 23 for additional information regarding set-asides.

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***H. Inventory***

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

***I. Capital Assets***

The School District's only capital assets are general capital assets. General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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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 back-trending (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 capitalization threshold is two thousand five hundred 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, 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	20 years
Buildings and Improvements	21 - 50 years
Furniture and Fixtures	5 - 25 years
Vehicles	8 - 15 years

***J. 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 employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payments in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees with five years of service with the School District.

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(s) from which the employees who have resigned or retired will be paid.

***K. Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

***M. Internal Activity***

Transfers between governmental activities are eliminated on the government wide financial statements. Internal events that are 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 and expenses in the internal service fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***N. Fund Balance***

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

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

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

***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 represents the remaining amount that is not restricted or committed. 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. The Board of

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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Education has assigned fund balance for uniform school supplies, rotary, public school support, and the school improvement model.

**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.

***O. Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes included resources which will be used for athletics, special education, and classroom facilities maintenance.

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

***P. Operating Revenues and Expenses***

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

***Q. Estimates***

The preparation of 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.

***R. Budgetary Data***

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set 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 authority to allocate board appropriations to the function and object levels within each fund.

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 and final budgeted amounts in the budgetary statement reflect the amounts in the certificate when the original and final appropriations were passed by the Board of Education.



**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated resources. 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 fiscal year.

**Note 3 – Change in Accounting Principle**

For fiscal year 2017, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 77, “Tax Abatement Disclosures.” GASB Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. These changes were incorporated in the School District’s 2017 financial statements; however, there was no effect on beginning net position/fund balance.

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

**Note 4 - Budgetary Basis of Accounting**

While the School District is reporting its 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 Basis) 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 liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).
4. Budgetary revenues and expenditures of the uniform school supplies fund, special rotary, public school support, school improvement model, unclaimed funds and termination benefit funds are reclassified to the general fund for GAAP reporting.

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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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Net Change in Fund Balance	
GAAP Basis	\$1,553,223
Net Adjustment for Revenue Accruals	(1,277,319)
Net Adjustment for Expenditure Accruals	393,648
Perspective Difference:	
Uniform School Supplies	15,945
Special Rotary	(402)
Public School Support	7,515
Encumbrances	<u>(316,497)</u>
Budget Basis	<u><u>\$376,113</u></u>

## **Note 5 - 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;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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

### **Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$3,519,784 of the School District's bank balance of \$4,069,937 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured. Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial Institutions can elect to participate in the OPCS and will collateralize at one hundred two percent or a rate set by the Treasurer of State. Financial institution opting not to participate in the OPCS will collateralize utilizing the specific pledge method at one hundred five percent.

### **Investments**

As of June 30, 2017, the School District's only investment was in STAR Ohio which is measured at net asset value per share.

***Credit Risk*** 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 addresses credit risk.

***Interest Rate Risk*** The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

### **Note 6 - Property Taxes**

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real property and public utility property located in the School District. Real property tax revenues received in calendar year 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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Public utility property tax revenues received in calendar year 2017 represents collections of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 become a lien December 31, 2015, were levied after April 1, 2016 and are collected in 2017 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Geauga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2017, are available to finance fiscal year 2017 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2017 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2017 was \$1,318,800 in the general fund and \$68,000 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2016, was \$609,400 in the general fund and \$22,900 in the permanent improvement capital projects fund. The difference was in the timing and collection by the County Auditor.

On a full 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 the fiscal year 2017 taxes were collected are:

	2016 Second Half Collections		2017 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$329,458,280	96.45 %	\$330,602,850	96.32 %
Public Utility Personal	12,121,320	3.55	12,627,620	3.68
Total	<u>\$341,579,600</u>	<u>100.00 %</u>	<u>\$343,230,470</u>	<u>100.00 %</u>
Full tax rate per \$1,000 of assessed valuation	\$52.30		\$52.30	

## **Note 7 – Tax Abatements**

Pursuant to Ohio Revised Code Chapter 5709, Geauga County established a community reinvestment area (CRA) during 2016 to provide property tax abatements to encourage employment growth in the County. The School District's property taxes will be reduced under this agreement; however, there was no deduction in the School District's property taxes during 2017 related to this abatement due to the timing of the construction. Beginning in February 2018, the taxpayer will make payment in lieu of taxes payments (PILOT) to the School District, in the amount of 50 percent of the real estate taxes due each year. These payments will continue for the term of the CRA.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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**Note 8 - Accountability**

At June 30, 2017, the insurance internal service fund had a deficit fund balance of \$42,122. Management is currently analyzing the insurance fund's operations to determine appropriate steps to alleviate the deficit.

**Note 9 - Receivables**

Receivables at June 30, 2017, consisted of taxes, accounts (rent, student fees and tuition) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. At June 30, 2017, the General fund and the Title I and Title IIA special revenue funds had intergovernmental receivables of \$30,523, \$35,488 and \$665, respectively.

**Note 10 - Income Tax**

The School District levies a voted tax of 1 percent for general operations on the earned income of residents and of estates. The tax was effective on January 1, 2008, and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

**Note 11 – 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 fund balance for the major governmental funds and all other governmental funds are presented below:

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

Fund Balances	General	Permanent Improvement	Other Governmental Funds	Total
<b><i>Nonspendable</i></b>				
Inventory	\$0	\$0	\$1,843	\$1,843
Prepaid Items	19,745	0	316	20,061
Unclaimed Funds	9,983	0	0	9,983
<b><i>Total Nonspendable</i></b>	<b>29,728</b>	<b>0</b>	<b>2,159</b>	<b>31,887</b>
<b><i>Restricted for</i></b>				
Construction and Renovation	39,468	0	0	39,468
Food Service Operations	0	0	762	762
Other Grants	0	0	3,792	3,792
Athletic and Music	0	0	21,292	21,292
Title I	0	0	26,451	26,451
Latchkey	0	0	5,312	5,312
Leighton	0	0	20,289	20,289
Capital Projects	0	169,261	0	169,261
<b><i>Total Restricted</i></b>	<b>39,468</b>	<b>169,261</b>	<b>77,898</b>	<b>286,627</b>
<b><i>Committed to</i></b>				
Employee Retirements	232,464	0	0	232,464
<b><i>Total Committed</i></b>	<b>232,464</b>	<b>0</b>	<b>0</b>	<b>232,464</b>
<b><i>Assigned to</i></b>				
Uniform School Supplies	52,987	0	0	52,987
Rotary - assigned to community services	1,517	0	0	1,517
Public School Support	30,623	0	0	30,623
School Improvement Model	25	0	0	25
<b><i>Total Assigned</i></b>	<b>85,152</b>	<b>0</b>	<b>0</b>	<b>85,152</b>
<b><i>Unassigned (Deficit)</i></b>	<b>4,426,249</b>	<b>0</b>	<b>0</b>	<b>4,426,249</b>
<b><i>Total Fund Balances</i></b>	<b>\$4,813,061</b>	<b>\$169,261</b>	<b>\$80,057</b>	<b>\$5,062,379</b>

## Note 12 - Contingencies

### A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are 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, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2017.

### B. School Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2017 Foundation funding for the school district; therefore, the financial statement impact is not determinable at this time. ODE and management believe this may result in either a receivable to or a liability of the School District.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

**C. Litigation**

The School District may be a defendant in a lawsuit. Although, the outcome of the lawsuit is not presently determinable, in the opinion of the legal counsel, the resolution of this matter will not have a material adverse effect on the financial condition of the School District.

**Note 13 – Capital Assets**

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

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Nondepreciable Capital Assets</b>				
Land	\$110,281	\$0	\$0	\$110,281
<b>Depreciable Capital Assets</b>				
Land Improvements	778,532	0	0	778,532
Buildings and Improvements	8,463,237	110,721	0	8,573,958
Furniture and Fixtures	1,569,662	8,115	0	1,577,777
Vehicles	1,519,355	246,594	0	1,765,949
<i>Total at Historical Cost</i>	<u>12,330,786</u>	<u>365,430</u>	<u>0</u>	<u>12,696,216</u>
Less: Accumulated Depreciation				
Land Improvements	(704,421)	(14,889)	0	(719,310)
Buildings and Improvements	(5,685,108)	(110,464)	0	(5,795,572)
Furniture and Fixtures	(1,150,021)	(47,048)	0	(1,197,069)
Vehicles	(731,073)	(131,964)	0	(863,037)
<i>Total Accumulated Depreciation</i>	<u>(8,270,623)</u>	<u>(304,365) *</u>	<u>0</u>	<u>(8,574,988)</u>
<i>Depreciable Capital Assets, Net of Accumulated Depreciation</i>	<u>4,060,163</u>	<u>61,065</u>	<u>0</u>	<u>4,121,228</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$4,170,444</u>	<u>\$61,065</u>	<u>\$0</u>	<u>\$4,231,509</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$125,973
Special	1,027
Support Services:	
Pupil	11
Administration	7,342
Fiscal	111
Operation and Maintenance of Plant	18,213
Pupil Transportation	140,753
Operation of Food Services	843
Extracurricular Activities	10,092
Total Depreciation Expense	<u>\$304,365</u>

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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**Note 14 - Risk Management**

***A. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2017, the School District participated in the Ohio Schools Council insurance program which contracted with Ohio Casualty. Ohio Casualty acts as the carrier and the coverage provided is as follows:

Type of Coverage	Amount
Building and Contents - replacement cost	\$37,258,580
Crime Insurance	50,000
Theft	75,000
Automobile Liability	6,000,000
Uninsured Motorists	1,000,000
General Liability	
Per Occurrence	n/a
Total per year	8,000,000
Commercial Umbrella	8,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

***B. Workers' Compensation***

For fiscal year 2017, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 23). 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 UniService provides administrative, cost control and actuarial services to the GRP.

***C. Other Employee Benefits***

The School District has elected to provide dental and prescription coverage benefits through a self-insurance program. The School District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. A third party administrator, Guardian Insurance, located in Cleveland, Ohio, reviews all dental claims which are then paid by the School District. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$125,000 per employee, per year.

The claims liability of \$46,924 reported in the internal service fund at June 30, 2017 is based on an estimate by the third party administrator and on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Management's expectation is the claims liabilities will be paid within one year. Changes in the fund's claims liability amount for 2016 and 2017 were:



**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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	Beginning of Year	Year Claims	Claim Payments	Balance at End of Year
2016	\$40,057	\$453,526	\$454,816	\$38,767
2017	38,767	466,466	458,309	46,924

**Note 15 - Employee Benefits**

***A. 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 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 325 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 75 days.

***B. Life / Medical Insurance***

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Guardian. The School District has elected to provide employee medical/surgical benefits through Medical Mutual.

**Note 16 – Defined Benefit Pension Plans**

***Net Pension Liability***

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

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

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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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

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

***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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fiscal year ended June 30, 2017, the allocation to pension, death benefits, and Medicare B was 14 percent. No allocation was made to the Health Care Fund.

The School District's contractually required contribution to SERS was \$259,811 for fiscal year 2017. Of this amount \$16,912 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](http://www.strsoh.org).

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The statutory member contribution rate was increased one percent to 14 percent on July 1, 2016. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$822,726 for fiscal year 2017. Of this amount \$150,361 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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Prior Measurement Date	0.05933930%	0.05344026%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.07041020%</u>	<u>0.05868257%</u>	
Change in Proportionate Share	<u>0.01107090%</u>	<u>0.00524231%</u>	
Proportionate Share of the Net			
Pension Liability	\$4,343,089	\$17,888,066	\$22,231,155
Pension Expense	\$252,311	\$1,154,184	\$1,406,495

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$58,578	\$722,764	\$781,342
Changes of assumptions	289,925	0	289,925
Net difference between projected and actual earnings on pension plan investments	358,242	1,485,190	1,843,432
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	0	173,716	173,716
School District contributions subsequent to the measurement date	<u>259,811</u>	<u>822,726</u>	<u>1,082,537</u>
Total Deferred Outflows of Resources	<u>\$966,556</u>	<u>\$3,204,396</u>	<u>\$4,170,952</u>
<b>Deferred Inflows of Resources</b>			
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>\$523,489</u>	<u>\$1,172,886</u>	<u>\$1,696,375</u>

\$1,082,537 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2018	(\$21,307)	\$114,270	\$92,963
2019	(21,565)	114,270	92,705
2020	123,148	684,177	807,325
2021	<u>102,980</u>	<u>296,067</u>	<u>399,047</u>
Total	<u>\$183,256</u>	<u>\$1,208,784</u>	<u>\$1,392,040</u>

***Actuarial Assumptions - SERS***

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

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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, compared with June 30, 2015, are presented below:

	June 30, 2016	June 30, 2015
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
COLA or Ad Hoc COLA	3 percent	3 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

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

The most recent experience study date 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 averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

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

**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 percent. A discount rate of 7.75 percent was used in the prior measurement period. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2017

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	\$5,749,979	\$4,343,089	\$3,165,464

***Actuarial Assumptions - STRS***

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

Inflation	2.75 percent
Salary increases	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.75 percent, net of investment expenses, including inflation
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

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

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

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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2017

Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	7.61 %

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions of future plan members, are excluded. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$23,771,786	\$17,888,066	\$12,924,801

**Changes between Measurement Date and Report Date**

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



**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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**Note 17 - Postemployment Benefits**

***School Employees Retirement System***

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrator and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. 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 2017, no allocation of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2017, this amount was \$23,500. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the School District's surcharge obligation was \$34,867.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$34,867, \$34,459, and \$35,721, respectively. The full amount has been contributed for fiscal years 2017, 2016 and 2015.

***State Teachers Retirement System (STRS)***

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2017

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

**Note 18 – 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 year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year or soon thereafter were as follows:

General Fund	\$316,497
Other Governmental Funds	<u>6,080</u>
Total	<u><u>\$322,577</u></u>

**Note 19 - Long Term Obligations**

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

	Principal Outstanding 7/1/2016	Additions	Reductions	Principal Outstanding 6/30/2016	Amount Due in One Year
<b>Governmental Activities</b>					
Net Pension Liability:					
STRS	\$16,218,146	\$1,669,921	\$0	\$17,888,067	\$0
SERS	<u>4,017,673</u>	<u>325,415</u>	<u>0</u>	<u>4,343,088</u>	<u>0</u>
Total Net Pension Liability	<u>20,235,819</u>	<u>1,995,336</u>	<u>0</u>	<u>22,231,155</u>	<u>0</u>
Capital Leases	354,607	357,314	203,761	508,160	191,249
Compensated Absences	<u>1,084,764</u>	<u>303,379</u>	<u>325,775</u>	<u>1,062,368</u>	<u>252,601</u>
Total Other Long-Term Liabilities	<u>1,439,371</u>	<u>660,693</u>	<u>529,536</u>	<u>1,570,528</u>	<u>443,850</u>
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	<u><u>\$21,675,190</u></u>	<u><u>\$2,656,029</u></u>	<u><u>\$529,536</u></u>	<u><u>\$23,801,683</u></u>	<u><u>\$443,850</u></u>

Capital leases will be paid from the general fund and the permanent improvement capital projects fund. The compensated absences payable will be paid from the general fund and the food service special revenue funds. There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the General Fund. For additional information related to the pension liability see Note 16.

The School District's overall debt margin was \$29,754,257 with an unvoted debt margin of \$330,603 at June 30, 2017.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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**Note 20 - Jointly Governed Organizations**

***A. Auburn Career Center***

The Auburn Career Center is a joint vocational school district which is a jointly governed organization among eleven School Districts. Each participating school district appoints one member to the Auburn Career Center's Board of Education. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Auburn Career Center is limited to its representation on the Board. Continued existence of the Auburn Career Center is not dependent on the School District's continued participation. Financial information can be obtained from the Auburn Career Center, 8140 Auburn Road, Painesville, Ohio 44077.

***B. Lake Geauga Computer Association***

The Lake Geauga Computer Association (the "LGCA") is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its eighteen member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on the School District's continued participation. During fiscal year 2017, the School District paid \$67,271 to LGCA. Financial information can be obtained from the Lake Geauga Computer Association, 8221 Auburn Road, Painesville, Ohio 44077.

***C. Ohio Schools Council Association***

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 2017, the School District paid \$1,792 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. Constellation has been selected as the supplier and program manager. There are currently 156 participants in the program including the Berkshire 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.

**Note 21 - Related Organization**

*Burton Public Library* The Burton Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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appointed by the Berkshire Local School District Board of Education. 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. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Burton Public Library, Rebecca Herrick Clerk/Treasurer, PO Box 427, Burton, Ohio 44021.

**Note 22 - Insurance Purchasing Pool**

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBO, or his designee, serves as coordinator of the GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**Note 23 - Set Asides**

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 the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. The School District plans to use these monies for construction and renovation.

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

	Budget Stabilization Reserve	Capital Improvements Reserve
Set-aside Reserve Balance as of June 30, 2016	\$39,468	\$0
Current Year Set-aside Requirement	0	216,441
Qualifying Disbursements	0	(768,075)
Totals	<u>\$39,468</u>	<u>(\$551,634)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$39,468</u>	<u>\$0</u>
Set-aside Reserve Balance as of June 30, 2017	<u>\$39,468</u>	<u>\$0</u>

The School District has qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-asides. The extra amount in the capital acquisition set-aside may not be used to reduce the set-aside requirement of future years. This negative balance is therefore not presented as being carried forward to future years. The total reserve balance for the two set-asides at the end of the fiscal year was \$39,468.

**Note 24 – Interfund Transfers**

Transfers made during the year ended June 30, 2017 were as follows:

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

	<u>Transfers From</u>
<u>Transfers To</u>	<u>General</u>
Other Governmental Funds	\$95,000
Internal Service Fund:	
Self Insurance	325,000
<i>Total Transfers</i>	<u><u>\$420,000</u></u>

The transfer from the general fund to the Other Governmental Funds (food service and athletics and music special revenue funds) were used to pay for operations of the food service department and the athletics and music program. The transfer from the general fund to the self insurance fund was used to pay health and dental insurance claims.

**Note 25 – Leases**

During fiscal year 2017, the School District entered into a capital lease to purchase stadium bleachers in the amount of \$110,720 at an interest rate of 3.746 percent and \$246,594 at an interest rate of 3.079 percent. In prior years the School District entered into capital leases for furniture and fixtures and school buses. The assets acquired through the capital leases were capitalized at the present value of the minimum lease payments at the time the lease was entered into.

The assets acquired through the capital lease are as follows:

	<u>Governmental Activities</u>
Asset:	
Buildings and Improvements	\$110,721
Furniture and Fixtures	79,809
Vehicles	973,362
Less: Accumulated depreciation	<u>(302,187)</u>
Total	<u><u>\$750,984</u></u>

The lease provides for minimum, annual lease payments as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2018	\$207,785
2019	157,118
2020	123,217
2021	<u>52,355</u>
Total Minimum Lease Payments	540,475
Less amount representing Interest	<u>(32,315)</u>
Present value of minimum Lease Payment	<u><u>\$508,160</u></u>

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

	2017	2016 (2)	2015	2014
School District's Proportion of the Net Pension Liability	0.05933930%	0.07041020%	0.04853100%	0.04853100%
School District's Proportionate Share of the Net Pension Liability	\$4,343,089	\$4,017,674	\$2,456,125	\$2,885,983
School District's Covered Payroll	\$1,863,114	\$2,100,581	\$1,430,917	\$1,292,878
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	233.11%	191.26%	171.65%	223.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%

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

(2) Includes information for Ledgemont Local School. Ledgemont's 2015 proportion of the net pension liability was 0.023684 percent and the proportionate share of the NPL was \$1,198,633.

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

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

	2017	2016 (2)	2015	2014
School District's Proportion of the Net Pension Liability	0.05344026%	0.05868257%	0.04199643%	0.04199643%
School District's Proportionate Share of the Net Pension Liability	\$17,888,066	\$16,218,145	\$10,214,985	\$12,168,024
School District's Covered Payroll	\$6,346,229	\$5,833,423	\$4,261,443	\$4,615,200
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	281.87%	278.02%	239.71%	263.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%

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

(2) Includes information for Ledgemont Local School. Ledgemont's 2015 proportion of the net pension liability was 0.01549221 percent and the proportionate share of the NPL was \$3,768,242.



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

	<u>2017</u>	<u>2016 (1)</u>	<u>2015 (1)</u>	<u>2014</u>
Contractually Required Contribution	\$259,811	\$260,836	\$276,857	\$198,387
Contributions in Relation to the Contractually Required Contribution	<u>(259,811)</u>	<u>(260,836)</u>	<u>(\$276,857)</u>	<u>(\$198,387)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$1,855,793	\$1,863,114	\$2,100,581	\$1,430,917
Contributions as a Percentage of Covered - Payroll	14.00%	14.00%	13.18%	13.86%

(1) Includes information for Ledgesmont Local School.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$178,934	\$189,898	\$182,255	\$192,434	\$147,205	\$138,327
<u>(178,934)</u>	<u>(189,898)</u>	<u>(182,255)</u>	<u>(192,434)</u>	<u>(147,205)</u>	<u>(138,327)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,292,878	\$1,411,882	\$1,449,924	\$1,421,228	\$1,495,985	\$1,408,624
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

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

	2017	2016 (1)	2015 (1)	2014
Contractually Required Contribution	\$822,726	\$888,472	\$816,679	\$553,988
Contributions in Relation to the Contractually Required Contribution	(822,726)	(888,472)	(816,679)	(553,988)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
School District Covered Payroll	\$5,876,614	\$6,346,229	\$5,833,423	\$4,261,443
Contributions as a Percentage of Covered - Payroll	14.00%	14.00%	14.00%	13.00%

(1) Includes information for Ledgemont Local School.

2013	2012	2011	2010	2009	2008
\$599,976	\$657,680	\$639,654	\$643,094	\$573,936	\$609,378
(599,976)	(657,680)	(639,654)	(643,094)	(573,936)	(609,378)
\$0	\$0	\$0	\$0	\$0	\$0
\$4,615,200	\$5,059,077	\$4,920,415	\$4,946,877	\$4,414,892	\$4,687,523
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**Berkshire Local School District, Ohio**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2017*

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**Changes in Assumptions - SERS**

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

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

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

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## Combining Statements and Individual Fund 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.

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

***Other Grants Fund*** This fund accounts for and reports for monies restricted to promote community involvement and to support activities between the school and the community.

***Athletics and Music Fund*** This fund accounts for and reports for gate receipts and other revenues from athletic events restricted for all costs (except supplemental coaching contracts) of the School District's athletic program and transportation of the band to and from athletic events.

***ONenet Fund*** This fund accounts for and reports for State monies restricted to assist teachers in improving their technology skills.

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

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

***Title IIA Fund*** This fund accounts for and reports for Federal monies restricted to improve teacher and principal quality.

***Straight A Fund*** This fund accounts for State monies restricted to promote science and technology in education.

***Latchkey Fund*** This fund accounts for and reports charges for services restricted for the latchkey operations of the School District.

***Leighton Fund*** The fund accounts for and reports monies used in the purchase of technology for the students as well as enhancements to the library at Ledgemont Elementary.

***Buckeye Healthy School Challenge Fund*** The fund accounts for and reports for Federal monies restricted to assist the School District in increasing student participation in Food Services.

***Uniform School Supplies Fund*** The fund accounts for and reports for the purchase and sale of school supplies for use in the School District. Profits derived from such sales are used for school purposes or activities connected with the school. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Special Rotary*** The fund accounts for and reports for various rotary funds assigned for scholarships and other programs. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

(continued)

## ***Combining Statements - Nonmajor Governmental Funds***

### ***Nonmajor Special Revenue Funds (Continued)***

***Public School Support Fund*** The fund accounts for and reports for school site sales revenue and expenditures for field trips, assemblies, and other activity costs. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

***School Improvement Model Fund*** The fund accounts for and reports for State monies used for improving student achievement on proficiency tests. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Unclaimed Funds Fund*** The fund accounts for and reports for checks written by the district that have not been presented for payment. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

***Termination Benefit Fund*** The fund accounts for and reports for transfers from the general fund to pay future termination benefits of school district employees. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.



**Berkshire Local School District***Combining Balance Sheet**Nonmajor Special Revenue Funds**June 30, 2017*

	Food Service	Other Grants	Athletics and Music
<b>Assets</b>			
Equity in Pooled Cash and			
Cash Equivalents	\$17,412	\$3,792	\$23,270
Accounts Receivable	75	0	0
Intergovernmental Receivable	0	0	0
Prepaid Items	316	0	0
Inventory Held for Resale	4,395	0	0
Materials and Supplies Inventory	1,843	0	0
<i>Total Assets</i>	<u>\$24,041</u>	<u>\$3,792</u>	<u>\$23,270</u>
<b>Liabilities</b>			
Accounts Payable	\$263	\$0	\$1,978
Accrued Wages and Benefits	18,901	0	0
Intergovernmental Payable	1,956	0	0
<i>Total Liabilities</i>	<u>21,120</u>	<u>0</u>	<u>1,978</u>
<b>Fund Balances</b>			
Nonspendable	2,159	0	0
Restricted	762	3,792	21,292
<i>Total Fund Balances</i>	<u>2,921</u>	<u>3,792</u>	<u>21,292</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$24,041</u>	<u>\$3,792</u>	<u>\$23,270</u>

Title I	Title IIA	Latchkey	Leighton	Total Nonmajor Special Revenue Funds
\$24,659	\$0	\$6,334	\$20,289	\$95,756
0	0	0	0	75
35,488	665	0	0	36,153
0	0	0	0	316
0	0	0	0	4,395
0	0	0	0	1,843
<u>\$60,147</u>	<u>\$665</u>	<u>\$6,334</u>	<u>\$20,289</u>	<u>\$138,538</u>
\$2,355	\$665	\$819	\$0	\$6,080
30,893	0	0	0	49,794
448	0	203	0	2,607
<u>33,696</u>	<u>665</u>	<u>1,022</u>	<u>0</u>	<u>58,481</u>
0	0	0	0	2,159
<u>26,451</u>	<u>0</u>	<u>5,312</u>	<u>20,289</u>	<u>77,898</u>
<u>26,451</u>	<u>0</u>	<u>5,312</u>	<u>20,289</u>	<u>80,057</u>
<u>\$60,147</u>	<u>\$665</u>	<u>\$6,334</u>	<u>\$20,289</u>	<u>\$138,538</u>

**Berkshire Local School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2017*

	Food Service	Other Grants	Athletics and Music	ONEnet	Title VI-B
<b>Revenues</b>					
Intergovernmental	\$147,305	\$0	\$0	\$5,400	\$234,223
Extracurricular Activities	0	0	51,828	0	0
Contributions and Donations	2,000	2,992	1,240	0	0
Charges for Services	114,876	0	0	0	0
<i>Total Revenues</i>	<u>264,181</u>	<u>2,992</u>	<u>53,068</u>	<u>5,400</u>	<u>234,223</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	0	5,836	0	0	0
Special	0	0	0	0	234,223
Vocational	0	369	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	0	0	0	0	0
Administration	0	0	0	5,400	0
Operation of Community Services	0	0	0	0	0
Operation of Food Services	341,916	0	0	0	0
Extracurricular Activities	0	0	81,951	0	0
<i>Total Expenditures</i>	<u>341,916</u>	<u>6,205</u>	<u>81,951</u>	<u>5,400</u>	<u>234,223</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(77,735)	(3,213)	(28,883)	0	0
<b>Other Financing Sources</b>					
Transfers In	70,000	0	25,000	0	0
<i>Net Change in Fund Balances</i>	(7,735)	(3,213)	(3,883)	0	0
<i>Fund Balances Beginning of Year</i>	10,656	7,005	25,175	0	0
<i>Fund Balances End of Year</i>	<u>\$2,921</u>	<u>\$3,792</u>	<u>\$21,292</u>	<u>\$0</u>	<u>\$0</u>

Title I	Title IIA	Straight A	Latchkey	Leighton	Buckeye Healthy School Challenge	Total Nonmajor Special Revenue Funds
\$268,457	\$27,461	\$640	\$0	\$0	\$10,500	\$693,986
0	0	0	0	0	0	51,828
0	0	0	0	42,058	0	48,290
0	0	0	13,263	0	0	128,139
268,457	27,461	640	13,263	42,058	10,500	922,243
278,129	0	642	0	0	0	284,607
0	0	0	0	0	0	234,223
0	0	0	0	0	0	369
5,861	0	0	0	0	0	5,861
0	33,130	0	0	0	0	33,130
0	0	0	0	0	0	5,400
0	0	0	16,751	24,810	0	41,561
0	0	0	0	0	10,500	352,416
0	0	0	0	0	0	81,951
283,990	33,130	642	16,751	24,810	10,500	1,039,518
(15,533)	(5,669)	(2)	(3,488)	17,248	0	(117,275)
0	0	0	0	0	0	95,000
(15,533)	(5,669)	(2)	(3,488)	17,248	0	(22,275)
41,984	5,669	2	8,800	3,041	0	102,332
\$26,451	\$0	\$0	\$5,312	\$20,289	\$0	\$80,057

### ***Combining Statements - Fiduciary Funds***

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

#### ***Private Purpose Trust***

***Scholarship Trust Fund*** This fund accounts for and reports monies held in trust to benefit the students in the form of college scholarships.

#### ***Agency Funds***

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

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

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

**Berkshire Local School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2017*

	Beginning Balance 7/1/16	Additions	Deductions	Ending Balance 6/30/17
<b><i>Student Activities</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$53,152	\$48,325	\$47,125	\$54,352
<b>Liabilities</b>				
Due to Students	\$46,750	\$48,325	\$47,125	\$47,950
Undistributed Monies	6,402	0	0	6,402
Total Liabilities	\$53,152	\$48,325	\$47,125	\$54,352
<b><i>Elementary</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,305	\$1,066	\$1,944	\$427
<b>Liabilities</b>				
Undistributed Monies	\$1,305	\$1,066	\$1,944	\$427
<b><i>Total - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$54,457	\$49,391	\$49,069	\$54,779
<b>Liabilities</b>				
Due to Students	\$46,750	\$48,325	\$47,125	\$47,950
Undistributed Monies	7,707	1,066	1,944	6,829
Total Liabilities	\$54,457	\$49,391	\$49,069	\$54,779

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

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Income Taxes	\$2,794,404	\$2,890,169	\$2,890,169	\$0
Property Taxes	6,413,137	6,467,437	6,467,437	0
Intergovernmental	6,515,812	6,626,286	6,627,338	1,052
Interest	0	11,300	11,681	381
Tuition and Fees	1,003,000	1,103,805	1,105,834	2,029
Extracurricular Activities	0	1,075	1,075	0
Contributions and Donations	0	650	4,149	3,499
Rentals	0	672	672	0
Miscellaneous	0	26,166	26,166	0
<i>Total Revenues</i>	<u>16,726,353</u>	<u>17,127,560</u>	<u>17,134,521</u>	<u>6,961</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,937,756	4,109,909	4,109,909	0
Fringe Benefits	1,352,441	1,262,123	1,256,713	5,410
Purchased Services	2,106,325	2,322,525	2,321,652	873
Materials and Supplies	150,290	135,850	135,822	28
Capital Outlay	30,850	16,173	16,172	1
Total Regular	<u>7,577,662</u>	<u>7,846,580</u>	<u>7,840,268</u>	<u>6,312</u>
Special:				
Salaries and Wages	488,994	523,877	523,877	0
Fringe Benefits	99,481	161,526	161,160	366
Purchased Services	1,700,765	1,217,679	1,217,679	0
Materials and Supplies	38,705	19,189	19,189	0
Total Special	<u>2,327,945</u>	<u>1,922,271</u>	<u>1,921,905</u>	<u>366</u>
Vocational:				
Salaries and Wages	48,932	58,661	58,661	0
Fringe Benefits	4,917	8,909	8,909	0
Materials and Supplies	2,500	2,500	2,447	53
Capital Outlay	5,000	1,082	1,082	0
Total Vocational	<u>61,349</u>	<u>71,152</u>	<u>71,099</u>	<u>53</u>
Student Intervention Services:				
Salaries and Wages	59,371	129,491	129,491	0
Fringe Benefits	40,785	46,227	45,847	380
Total Student Intervention Services	<u>100,156</u>	<u>175,718</u>	<u>175,338</u>	<u>380</u>
Total Instruction	<u>\$10,067,112</u>	<u>\$10,015,721</u>	<u>\$10,008,610</u>	<u>\$7,111</u>



**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	\$411,404	\$519,727	\$519,727	\$0
Fringe Benefits	299,348	228,256	226,724	1,532
Purchased Services	199,649	185,584	185,584	0
Materials and Supplies	6,512	9,675	9,564	111
Capital Outlay	0	1,689	1,689	0
Total Pupil	916,913	944,931	943,288	1,643
Instructional Staff:				
Salaries and Wages	80,033	98,734	98,734	0
Fringe Benefits	18,807	21,546	21,487	59
Purchased Services	168,587	143,127	143,127	0
Materials and Supplies	52,352	61,497	61,480	17
Capital Outlay	25,000	25,203	25,203	0
Total Instructional Staff	344,779	350,107	350,031	76
Board of Education:				
Salaries and Wages	15,000	15,063	15,063	0
Fringe Benefits	4,178	2,882	2,882	0
Purchased Services	74,200	98,393	98,393	0
Materials and Supplies	1,175	3,114	3,114	0
Capital Outlay	8,000	270	270	0
Other	18,500	17,699	17,699	0
Total Board of Education	121,053	137,421	137,421	0
Administration:				
Salaries and Wages	673,810	582,376	582,376	0
Fringe Benefits	226,423	240,386	239,040	1,346
Purchased Services	32,026	23,474	23,124	350
Materials and Supplies	6,550	4,459	4,416	43
Capital Outlay	0	1,097	1,097	0
Other	351,911	364,373	363,730	643
Total Administration	\$1,290,720	\$1,216,165	\$1,213,783	\$2,382

(continued)

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fiscal:				
Salaries and Wages	\$182,376	\$175,801	\$175,801	\$0
Fringe Benefits	83,468	81,004	74,612	6,392
Purchased Services	11,329	9,810	9,649	161
Materials and Supplies	4,750	5,488	5,488	0
Capital Outlay	500	900	900	0
Other	213,964	207,754	207,754	0
Total Fiscal	496,387	480,757	474,204	6,553
Business:				
Other	4,000	56	56	0
Operation and Maintenance of Plant:				
Salaries and Wages	476,657	446,491	446,436	55
Fringe Benefits	176,333	164,421	161,998	2,423
Purchased Services	722,272	547,144	546,688	456
Materials and Supplies	53,159	54,259	54,259	0
Total Operation and Maintenance of Plant	1,428,421	1,212,315	1,209,381	2,934
Pupil Transportation:				
Salaries and Wages	550,637	556,593	555,807	786
Fringe Benefits	252,040	262,588	259,212	3,376
Purchased Services	131,080	173,895	173,798	97
Materials and Supplies	122,083	98,765	98,644	121
Capital Outlay	190,466	211,261	211,261	0
Total Pupil Transportation	1,246,306	1,303,102	1,298,722	4,380
Total Support Services	5,848,579	5,644,854	5,626,886	17,968
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	21,525	30,308	30,308	0
Fringe Benefits	6,100	6,076	6,076	0
Total Academic and Subject Oriented Activities	27,625	36,384	36,384	0
Sports Oriented Activities:				
Salaries and Wages	257,275	298,295	298,295	0
Fringe Benefits	59,286	45,868	45,813	55
Total Sports Oriented Activities	\$316,561	\$344,163	\$344,108	\$55

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
School and Public Service Co-Curricular Activities:				
Salaries and Wages	\$8,405	\$8,748	\$8,748	\$0
Fringe Benefits	865	1,292	1,292	0
Total School and Public Service Co-Curricular Activities	9,270	10,040	10,040	0
Total Extracurricular Activities	353,456	390,587	390,532	55
Capital Outlay:				
Purchased Services	0	40,000	40,000	0
Capital Outlay	100,000	175,105	175,105	0
Total Capital Outlay	100,000	215,105	215,105	0
<i>Total Expenditures</i>	16,369,147	16,266,267	16,241,133	25,134
<i>Excess of Revenues Over Expenditures</i>	357,206	861,293	893,388	32,095
<b>Other Financing Uses</b>				
Transfers Out	(505,000)	(517,275)	(517,275)	0
<i>Net Change in Fund Balance</i>	(147,794)	344,018	376,113	32,095
<i>Fund Balance Beginning of Year</i>	2,513,283	2,513,283	2,513,283	0
Prior Year Encumbrances Appropriated	235,073	235,073	235,073	0
<i>Fund Balance End of Year</i>	<u>\$2,600,562</u>	<u>\$3,092,374</u>	<u>\$3,124,469</u>	<u>\$32,095</u>

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

	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$292,940	\$292,940	\$0
Intergovernmental	49,112	49,112	0
<i>Total Revenues</i>	<u>342,052</u>	<u>342,052</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	4,342	4,318	24
Capital Outlay	61,580	30,447	31,133
Total Instruction	<u>65,922</u>	<u>34,765</u>	<u>31,157</u>
Support Services:			
Fiscal:			
Other	7,000	5,733	1,267
Operation and Maintenance of Plant:			
Purchased Services	262,206	227,965	34,241
Capital Outlay	613	0	613
Total Operation and Maintenance of Plant	<u>262,819</u>	<u>227,965</u>	<u>34,854</u>
Total Support Services	<u>269,819</u>	<u>233,698</u>	<u>36,121</u>
Capital Outlay:			
Architecture and Engineering Services	6,883	6,883	0
<i>Total Expenditures</i>	<u>342,624</u>	<u>275,346</u>	<u>67,278</u>
<i>Net Change in Fund Balance</i>	(572)	66,706	67,278
<i>Fund Balance Beginning of Year</i>	17,930	17,930	0
Prior Year Encumbrances Appropriated	<u>16,625</u>	<u>16,625</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$33,983</u>	<u>\$101,261</u>	<u>\$67,278</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$142,796	\$147,305	\$4,509
Contributions and Donations	2,000	2,000	0
Charges for Services	115,204	114,801	(403)
<i>Total Revenues</i>	<u>260,000</u>	<u>264,106</u>	<u>4,106</u>
<b>Expenditures</b>			
Current:			
Operation of Food Services:			
Salaries and Wages	144,810	144,810	0
Fringe Benefits	70,194	67,173	3,021
Purchased Services	22,341	22,341	0
Materials and Supplies	118,388	116,551	1,837
Capital Outlay	5,450	1,774	3,676
<i>Total Expenditures</i>	<u>361,183</u>	<u>352,649</u>	<u>8,534</u>
<i>Excess of Revenues Under Expenditures</i>	(101,183)	(88,543)	12,640
<b>Other Financing Sources</b>			
Transfers In	70,000	70,000	0
<i>Net Change in Fund Balance</i>	(31,183)	(18,543)	12,640
<i>Fund Balance Beginning of Year</i>	34,506	34,506	0
Prior Year Encumbrances Appropriated	1,182	1,182	0
<i>Fund Balance End of Year</i>	<u>\$4,505</u>	<u>\$17,145</u>	<u>\$12,640</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Other Grants Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Contributions and Donations	\$3,000	\$2,992	(\$8)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	2,890	2,890	0
Materials and Supplies	4,496	2,946	1,550
Total Regular	7,386	5,836	1,550
Vocational:			
Materials and Supplies	1,250	1,000	250
<i>Total Expenditures</i>	8,636	6,836	1,800
<i>Net Change in Fund Balance</i>	(5,636)	(3,844)	1,792
<i>Fund Balance Beginning of Year</i>	6,558	6,558	0
Prior Year Encumbrances Appropriated	1,078	1,078	0
<i>Fund Balance End of Year</i>	\$2,000	\$3,792	\$1,792

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Athletics and Music Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Extracurricular Activities	\$51,828	\$51,828	\$0
Contributions and Donations	1,240	1,240	0
<i>Total Revenues</i>	<u>53,068</u>	<u>53,068</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	3,863	3,748	115
Fringe Benefits	845	556	289
Purchased Services	23,025	22,906	119
Other	60,598	57,174	3,424
<i>Total Expenditures</i>	<u>88,331</u>	<u>84,384</u>	<u>3,947</u>
<i>Excess of Revenues Under Expenditures</i>	(35,263)	(31,316)	3,947
<b>Other Financing Sources</b>			
Transfers In	25,000	25,000	0
<i>Net Change in Fund Balance</i>	(10,263)	(6,316)	3,947
<i>Fund Balance Beginning of Year</i>	25,182	25,182	0
Prior Year Encumbrances Appropriated	2,434	2,434	0
<i>Fund Balance End of Year</i>	<u><u>\$17,353</u></u>	<u><u>\$21,300</u></u>	<u><u>\$3,947</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*ONenet Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$5,400	\$5,400	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Administration:			
Purchased Services	5,400	5,400	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0



**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$234,223	\$234,223	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Purchased Services	234,223	234,223	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$396,913	\$313,089	(\$83,824)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	300,038	217,289	82,749
Fringe Benefits	68,393	45,016	23,377
Purchased Services	5,690	5,690	0
Materials and Supplies	16,930	16,930	0
Total Instruction	391,051	284,925	106,126
Support Services:			
Pupil:			
Purchased Services	5,861	5,861	0
<i>Total Expenditures</i>	<i>396,912</i>	<i>290,786</i>	<i>106,126</i>
<i>Net Change in Fund Balance</i>	<i>1</i>	<i>22,303</i>	<i>(22,302)</i>
<i>Fund Balance (Deficit) Beginning of Year</i>	<i>(1,080)</i>	<i>(1,080)</i>	<i>0</i>
Prior Year Encumbrances Appropriated	1,081	1,081	0
<i>Fund Balance End of Year</i>	<i>\$2</i>	<i>\$22,304</i>	<i>(\$22,302)</i>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title IIA Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$74,209	\$50,786	(\$23,423)
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	1,500	1,500	0
Fringe Benefits	500	500	0
Purchased Services	72,209	49,451	22,758
Materials and Supplies	0	0	0
<i>Total Expenditures</i>	74,209	51,451	22,758
<i>Net Change in Fund Balance</i>	0	(665)	665
<i>Fund Deficit Beginning of Year</i>	(18,323)	(18,323)	0
Prior Year Encumbrances Appropriated	18,323	18,323	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$665)	\$665

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Straight A Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,499	\$2,499	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	642	642	0
Capital Outlay	1,857	1,857	0
<i>Total Expenditures</i>	2,499	2,499	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance (Deficit) Beginning of Year</i>	(1,857)	(1,857)	0
Prior Year Encumbrances Appropriated	1,857	1,857	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	\$0	\$0

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Latchkey Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$12,637	\$13,263	\$626
<b>Expenditures</b>			
Current:			
Operation of Non Instructional Activities:			
Community Services Activities:			
Salaries and Wages	10,171	10,171	0
Fringe Benefits	4,110	3,384	726
Materials and Supplies	5,080	3,231	1,849
<i>Total Expenditures</i>	19,361	16,786	2,575
<i>Net Change in Fund Balance</i>	(6,724)	(3,523)	3,201
<i>Fund Balance Beginning of Year</i>	9,037	9,037	0
<i>Fund Balance End of Year</i>	\$2,313	\$5,514	\$3,201

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Leighton Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Contributions and Donations	\$24,548	\$42,058	\$17,510
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional/Shared Services::			
Community Services			
Capital Outlay	25,264	24,810	454
<i>Net Change in Fund Balance</i>	(716)	17,248	17,964
<i>Fund Balance Beginning of Year</i>	3,041	3,041	0
<i>Fund Balance End of Year</i>	\$2,325	\$20,289	\$17,964

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Buckeye Healthy School Challenge Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$10,500	\$10,500	\$0
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional/Shared Services::			
Food Service Operations			
Fringe Benefits			0
Purchased Services	0	0	0
Materials and Supplies	663	663	0
Capital Outlay	7,500	7,500	0
Other	2,337	2,337	0
<i>Total Expenditures</i>	10,500	10,500	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Uniform School Supplies Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Tuition and Fees	\$56,541	\$61,647	\$5,106
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	46,800	45,702	1,098
<i>Net Change in Fund Balance</i>	9,741	15,945	6,204
<i>Fund Balance Beginning of Year</i>	36,647	36,647	0
Prior Year Encumbrances Appropriated	14	14	0
<i>Fund Balance End of Year</i>	\$46,402	\$52,606	\$6,204



**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Special Rotary Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Contributions and Donations	\$7,494	\$5,830	(\$1,664)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	8,441	6,232	2,209
<i>Net Change in Fund Balance</i>	(947)	(402)	545
<i>Fund Balance Beginning of Year</i>	1,047	1,047	0
Prior Year Encumbrances Appropriated	1,000	1,000	0
<i>Fund Balance End of Year</i>	<u>\$1,100</u>	<u>\$1,645</u>	<u>\$545</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Contributions and Donations	\$38,924	\$39,147	\$223
<b>Expenditures</b>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	50,360	31,632	18,728
<i>Net Change in Fund Balance</i>	(11,436)	7,515	18,951
<i>Fund Balance Beginning of Year</i>	22,551	22,551	0
Prior Year Encumbrances Appropriated	495	495	0
<i>Fund Balance End of Year</i>	<u>\$11,610</u>	<u>\$30,561</u>	<u>\$18,951</u>

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

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	25	25	0
<i>Fund Balance End of Year</i>	\$25	\$25	\$0

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Unclaimed Funds Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Miscellaneous	\$8,996	\$7,748	(\$1,248)
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	8,996	7,748	(1,248)
<i>Fund Balance Beginning of Year</i>	<u>2,146</u>	<u>2,146</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,142</u></u>	<u><u>\$9,894</u></u>	<u><u>(\$1,248)</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Termination Benefit Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	59,028	59,028	0
Fringe Benefits	5,919	5,919	0
	<u>64,947</u>	<u>64,947</u>	<u>0</u>
Total Instruction	64,947	64,947	0
Support Services:			
Operation and Maintenance of Plant:			
Salaries and Wages	5,048	5,048	0
Operation of Non-Instructional/Shared Services			
Food Service Operations:			
Salaries and Wages	4,088	4,088	0
	<u>74,083</u>	<u>74,083</u>	<u>0</u>
<i>Total Expenditures</i>	<u>74,083</u>	<u>74,083</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(74,083)	(74,083)	0
<b>Other Financing Sources</b>			
Transfers In	97,275	97,275	0
	<u>23,192</u>	<u>23,192</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	23,192	23,192	0
<i>Fund Balance Beginning of Year</i>	209,272	209,272	0
<i>Fund Balance End of Year</i>	<u>\$232,464</u>	<u>\$232,464</u>	<u>\$0</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Self Insurance Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$102,058	\$102,058	\$0
<b>Expenses</b>			
Purchased Services	3,158	1,000	2,158
Claims	458,309	458,309	0
<i>Total Expenses</i>	<u>461,467</u>	<u>459,309</u>	<u>2,158</u>
<i>Excess of Revenues Under Expenses Before Transfers</i>	(359,409)	(357,251)	2,158
Transfers In	<u>325,000</u>	<u>325,000</u>	<u>0</u>
<i>Net Change in Fund Equity</i>	(34,409)	(32,251)	2,158
<i>Fund Equity Beginning of Year</i>	37,053	37,053	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,644</u></u>	<u><u>\$4,802</u></u>	<u><u>\$2,158</u></u>

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Stella Bateman-1<sup>st</sup> grade  
Ledgemont Elementary

# Statistical Section



## Statistical Section

This part of the Berkshire Local 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 overall financial health.

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Contents	Pages(s)
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<b><i>Financial Trends</i></b> .....	<b><i>S2 – S9</i></b>
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These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

<b><i>Revenue Capacity</i></b> .....	<b><i>S10 – S19</i></b>
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These schedules contain information to help the reader assess the School District's most significant local revenue, property and income taxes.

<b><i>Debt Capacity</i></b> .....	<b><i>S20 – S25</i></b>
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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 additional debt in the future.

<b><i>Economic and Demographic Information</i></b> .....	<b><i>S26 – S28</i></b>
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These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.

<b><i>Operating Information</i></b> .....	<b><i>S30 – S41</i></b>
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These schedules contain service and infrastructure 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.

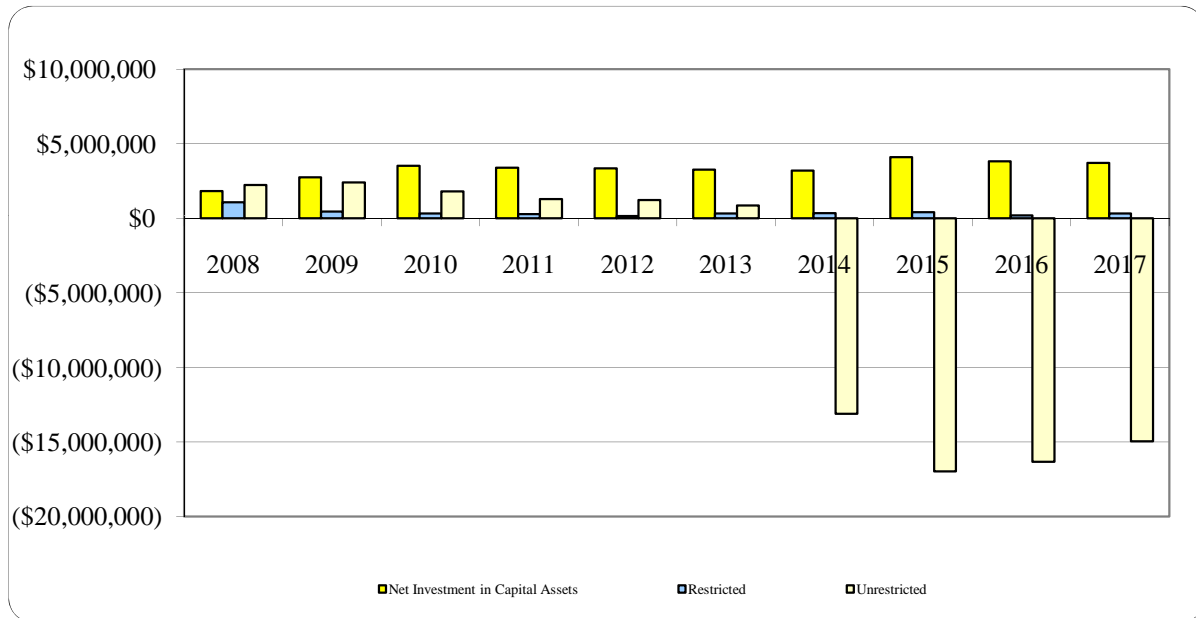
**Note:** On July 1, 2015, Ledgemont Local School District merged with Berkshire Local School District. Ledgemont Local School District ceased to exist as of July 1, 2015, and operation of Ledgemont Local School District were absorbed into Berkshire Local School District.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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

	2017	2016	2015 (2)	2014 (1)
Net Investment in Capital Assets	\$3,723,349	\$3,815,837	\$4,096,104	\$3,206,253
Restricted for:				
Capital Projects	207,023	63,347	77,674	247,599
Set Asides	39,468	39,468	39,468	39,468
Other Purposes	81,807	85,022	287,352	64,040
Unrestricted (Deficit)	(14,969,895)	(16,331,548)	(16,972,834)	(13,116,956)
<b>Total Net Position</b>	<b>(\$10,918,248)</b>	<b>(\$12,327,874)</b>	<b>(\$12,472,236)</b>	<b>(\$9,559,596)</b>

- (1) GASB Statement No. 68 was implemented in fiscal year 2015 and does not impact net position prior to fiscal year 2014  
(2) 2015 reflects the restated balances for the merger. The merger with Ledgemont Schools was effective for fiscal year 2016.  
See S1 for additional details.



2013	2012	2011	2010	2009	2008
\$3,271,163	\$3,357,657	\$3,404,650	\$3,518,243	\$2,742,560	\$1,818,772
215,983	88,576	203,064	193,702	357,068	953,421
39,468	39,468	39,468	39,468	39,468	39,468
69,685	33,293	31,163	102,983	51,841	74,824
868,893	1,221,331	1,283,319	1,812,478	2,409,771	2,235,701
\$4,465,192	\$4,740,325	\$4,961,664	\$5,666,874	\$5,600,708	\$5,122,186

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

	2017	2016 (1)	2015	2014	2013
<b>Expenses</b>					
Regular Instruction	\$8,703,253	\$8,715,698	\$5,559,328	\$5,060,982	\$5,243,207
Special Instruction	2,078,373	2,428,165	1,503,851	1,556,460	1,547,813
Vocational Instruction	77,369	73,049	4,181	33,765	83,075
Student Intervention	198,011	91,144	107,764	90,120	138,647
Pupil Support	1,001,316	770,575	665,385	603,317	450,373
Instructional Staff Support	326,916	428,670	327,824	293,308	330,797
Board of Education	138,441	140,276	92,855	76,731	82,509
Administration	1,235,711	1,364,413	1,079,853	1,182,343	1,238,897
Fiscal	485,976	519,363	426,786	429,912	401,819
Business	56	4,868	2,270	2,904	1,359
Operation and Maintenance of Plant	1,517,178	1,635,605	1,179,273	1,036,171	1,056,199
Pupil Transportation	1,419,591	1,295,324	943,414	875,550	788,278
Operation of Non-Instructional Services	0	0	0	0	19,649
Operation of Community Services	41,561	20,956	438	955	7,300
Operation of Food Services	376,625	324,091	250,013	264,347	239,814
Extracurricular Activities	530,337	485,217	411,667	369,113	369,669
Interest and Fiscal Charges	10,871	9,918	7,576	5,329	2,455
<i>Total Expenses</i>	<u>18,141,585</u>	<u>18,307,332</u>	<u>12,562,478</u>	<u>11,881,307</u>	<u>12,001,860</u>
<b>Program Revenues</b>					
Charges for Services and Sales					
Regular Instruction	1,288,796	1,205,491	633,047	622,268	500,468
Special Instruction	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Operation of Community Services	13,263	21,343	0	0	0
Operation of Food Services	114,876	113,430	77,260	86,291	105,066
Extracurricular Activities	66,307	68,945	168,857	178,498	152,660
Operating Grants and Contributions	1,051,494	1,106,833	1,153,678	647,311	621,700
Capital Grants and Contributions	0	0	0	0	0
<i>Total Program Revenues</i>	<u>2,534,736</u>	<u>2,516,042</u>	<u>2,032,842</u>	<u>1,534,368</u>	<u>1,379,894</u>
Net Expense	<u>(15,606,849)</u>	<u>(15,791,290)</u>	<u>(10,529,636)</u>	<u>(10,346,939)</u>	<u>(10,621,966)</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes	7,322,777	6,131,597	4,765,063	4,306,253	4,112,813
Capital Outlay	351,775	247,742	231,966	228,635	216,669
Income Taxes Levied for:					
General Purposes	2,984,250	3,086,088	1,969,869	2,009,045	1,932,690
Grants and Entitlements not					
Restricted to Specific Programs	6,318,925	6,437,569	4,135,157	4,023,930	4,037,322
Unrestricted Contributions	0	0	840	3,680	0
Investment Earnings	11,681	10,051	5,463	5,439	4,079
Gain on Sale of Capital Assets	0	0	0	0	0
Miscellaneous	27,067	22,605	47,723	48,801	43,260
<i>Total General Revenues</i>	<u>17,016,475</u>	<u>15,935,652</u>	<u>11,156,081</u>	<u>10,625,783</u>	<u>10,346,833</u>
<i>Change in Net Position</i>	<u>\$1,409,626</u>	<u>\$144,362</u>	<u>\$626,445</u>	<u>\$278,844</u>	<u>(\$275,133)</u>

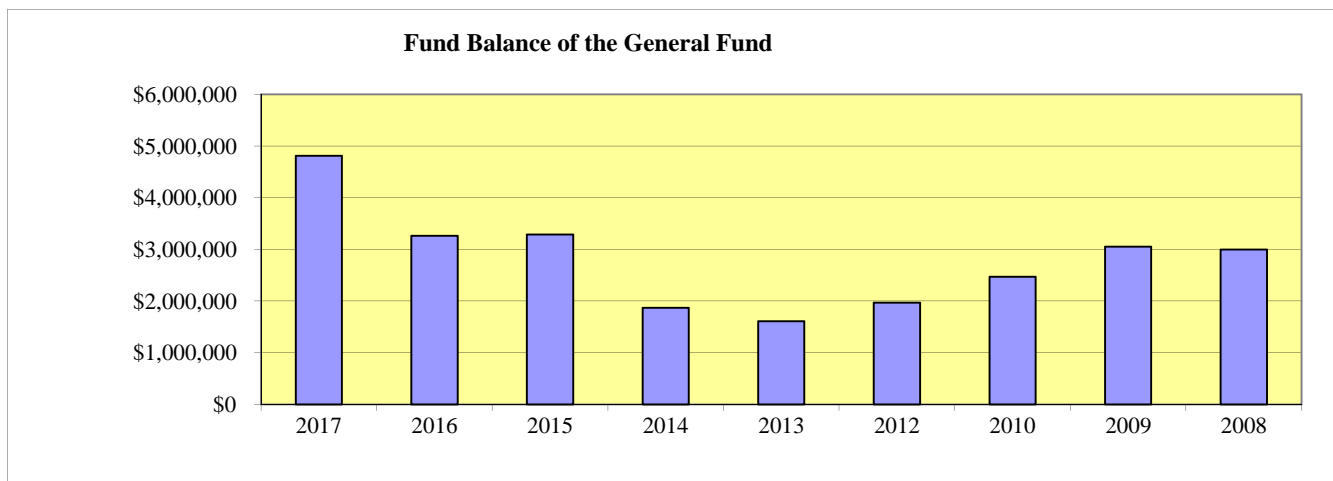
(1) The merger with Ledgesmont Local Schools was effective for fiscal year 2016. See S1 for additional details

2012	2011	2010	2009	2008
\$5,181,808	\$5,126,717	\$4,830,346	\$5,062,708	\$4,800,546
1,512,004	1,807,617	1,529,679	1,271,151	1,263,407
78,326	75,058	76,125	78,115	58,924
165,196	191,649	339,048	12,776	0
654,119	698,939	600,884	602,816	619,086
324,804	475,608	455,767	442,628	485,694
83,794	50,980	41,679	87,962	54,834
1,177,718	1,227,358	1,113,593	1,142,152	1,002,491
329,361	438,902	382,159	406,222	334,840
21,999	30,680	28,687	38,727	32,706
1,037,957	1,194,648	878,611	938,412	1,048,609
720,683	1,143,081	791,630	762,715	982,780
0	0	0	0	0
0	0	0	0	0
251,258	320,036	264,105	302,888	311,629
349,327	365,520	382,735	405,456	446,431
447	0	0	0	0
11,888,801	13,146,793	11,715,048	11,554,728	11,441,977
387,610	36,308	220,598	185,794	197,407
0	361,691	0	28,265	0
0	0	0	0	5,314
0	0	0	0	0
124,989	138,066	153,133	174,575	184,448
181,616	211,908	185,985	201,972	246,908
719,791	1,060,395	959,797	522,346	642,954
0	0	0	10,013	30,062
1,414,006	1,808,368	1,519,513	1,122,965	1,307,093
(10,474,795)	(11,338,425)	(10,195,535)	(10,431,763)	(10,134,884)
4,131,819	4,165,046	3,841,219	4,338,549	4,304,017
217,922	219,675	198,446	226,907	226,907
1,548,753	1,626,657	1,536,729	1,656,813	1,710,748
4,325,044	4,571,888	4,650,889	4,620,371	4,234,744
0	0	0	0	0
6,285	9,820	13,083	52,667	124,954
0	0	0	0	0
23,633	40,129	19,758	14,978	9,358
10,253,456	10,633,215	10,260,124	10,910,285	10,610,728
(\$221,339)	(\$705,210)	\$64,589	\$478,522	\$475,844

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

	2017	2016	2015 (1)	2014	2013
<b>General Fund</b>					
Nonspendable	\$29,728	\$4,196	\$1,807	\$2,139	\$2,139
Restricted	39,468	39,468	41,614	41,614	41,614
Committed	232,464	209,272	184,943	193,585	260,558
Assigned	85,152	61,783	34,368	13,089	590,741
Unassigned	4,426,249	2,945,119	3,021,386	1,619,679	715,436
Reserved	N/A	N/A	N/A	N/A	N/A
Unreserved (Deficit)	N/A	N/A	N/A	N/A	N/A
<b>Total General Fund</b>	<b>4,813,061</b>	<b>3,259,838</b>	<b>3,284,118</b>	<b>1,870,106</b>	<b>1,610,488</b>
<b>All Other Governmental Funds</b>					
Nonspendable	2,159	990	1,167	1,139	1,531
Restricted	247,159	241,847	182,718	195,681	188,645
Committed	0	0	7,077	0	0
Unassigned (Deficit)	0	0	(654)	0	0
Reserved	N/A	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	N/A	N/A	N/A	N/A	N/A
Debt Service Funds	N/A	N/A	N/A	N/A	N/A
Capital Projects Funds	N/A	N/A	N/A	N/A	N/A
<b>Total All Other Governmental Funds</b>	<b>249,318</b>	<b>242,837</b>	<b>190,308</b>	<b>196,820</b>	<b>190,176</b>
<b>Total Governmental Funds</b>	<b>\$5,062,379</b>	<b>\$3,502,675</b>	<b>\$3,474,426</b>	<b>\$2,066,926</b>	<b>\$1,800,664</b>

**Note:** GASB 54 was implemented in fiscal year 2011.



(1) 2015 reflects the restated balances for the merger. The merger with Ledgesmont Local Schools was effective for fiscal year 2016. See S1 for additional details.

2012	2011	2010	2009	2008
\$2,017	\$2,029	\$1,824	N/A	N/A
41,614	41,045	41,045	N/A	N/A
105,012	182,726	0	N/A	N/A
1,137,370	888,474	13,884	N/A	N/A
682,425	954,849	2,412,958	N/A	N/A
N/A	N/A	N/A	\$975,989	\$695,341
N/A	N/A	N/A	2,074,377	2,300,013
1,968,438	2,069,123	2,469,711	3,050,366	2,995,354
7,101	8,211	5,288	N/A	N/A
131,448	258,673	313,009	N/A	N/A
0	0	0	0	0
0	(425)	0	N/A	N/A
N/A	N/A	N/A	148,174	151,933
N/A	N/A	N/A	71,375	51,585
N/A	N/A	N/A	0	0
N/A	N/A	N/A	206,166	804,933
138,549	266,459	318,297	425,715	1,008,451
\$2,106,987	\$2,335,582	\$2,788,008	\$3,476,081	\$4,003,805

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

	2017	2016 (1)	2015	2014	2013
<b>Revenues</b>					
Income Taxes	\$2,960,730	\$2,959,776	\$1,850,476	\$2,162,468	\$1,735,507
Property Taxes	7,514,877	6,024,661	4,979,118	4,526,039	4,373,428
Intergovernmental	7,282,089	7,470,839	5,247,227	4,636,804	4,628,000
Interest	11,681	10,051	5,463	5,439	4,079
Tuition and Fees	1,288,124	1,205,491	631,147	620,668	498,588
Extracurricular Activities	66,307	68,620	168,337	178,498	152,660
Contributions and Donations	88,330	73,563	42,448	38,117	31,022
Charges for Services	128,139	134,773	77,260	86,291	105,066
Rentals	672	325	2,420	1,600	1,880
Miscellaneous	27,067	22,605	47,723	48,801	43,260
<b>Total Revenues</b>	<b>19,368,016</b>	<b>17,970,704</b>	<b>13,051,619</b>	<b>12,304,725</b>	<b>11,573,490</b>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	8,151,416	8,370,508	5,555,306	4,963,720	5,041,132
Special	2,017,294	2,446,966	1,491,056	1,548,503	1,521,958
Vocational	71,914	71,730	1,309	46,237	79,538
Student Intervention	185,061	99,474	102,829	90,120	138,647
Support Services:					
Pupil	962,575	770,045	650,946	575,935	433,058
Instructional Staff	351,603	412,540	315,514	293,572	287,340
Board of Education	138,441	140,276	92,855	76,731	82,509
Administration	1,196,866	1,282,825	1,115,288	1,206,405	1,205,689
Fiscal	476,148	502,580	444,049	422,157	392,099
Business	56	4,868	2,270	2,904	1,359
Operation and Maintenance of Plant	1,398,854	1,583,363	1,148,761	1,010,435	948,417
Pupil Transportation	1,292,214	1,244,543	969,397	879,380	832,991
Operation of Non-Instructional Services	0	0	0	0	4,132
Operation of Community Services	41,561	20,956	221,849	955	7,300
Operation of Food Services	356,504	322,279	438	242,935	233,496
Extracurricular Activities	507,632	469,582	433,111	367,952	368,545
Capital Outlay	376,670	92,336	50,153	168,236	115,458
Debt Service:					
Principal Retirement	203,761	141,822	108,657	103,106	55,314
Interest and Fiscal Charges	10,871	9,918	7,576	5,329	2,455
<b>Total Expenditures</b>	<b>17,739,441</b>	<b>17,986,611</b>	<b>12,711,364</b>	<b>12,004,612</b>	<b>11,751,437</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,628,575</b>	<b>(15,907)</b>	<b>340,255</b>	<b>300,113</b>	<b>(177,947)</b>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	0	104,591	0	0	0
Inception of Capital Lease	357,314	163,380	163,380	241,149	146,624
Transfers In	95,000	95,000	95,000	65,000	75,000
Transfers Out	(420,000)	(420,000)	(370,000)	(340,000)	(350,000)
<b>Total Other Financing Sources (Uses)</b>	<b>32,314</b>	<b>(57,029)</b>	<b>(111,620)</b>	<b>(33,851)</b>	<b>(128,376)</b>
<b>Net Change in Fund Balances</b>	<b>\$1,660,889</b>	<b>(\$72,936)</b>	<b>\$228,635</b>	<b>\$266,262</b>	<b>(\$306,323)</b>
Debt Service as a Percentage of Noncapital Expenditures	1.24%	0.86%	0.94%	0.93%	0.50%

(1) The merger with Ledgemont Local Schools was effective for fiscal year 2016. See S1 for additional details.



2012	2011	2010	2009	2008
\$1,548,753	\$1,626,657	\$1,544,686	\$1,680,604	\$1,605,512
4,353,798	4,349,320	4,059,441	4,560,815	4,425,741
5,007,888	5,610,908	5,581,373	5,125,435	4,874,439
6,285	9,820	13,083	52,667	124,954
387,610	397,999	220,598	214,059	197,099
179,916	209,908	183,351	197,688	246,908
36,947	21,375	29,313	27,295	33,321
124,989	138,066	153,133	174,681	184,756
1,700	2,000	2,634	4,178	5,314
23,633	40,129	19,758	14,978	9,358
11,671,519	12,406,182	11,807,370	12,052,400	11,707,402
5,000,387	4,920,559	4,598,101	4,910,346	4,551,570
1,489,364	1,799,284	1,560,754	1,248,295	1,270,129
75,001	71,458	70,925	67,117	63,351
165,196	191,649	339,048	12,776	0
699,224	642,890	587,278	585,437	596,768
320,881	453,246	444,152	413,989	466,354
83,794	50,980	41,679	87,962	54,834
1,132,616	1,195,284	1,084,482	1,103,077	1,027,474
325,331	432,910	376,220	403,219	332,881
21,999	30,680	28,687	38,727	32,706
1,001,524	1,148,327	963,066	1,103,255	958,097
688,329	1,018,781	854,523	749,980	753,843
0	0	0	0	0
0	0	0	0	0
243,726	279,864	244,249	270,217	294,331
376,503	364,396	381,611	403,839	445,806
49,839	8,300	622,245	921,888	223,962
26,603	0	0	0	0
447	0	0	0	0
11,700,764	12,608,608	12,197,020	12,320,124	11,072,106
(29,245)	(202,426)	(389,650)	(267,724)	635,296
0	0	0	0	0
75,650	0	0	0	0
11,000	0	116,600	165,444	0
(286,000)	(250,000)	(416,600)	(425,444)	(130,000)
(199,350)	(250,000)	(300,000)	(260,000)	(130,000)
(\$228,595)	(\$452,426)	(\$689,650)	(\$527,724)	\$505,296
0.23%	0.00%	0.00%	0.00%	0.00%

**Berkshire Local School District**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Collection Year	Real Estate			Tangible Personal		
	Assessed Value			Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial	Total			
2017	\$291,781,240	\$38,821,610	\$330,602,850	\$944,579,571	\$0	\$0
2016 (1)	291,026,460	38,431,820	329,458,280	941,309,371	0	0
2015 (1)	290,484,840	39,172,430	329,657,270	941,877,914	0	0
2015	194,401,510	32,752,300	227,153,810	649,010,886	0	0
2014	188,228,330	30,728,180	218,956,510	625,590,029	0	0
2013	187,539,730	26,214,110	213,753,840	610,725,257	0	0
2012	187,328,640	25,339,290	212,667,930	607,622,657	0	0
2011	189,075,680	24,497,110	213,572,790	610,207,971	0	0
2010	189,031,680	24,417,430	213,449,110	609,854,600	0	0
2009	187,824,100	23,853,220	211,677,320	604,792,343	0	0
2008	185,639,640	23,379,720	209,019,360	597,198,171	4,807,680	76,922,880

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 a true value for railroad property to 88 percent for electric electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories.

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

**Source:** Office of the County Auditor, Geauga County, Ohio

(1) Includes the assessed valuation of both Berkshire Local Schools and Ledgemont Local Schools.  
See S1 for further details.

Public Utility Personal		Total		Ratio	Total Tax Rate Mills	Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
\$12,627,620	\$14,349,568	\$343,230,470	\$958,929,140	35.79%	\$52.30	\$22.48
12,121,320	13,774,227	341,579,600	955,083,599	35.76	52.30	22.33
10,654,590	12,107,489	340,311,860	953,985,403	35.65	52.30	33.28
7,110,920	8,080,591	234,264,730	657,091,477	35.65	52.30	23.68
6,777,210	7,701,375	225,733,720	633,291,404	35.64	52.30	23.02
6,152,350	6,991,307	219,906,190	617,716,564	35.60	52.30	22.31
5,573,190	6,333,170	218,241,120	613,955,828	35.55	52.30	22.03
7,110,920	8,080,591	220,683,710	618,288,562	35.66	52.30	22.41
5,284,160	6,004,727	218,733,270	615,859,327	35.52	52.30	21.93
4,965,770	5,642,920	216,643,090	610,435,263	35.49	52.30	21.68
5,279,450	5,999,375	219,106,490	680,120,426	32.22	52.30	22.64

**Berkshire Local School District**  
*Property Tax Rates - Direct and Overlapping Governments*  
(per \$1,000 of assessed value)  
*Last Ten Years*

	2017	2016	2015	2014	2013
<b>Unvoted Millage</b>					
Operating	\$4.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000
<b>Voted Millage - by levy</b>					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	7.7910	7.7934	7.7817	7.8684	7.8567
Commercial/Industrial	7.3936	7.4873	7.3641	7.3617	7.3287
Tangible/Public Utility Personal	26.1000	26.1000	26.1000	26.1000	26.1000
1977 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	1.4925	1.4930	1.4907	1.5074	1.5051
Commercial/Industrial	1.4164	1.4344	1.4107	1.4103	1.4040
Tangible/Public Utility Personal	5.0000	5.0000	5.0000	5.0000	5.0000
1983 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.0025	2.0031	2.0001	2.0372	2.0342
Commercial/Industrial	2.5431	2.5754	2.5330	2.5322	2.5208
Tangible/Public Utility Personal	4.7000	4.7000	4.7000	4.7000	4.7000
1985 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	1.9173	1.9178	1.9150	1.9505	1.9476
Commercial/Industrial	2.4349	2.4658	2.4252	2.4244	2.4136
Tangible/Public Utility Personal	4.5000	4.5000	4.5000	4.5000	4.5000
1988 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.3154	2.3161	2.3126	2.3588	2.3553
Commercial/Industrial	2.7726	2.8078	2.7616	2.7607	2.7483
Tangible/Public Utility Personal	5.0000	5.0000	5.0000	5.0000	5.0000
2008 Permanent Improvements - 5 years (1)					
Effective Millage Rates					
Residential/Agricultural	1.0058	1.0061	1.0046	1.0333	1.0318
Commercial/Industrial	1.4022	1.4200	1.3966	1.3962	1.3899
Tangible/Public Utility Personal	2.5000	2.5000	2.5000	2.5000	2.5000
<b>Total Effective Voted Millage by type of property</b>					
Residential/Agricultural	16.5296	16.5296	16.5047	16.7556	16.7307
Commercial/Industrial	18.1907	18.1907	17.8912	17.8854	17.8053
Tangible/Public Utility Personal	47.8000	47.8000	47.8000	47.8000	47.8000
<b>Total Effective Millage by type of property</b>					
Residential/Agricultural	21.0296	21.0296	21.0047	21.2556	21.2307
Commercial/Industrial	22.6907	22.6907	22.3912	22.3854	22.3053
Tangible/Public Utility Personal	52.3000	52.3000	52.3000	52.3000	52.3000
<b>Total Weighted Average Tax Rate</b>	22.4760	22.3261	23.6807	23.0172	22.3091
<b>Overlapping Rates by Taxing District</b>					
Auburn Joint Vocational School District Voted Millage					
Effective Millage Rates					
Residential/Agricultural	1.5000	1.5000	1.5000	1.5000	1.5000
Commercial/Industrial	1.5000	1.5000	1.5000	1.5000	1.5000
Tangible/Public Utility Personal	1.5000	1.5000	1.5000	1.5000	1.5000

2012	2011	2010	2009	2008
\$4.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000
7.8404	7.7734	7.7579	7.7572	7.7505
7.3184	7.5105	7.4948	7.5018	7.4899
26.1000	26.1000	26.1000	26.1000	26.1000
1.5020	1.4891	1.4862	1.4861	1.4848
1.4020	1.4388	1.4358	1.4371	1.4349
5.0000	5.0000	5.0000	5.0000	5.0000
2.0300	2.0126	2.0086	2.0095	2.0107
2.5173	2.5834	2.5780	2.5804	2.5763
4.7000	4.7000	4.7000	4.7000	4.7000
1.9436	1.9269	1.9231	1.9229	1.9251
2.4102	2.4734	2.4683	2.4706	2.4667
4.5000	4.5000	4.5000	4.5000	4.5000
2.3504	2.3304	2.3256	2.3254	2.3289
2.7445	2.8165	2.8106	2.8132	2.8088
5.0000	5.0000	5.0000	5.0000	5.0000
1.0296	1.0208	1.0188	1.0187	1.0225
1.3880	1.4244	1.4214	1.4228	1.4205
2.5000	2.5000	2.5000	2.5000	2.5000
16.6960	16.5531	16.5202	16.5187	16.5225
17.7804	18.2469	18.2088	18.2260	18.1971
47.8000	47.8000	47.8000	47.8000	47.8000
21.1960	21.0531	21.0202	21.0187	21.0225
22.2804	22.7469	22.7088	22.7260	22.6971
52.3000	52.3000	52.3000	52.3000	52.3000
22.0288	22.4081	21.9270	21.6772	22.6411
\$1.5000	\$1.5000	\$1.5000	\$1.5000	\$1.5000
1.5000	1.5000	1.5000	1.5000	1.5000
1.5000	1.5000	1.5000	1.5000	1.5000

(continued)

**Berkshire Local School District**  
*Property Tax Rates - Direct and Overlapping Governments (continued)*  
(per \$1,000 of assessed value)  
*Last Ten Years*

	2017	2016	2015	2014	2013
<b>Overlapping Rates by Taxing District</b>					
<b>Ashtabula County Tech and Career Center</b>					
Effective Millage Rates	\$0.0000	\$2.4324	N/A	N/A	N/A
Residential/Agricultural	0.0000	2.7518	N/A	N/A	N/A
Commercial/Industrial	0.0000	4.1100	N/A	N/A	N/A
Tangible/Public Utility Personal					
<b>Burton Public Library Voted Millage</b>					
Effective Millage Rates	1.6570	1.6554	1.6528	1.2000	1.2000
Residential/Agricultural	1.6973	1.7000	1.7000	1.1762	1.1710
Commercial/Industrial	1.7000	1.7000	1.7000	1.2000	1.2000
Tangible/Public Utility Personal					
<b>Village of Burton Unvoted Millage</b>					
Residential/Agricultural	11.1700	8.2113	8.2119	8.2157	8.1969
Commercial/Industrial	11.7024	9.1217	9.1217	9.1119	9.0709
Tangible/Public Utility Personal	12.0000	9.7500	9.7500	9.7500	9.7500
<b>Township of Burton Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	9.9308	5.9254	5.9276	5.9921	5.1969
Commercial/Industrial	10.3933	6.4381	6.3277	6.3367	6.0709
Tangible/Public Utility Personal	11.2500	7.2500	7.2500	7.2500	6.7500
<b>Township of Claridon Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	7.5077	7.5000	7.4788	7.5704	7.5605
Commercial/Industrial	7.3069	7.3069	7.3062	7.3096	7.3061
Tangible/Public Utility Personal	9.1500	9.1500	9.1500	9.1500	9.1500
<b>Township of Montville Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	7.7089	7.7197	N/A	N/A	N/A
Commercial/Industrial	8.0095	7.9899	N/A	N/A	N/A
Tangible/Public Utility Personal	10.4000	10.4000	N/A	N/A	N/A
<b>Township of Thompson Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	9.9969	10.0202	N/A	N/A	N/A
Commercial/Industrial	10.1829	10.4612	N/A	N/A	N/A
Tangible/Public Utility Personal	12.5000	12.5000	N/A	N/A	N/A
<b>Township of Troy Voted Millage</b>					
Residential/Agricultural	9.1880	9.1950	8.0596	8.3376	8.3363
Commercial/Industrial	8.2865	8.2865	7.2467	7.2395	7.2395
Tangible/Public Utility Personal	12.5000	12.5000	11.0000	11.0000	11.0000
<b>Geauga County Voted Millage</b>					
Effective Millage Rates					
Residential/Agricultural	13.2553	14.0525	11.4711	11.8028	11.9850
Commercial/Industrial	14.0753	13.2506	12.1414	12.4790	12.7460

(1) This is renewed every five years and was last renewed in 2013.

(2) The merger with Ledgesmont Local Schools was effective for July 1, 2015, therefore, tax rates will not be effective until January 1, 2016

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 for voted levies are reduced so that inflationary increases in value do not generate additional revenue.

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

**Source:** Ohio Department of Taxation

2012	2011	2010	2009	2008
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
1.2000	\$1.1980	\$1.1956	\$1.1955	\$0.7926
1.1693	1.2000	1.1989	1.2000	0.8905
1.2000	1.2000	1.2000	1.2000	1.0000
8.1914	8.1231	8.1174	8.1172	8.1326
9.0348	9.3172	9.3172	9.3172	9.3407
9.7500	9.7500	9.7500	9.7500	9.7500
5.2561	5.9389	5.9316	5.9289	5.9351
5.5043	6.3130	6.3107	6.3099	6.3099
6.3500	7.2500	7.2500	7.2500	7.2500
6.5040	6.5222	6.5171	6.5153	6.5245
6.2763	6.2885	6.2884	6.2874	6.2874
9.4000	9.4000	9.4000	9.4000	9.4000
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
8.3172	9.3918	9.3722	9.3777	9.4210
7.2392	8.4271	8.3976	8.4153	8.3713
11.0000	12.5000	12.5000	12.5000	12.5000
11.9674	11.6097	11.2064	10.9011	10.8584
12.5853	12.4348	12.0948	11.5893	11.4913

**Berkshire Local 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
2016	\$5,303,081	\$5,090,565	95.99	\$136,111	\$5,226,676	98.56%
2015	5,213,614	4,883,579	93.67	135,421	5,019,000	96.27
2014	5,199,872	5,139,730	98.84	142,551	5,282,281	101.58
2013	4,895,103	4,825,539	98.58	141,557	4,967,096	101.47
2012	4,847,757	4,729,795	97.57	117,245	4,847,040	99.99
2011	4,822,787	4,764,641	98.79	121,788	4,886,429	101.32
2010	4,805,662	4,712,631	98.06	208,062	4,920,693	102.39
2009	4,830,649	4,729,877	97.91	205,453	4,935,330	102.17
2008	5,041,199	4,888,884	96.98	229,328	5,118,212	101.53
2007	5,329,712	5,108,242	95.84	161,485	5,269,727	98.87

**Source:** Office of the County Auditor, Geauga County, Ohio

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) The 2017 information cannot be presented because all collections have not been made by June 30, 2017.

(3) The County does not maintain delinquency information by tax year.

Note: We considered modifying the stat table presentation for the subsequent adjustments; however, our current (or the County's) computer system does not provide the information in the manner needed for the modified presentation. Delinquencies are tracked by the date the parcel is first certified delinquent and penalties and interest are applied to the total delinquent balance. We are looking at options to improve the presentation.



**Berkshire Local School District***Principal Taxpayers**Real Estate Tax**2017 and 2008*

Name of Taxpayer	2017	
	Assessed Value	Percent of Real Property Assessed Value
Great Lakes Cheese Company, Inc	\$5,105,070	1.54 %
Saint Gobain Ceramics & Plastics Inc	2,058,490	0.62
Sidley Robert W Inc.	1,848,990	0.56
Thistle Lane Real Properties LLC	1,580,010	0.48
Excel Polymers LLC	1,292,350	0.39
Luxenburg Properties BH	1,265,450	0.38
Troy Oaks Homes and Residential Club	1,216,990	0.37
John & James Masternick Trustees	1,083,930	0.33
Burton HCC Real Estate Co LLC	1,035,030	0.31
Bridge Creek Properties	818,970	0.25
Preston Real Estate	824,590	0.25
Totals	<u>\$18,129,870</u>	<u>5.48 %</u>
Total Real Estate Tax Assessed Valuation	<u>\$330,602,850</u>	

Name of Taxpayer	2008	
	Assessed Value	Percent of Real Property Assessed Value
Great Lakes Cheese Company, Inc	\$1,237,740	0.59 %
Excel Polymers LLC	1,089,270	0.52
John J. Masternick	1,071,490	0.51
Luxenburg Properties BH	1,015,000	0.49
Preston Real Estate	623,420	0.30
Safran Inns LLC	402,500	0.27
15005 Enterprise Way	393,720	0.19
BF Aquistion LLC	386,650	0.19
Cseplo Family LP	341,250	0.17
Totals	<u>\$6,561,040</u>	<u>3.41 %</u>
Total Real Estate Tax Assessed Valuation	<u>\$209,019,360</u>	

**Source:** Office of the County Auditor, Geauga County, Ohio

**Berkshire Local School District***Principal Taxpayers**Public Utilities Tax**2017 and 2008*

Name of Taxpayer	2017	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$8,218,640	68.06 %
American Transmission Systems Inc	2,012,050	11.00
Orwell Natural Gas Company	943,770	1.52
East Ohio Gas Company	878,060	7.12
Ohio Edison	323,780	2.67
Total	<u>\$12,376,300</u>	<u>90.37 %</u>
Total Public Utilities Assessed Valuation	<u>\$12,627,620</u>	
Name of Taxpayer	2008	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$4,367,970	82.73 %
American Transmission Systems Inc	693,580	13.17
Total	<u>\$5,061,550</u>	<u>95.87 %</u>
Total Public Utilities Assessed Valuation	<u>\$5,279,450</u>	

**Source:** Office of the County Auditor, Geauga County, Ohio

**Berkshire Local School District**  
*Income Tax Revenue Base and Collections (1)*  
*Last Ten Years*

Tax Year	Tax Rate (2)	Total Tax Collected (3)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Direct Payments	Percentage of Taxes from Direct Payments
2017	1.00 %	\$2,984,250	\$1,726,745	57.86 %	\$1,257,505	42.14 %
2016	1.00	3,086,088	1,725,506	55.91	1,360,582	44.09
2015	1.00	1,969,869	1,105,924	56.14	863,985	43.86
2014	1.00	2,009,045	1,063,409	52.93	945,636	47.07
2013	1.00	1,932,690	779,138	40.31	1,153,552	59.69
2012	1.00	1,548,753	761,923	49.20	786,830	50.80
2011	1.00	1,626,657	910,880	58.81	670,020	41.19
2010	1.00	1,536,729	910,880	59.27	625,910	40.73
2009	1.00	1,656,813	932,045	56.26	724,690	43.74
2008	1.00	1,710,748	721,954	45.80	927,225	54.20

(1) Income tax is only collected on the income of residents and on estates.

(2) The School District's income tax rate may only be increased by a majority vote of the School District's residents.

(3) Total tax collected is on a full accrual basis. The merger with Ledgemont Local Schools was effective for fiscal year 2016. See S1 for additional details.

Source: Ohio Department of Taxation

**Berkshire Local School District**  
*Computation of Direct and Overlapping*  
*Governmental Activities Debt*  
*December 31, 2016*

	Governmental Activities Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Capital Leases	\$508,160	100.00%	\$508,160
Overlapping:			
Geauga County			
General Obligation Bonds	195,000	7.52%	14,664
Special Assessment Bonds	418,949	7.52%	31,505
General Obligation Notes	8,985,990	7.52%	675,746
Total Overlapping	9,599,939	7.52%	721,915
Total	\$10,108,099		\$1,230,075

Source: Office of the Auditor, Geauga 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 valuations used were for the 2016 collection year.

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

Fiscal Year	Population (1)	Estimated Actual Value (2)	General Bonded Debt		
			Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2017	12,903	\$958,929,140	\$0	0.00	\$0.00
2016	12,903	955,083,599	0	0.00	0.00
2015	8,647	657,091,477	0	0.00	0.00
2014	8,647	633,291,404	0	0.00	0.00
2013	8,647	617,716,564	0	0.00	0.00
2012	8,647	613,955,828	0	0.00	0.00
2011	8,647	618,288,562	0	0.00	0.00
2010	8,647	615,859,327	0	0.00	0.00
2009	8,647	610,435,263	0	0.00	0.00
2008	8,647	680,120,426	0	0.00	0.00

**Source:** (1) U.S. Bureau of Census, Census of Population  
(a) 2000 Federal Census, 2006-2009  
(b) 2010 Federal Census, 2010-2015

(2) Geauga County Auditor

(3) The personal income can be found on S26

General Debt			
Capital Leases	Total Debt	Ratio of General Debt to Personal Income (3)	General Debt per Capita
\$508,160	\$508,160	1.25	\$39.38
354,607	354,607	0.87	27.48
333,049	333,049	1.18	38.52
278,400	278,400	0.98	32.20
140,357	140,357	0.50	16.23
49,047	49,047	0.17	5.67
0	0	0.00	0.00
0	0	0.00	0.00
0	0	0.00	0.00
0	0	0.00	0.00

**Berkshire Local School District**  
*Computation of Legal Debt Margin*  
*Last Ten Fiscal Years*

	2017	2016	2015	2014
Assessed Valuation (1)	<u>\$330,602,850</u>	<u>\$329,458,280</u>	<u>\$227,153,810</u>	<u>\$218,956,510</u>
Debt Limit - 9% of Assessed Value (2)	\$29,754,257	\$29,651,245	\$20,443,843	\$19,706,086
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds	0	0	0	0
Less Amount Available in Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$29,754,257</u>	<u>\$29,651,245</u>	<u>\$20,443,843</u>	<u>\$19,706,086</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$330,603	\$329,458	\$227,154	\$218,957
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$330,603</u>	<u>\$329,458</u>	<u>\$227,154</u>	<u>\$218,957</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

**Source:** Geauga County Auditor and School District Financial Records

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



2013	2012	2011	2010	2009	2008
<u>\$213,753,840</u>	<u>\$212,667,930</u>	<u>\$213,572,790</u>	<u>\$213,449,110</u>	<u>\$211,677,320</u>	<u>\$209,019,360</u>
\$19,237,846	\$19,140,114	\$19,221,551	\$19,210,420	\$19,050,959	\$18,811,742
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
<u>\$19,237,846</u>	<u>\$19,140,114</u>	<u>\$19,221,551</u>	<u>\$19,210,420</u>	<u>\$19,050,959</u>	<u>\$18,811,742</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$213,754	\$212,668	\$213,573	\$213,449	\$211,677	\$209,019
0	0	0	0	0	0
<u>\$213,754</u>	<u>\$212,668</u>	<u>\$213,573</u>	<u>\$213,449</u>	<u>\$211,677</u>	<u>\$209,019</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Berkshire Local School District**  
*Demographic and Economic Statistics*  
*Last Ten Years*

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<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (1)</u>	<u>Personal Income Per Capita (1)</u>	<u>Median Household Income (1)</u>
2017	1,455	\$40,658,520	\$27,944	\$60,200
2016	1,455	40,658,520	27,944	60,200
2015	1,455	40,658,520	27,944	60,200
2014	1,455	40,658,520	27,944	60,200
2013	1,455	40,658,520	27,944	60,200
2012	1,455	40,658,520	27,944	60,200
2011	1,455	40,658,520	27,944	60,200
2010	1,455	40,658,520	27,944	60,200
2009	1,450	28,298,200	19,516	41,830
2008	1,450	28,298,200	19,516	41,830

Source    2000 & 2010 U.S. Census  
               Geauga County

(1)    Information presented is for the Village of Burton. Information for the Townships of Burton, Troy and Claridon was not available.

Median Age (1)	Median Value of Residential Property (1)	Geauga County Unemployment Rate	Total Assessed Property Value
37.50	\$135,100	4.8 %	\$343,230,470
37.50	135,100	4.1	341,579,600
37.50	135,100	5.6	234,264,730
37.50	135,100	5.6	225,733,720
37.50	135,100	5.6	219,906,190
37.50	135,100	7.5	218,241,120
37.50	135,100	7.5	220,683,710
37.50	135,100	7.5	218,733,270
37.50	135,100	7.5	216,643,090
37.50	135,100	5.8	219,106,490

**Berkshire Local School District**  
*Principal Employers*  
*December 31, 2016 and December 31, 2008*

December 31, 2016			
Employer	City	Nature of Business or Activity	Employees
Great Lakes Cheese Company	Troy	Cheese Packaging and Distribution	632
Hexpol Compounding/Burton Rubber Processing	Burton	Manufacturing	242
Berkshire Local School District	Burton	Education	308
Burton Health Care	Burton	Long-term Health Care and Rehabilitation	110
Preston Superstore	Burton	Automobile Sales	160
Duramax	Troy	Manufacturing	86
ARMS Trucking	Burton	Trucking	n/a
BFG Supply, Incorporated	Burton	Wholesale Distributor - Greenhouse	51
Ronyak Paving	Burton	Paving	88
Troy Manufacturing	Troy	Manufacturing	25
Total			1,702
Total Employment within the School District			n/a

December 31, 2007			
Employer	City	Nature of Business or Activity	Employees
Great Lakes Cheese Company	Troy	Cheese Packaging and Distribution	577
Excel Polymers, LLC	Burton	Manufacturing	210
Berkshire Local School District	Burton	Education	138
BFG Supply, Incorporated	Burton	Wholesale Distributor - Greenhouse	132
Burton Health Care	Burton	Long-term Health Care and Rehabilitation	132
Duramax	Troy	Manufacturing	84
Preston Superstore	Burton	Automobile Sales	80
Ronyak Paving	Burton	Paving	58
Troy Manufacturing	Troy	Manufacturing	26
ARMS Trucking	Burton	Trucking	11
Total			1,448
Total Employment within the School District			n/a

Source: Village of Burton and the Townships of Burton and Troy, Ohio.

n/a - Information not available.

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**Berkshire Local School District**  
*Building Statistics by Function/Program*  
*Last Ten Fiscal Years*

	2017	2016	2015	2014	2013
<b>Burton Elementary School</b>					
Constructed in 1959					
Total Building Square Footage	41,645	41,645	41,645	41,645	41,645
Enrollment Grades PS-6	451	425	426	454	474
Student Capacity	640	640	640	640	640
Regular Instruction Classrooms	23	23	23	23	23
Regular Instruction Teachers	28.5	30	30	29	29
Special Instruction Classrooms	4	4	4	4	4
Special Instruction Teachers	7	6	5	5	5
<b>Ledgemont Elementary School</b>					
Constructed in 1924					
Total Building Square Footage	48,050	48,050	0	0	0
Enrollment Grades 1-6	192	195	0	0	0
Student Capacity	739	739	0	0	0
Regular Instruction Classrooms	27	27	0	0	0
Regular Instruction Teachers	14	16	0	0	0
Special Instruction Classrooms	1	1	0	0	0
Special Instruction Teachers	4	0.5	0	0	0
<b>Troy Elementary School</b>					
Constructed in 1924					
Total Building Square Footage	0	0	0	0	0
Enrollment Grades 1-6	0	0	0	0	0
Student Capacity	0	0	0	0	0
Regular Instruction Classrooms	0	0	0	0	0
Regular Instruction Teachers	0	0	0	0	0
Special Instruction Classrooms	0	0	0	0	0
Special Instruction Teachers	0	0	0	0	0
<b>Junior High/High School</b>					
Constructed in 1936					
Total Building Square Footage	95,485	95,485	95,485	95,485	95,485
Enrollment Grades 7-12	591	604	480	495	517
Student Capacity	760	760	760	760	760
Regular Instruction Classrooms	32	32	32	32	32
Regular Instruction Teachers	33.5	34	27	27	27
Special Instruction Classrooms	5	5	5	5	5
Special Instruction Teachers	4	8	6	6	6

Source: School District Records

2012	2011	2010	2009	2008
41,645	41,645	41,645	41,645	29,549
491	507	508	495	363
640	640	640	640	450
23	23	23	16	30
29	23	23	21	30
4	4	4	4	3
5	8	8	8	3
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	18,556	18,556
0	0	0	163	163
0	0	0	190	190
0	0	0	6	6
0	0	0	6	6
0	0	0	1	1
0	0	0	1	1
95,485	95,485	95,485	95,485	95,485
548	576	569	629	619
760	760	760	760	760
32	32	32	32	32
28	30	30	30	30
5	5	5	5	5
5	5	5	5	5

**Berkshire Local School District***Per Pupil Cost**Last Ten Fiscal Years*

Fiscal Year	Expenditures	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio	Students Receiving Free or Reduced Lunch	Percentage of Enrollment
2017	\$17,739,441	1,234	\$14,376	(2.22) %	91	13.6	301	24.4%
2016	17,986,611	1,224	14,695	4.52	94	13.0	340	27.8
2015	12,711,364	906	14,030	9.84	70	12.9	212	23.4
2014	12,004,612	949	12,650	6.26	69	13.8	212	22.3
2013	11,751,437	991	11,858	5.03	69	14.4	220	20.7
2012	11,700,764	1,039	11,262	(3.38)	69	15.1	227	21.8
2011	12,608,608	1,083	11,642	0.03	72	15.0	242	22.3
2010	12,197,020	1,077	11,325	(3.21)	73	14.8	155	14.4
2009	12,320,124	1,124	10,961	11.78	73	15.4	144	12.8
2008	11,072,106	1,145	9,670	8.32	75	15.3	131	11.4

Source: School District Records (Modified Accrual Basis)



**Berkshire Local School District**  
*Attendance and Graduation Rates*  
*Last Ten School Years*

Fiscal Year	Berkshire Attendance Rate	State Average	Berkshire Graduation Rate	State Average
2017	94.90%	N/A	95.50%	85.60%
2016	95.20	N/A	94.10	83.00
2015	95.00	N/A	94.10	83.00
2014	95.00	94.30	94.10	83.00
2013	95.00	94.30	93.80	83.00
2012	94.40	94.30	95.90	83.00
2011	94.00	94.00	95.20	83.00
2010	94.30	94.30	95.20	83.00
2009	94.40	94.30	95.20	90.00
2008	94.60	93.00	94.20	90.00

Source: Ohio Department of Education Local Report Cards

**Berkshire Local School District**  
*School District Employees by Function/Program*  
*Last Ten Fiscal Years*

Function/Program	2017	2016	2015	2014	2013
Regular Instruction					
Elementary Classroom Teachers	40.50	44.00	30.50	29.50	29.00
High School Classroom Teachers	28.50	32.00	24.00	24.00	24.00
Special Instruction					
Elementary Classroom Teachers	11.00	5.00	4.00	4.00	4.00
Gifted Education Teachers	1.00	1.00	1.00	1.00	1.00
High School Classroom Teachers	4.00	6.00	5.00	5.00	5.00
Vocational Instruction					
High School Classroom Teachers	1.00	1.00	1.00	1.00	1.00
Pupil Support Services					
Guidance Counselors	3.00	3.00	2.00	2.00	2.00
Librarians	1.00	1.00	1.00	1.00	1.00
Psychologists	0.00	0.00	1.00	1.00	1.00
Speech and Language Pathologists	0.00	0.00	1.00	1.00	1.00
Nurse	1.00	1.00	1.00	1.00	1.00
Aides	6.00	6.00	5.00	5.00	4.00
Administration					
Elementary	2.00	2.00	1.00	1.00	2.00
High School	1.00	2.00	2.00	2.00	2.00
Central Office	2.00	2.00	2.00	2.00	2.00
Secretarial	8.50	8.00	6.50	6.50	7.50
Technology	0.00	0.00	1.00	1.00	1.00
Fiscal Services					
Administration	1.00	1.00	1.00	1.00	1.00
Clerks	2.00	2.00	2.00	2.00	2.00
Operation of Plant					
Custodians	10.00	10.00	7.00	7.00	7.00
Maintenance	1.00	1.00	1.00	1.00	1.00
Pupil Transportation					
Administration	1.00	1.00	1.00	1.00	1.00
Bus Drivers	15.00	15.00	10.00	10.00	10.00
Bus Aides	2.00	2.00	3.00	3.00	3.00
Van Drivers	3.00	3.00	2.00	2.00	2.00
Food Service Program					
Elementary Cooks	3.50	3.50	3.00	3.00	4.00
High School Cooks	6.00	6.00	3.00	3.00	3.00
Totals	<u>155.00</u>	<u>158.50</u>	<u>122.00</u>	<u>121.00</u>	<u>122.50</u>

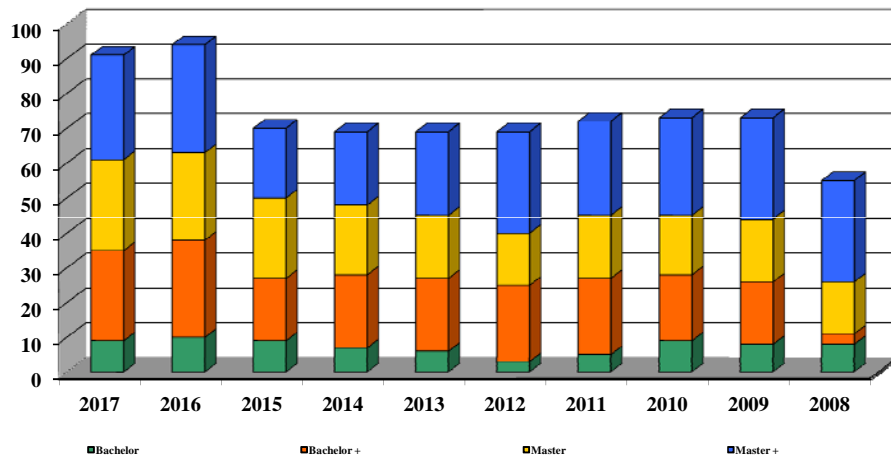
**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at fiscal year end.

Source: School District Records

2012	2011	2010	2009	2008
29.00	31.00	31.00	30.00	30.00
25.00	30.00	29.00	30.00	30.00
4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
5.00	5.00	4.00	3.00	5.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
1.00	1.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
1.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
5.00	5.00	5.00	9.00	9.00
2.00	2.00	2.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	1.00	1.00
7.50	7.50	7.50	8.00	3.00
1.00	1.00	1.00	1.50	1.50
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
7.00	8.00	7.50	7.50	7.50
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
10.00	10.00	10.00	10.00	10.00
3.00	5.00	5.00	6.00	5.00
2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	6.00
3.00	3.00	3.00	3.00	4.00
124.50	135.50	134.00	139.00	138.00

**Berkshire Local School District**  
*Full-Time Equivalent School District Teachers by Education*  
*Last Ten Fiscal Years*

Degree	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bachelor's Degree	9	10	9	7	6	3	5	9	8	8
Bachelor + 15	2	1	1	4	4	4	7	4	3	3
Bachelor + 150	24	27	17	17	17	18	15	15	15	15
Master's Degree	26	25	23	20	18	15	18	17	18	20
Master + 15	18	18	13	10	10	12	13	12	11	11
Master + 30	9	13	7	11	14	17	14	16	18	18
Master + 45	3	0	0	0	0	0	0	0	0	0
Total	91	94	70	69	69	69	72	73	73	75



Source: School District Records

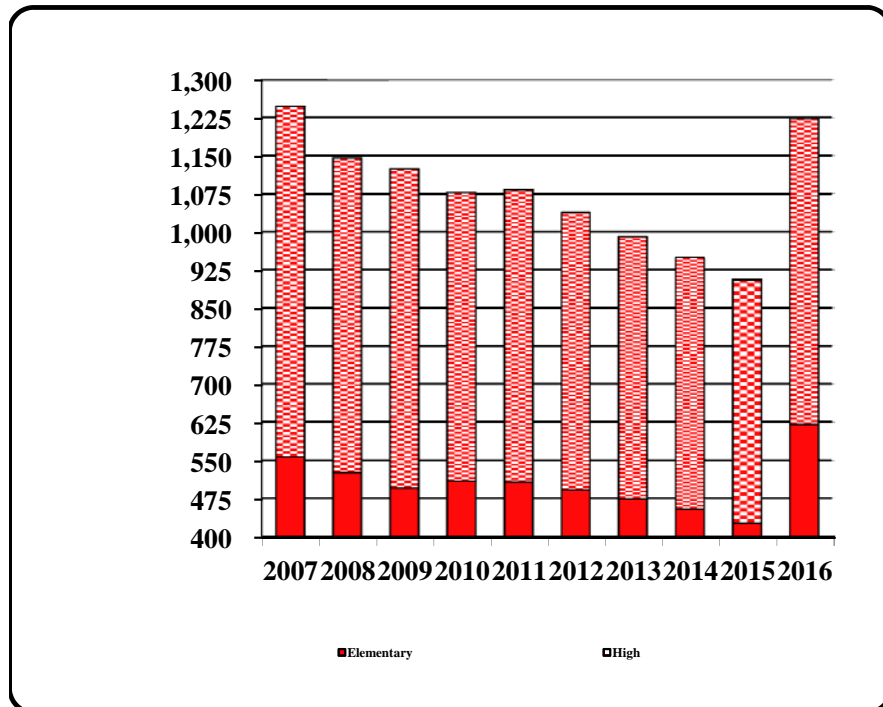
# Berkshire Local School District

## Enrollment Statistics

### Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Junior/High School	Total
2017	643	591	1,234
2016	620	604	1,224
2015	426	480	906
2014	454	495	949
2013	474	517	991
2012	491	548	1,039
2011	507	576	1,083
2010	508	569	1,077
2009	495	629	1,124
2008	526	619	1,145

Source: School District Records



Elementary grade change from K-6 to K-5

Middle School grade change from 7,8 to 6,7,8

**Berkshire Local School District***SAT Composite Scores**Last Ten Fiscal Years*

School Year	Number of Senior Test Takers	Berkshire Verbal	Ohio Verbal	National Verbal
2017	2	635	494	494
2016	1	595	535	487
2015	7	602	555	498
2014	13	570	496	496
2013	6	722	543	496
2012	6	560	489	489
2011	4	480	501	501
2010	4	510	537	502
2009	6	560	526	502
2008	n/a	n/a	534	502
2007	119	573	536	502

Source: High School Guidance Office, Berkshire Local School District

n/a - Berkshire Local School District SAT information was not available

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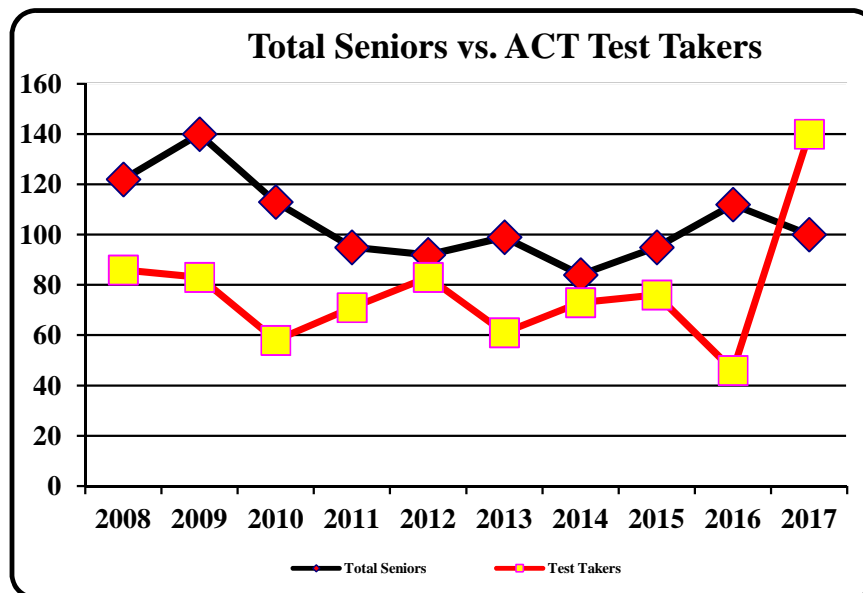
Berkshire Math	Ohio Math	National Math
610	508	508
615	562	513
622	562	513
565	514	514
763	552	514
528	514	514
520	516	516
520	546	515
530	533	515
n/a	544	515
568	542	515

# **Berkshire Local School District**

*ACT Composite Scores*

*Last Ten School Years*

School Year	Number of Test Takers	Berkshire Composite	Ohio Composite	National Composite
2017	140	10.0	26.0	20.8
2016	46	21.0	22.0	21.0
2015	76	23.6	22.0	21.0
2014	73	21.9	22.0	21.0
2013	61	21.3	21.8	21.1
2012	83	22.5	21.8	21.1
2011	71	22.0	21.8	21.0
2010	58	21.7	21.7	21.1
2009	83	22.6	21.7	21.1
2008	86	22.6	21.7	21.1



Source: High School Guidance Office,  
Berkshire Local School District



**Berkshire Local School District**  
*Average Number of Students per Teacher*  
*Last Ten School Years*

Fiscal Year	Berkshire Average	State Average
2017	13.6	N/A
2016	13.0	N/A
2015	12.9	N/A
2014	13.8	18.47
2013	14.4	18.47
2012	14.4	19.1
2011	15.0	19.1
2010	14.8	19.1
2009	15.4	19.1
2008	15.3	18.6

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