



Dave Yost • Auditor of State

**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

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**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. Department of Agriculture</u>					
<i>Passed Through Ohio Department of Education</i>					
<i>Nutrition Cluster:</i>					
School Breakfast Program	10.553	\$15,315	\$0	\$15,315	\$0
National School Lunch Program	10.555	74,141	11,910	74,141	11,910
Total Nutrition Cluster		<u>89,456</u>	<u>11,910</u>	<u>89,456</u>	<u>11,910</u>
State Administrative Expenses for Child Nutrition	10.560	720	0	720	0
Total U.S. Department of Agriculture		<u>90,176</u>	<u>11,910</u>	<u>90,176</u>	<u>11,910</u>
<u>U.S. Department of Education</u>					
<i>Passed Through Ohio Department of Education</i>					
<i>Special Education Cluster:</i>					
Special Education Grants to States	84.027	198,125	0	194,175	0
Title I Grants to Local Educational Agencies	84.010	285,260	0	257,318	0
Improving Teacher Quality State Grants	84.367	33,775	0	33,775	0
Total U.S. Department of Education		<u>517,160</u>	<u>0</u>	<u>485,268</u>	<u>0</u>
Total Federal Assistance		<u><u>\$607,336</u></u>	<u><u>\$11,910</u></u>	<u><u>\$ 575,444</u></u>	<u><u>\$11,910</u></u>

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

**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATIONS

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



Dave Yost • Auditor of State

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

Berkshire Local School District
Geauga County
14259 Claridon Troy Road, Box 364
Burton, Ohio 44021-0364

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Berkshire Local School District, Geauga County, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Government's basic financial statements and have issued our report thereon dated August 12, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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Dave Yost
Auditor of State
Columbus, Ohio

August 12, 2013



Dave Yost • Auditor of State

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

Berkshire Local School District
Geauga County
14259 Claridon Troy Road, Box 364
Burton, Ohio 44021-0364

To the Board of Education:

Report on Compliance for its Major Federal Program

We have audited the Berkshire Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Berkshire Local School District's major federal program for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Berkshire Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

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

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

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

Report on Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Berkshire Local School District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated August 12, 2013. We conducted our audit to opine on the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Berkshire Local School District
Geauga County
Independent Auditor's Report on Compliance with Requirements
Applicable to its Major Federal Program, on Internal Control Over
Compliance Required by OMB Circular A-133, and on the Federal
Awards Receipts and Expenditure Schedule
Page 3

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

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

Dave Yost
Auditor of State
Columbus, Ohio

August 12, 2013

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**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Dave Yost • Auditor of State

Independent Accountants' Report on Applying Agreed-Upon Procedure

Berkshire Local School District
Geauga County
14259 Claridon Troy Road, Box 364
Burton, Ohio 44021-0364

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Berkshire Local School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on January 14, 2013 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act";.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State
Columbus, Ohio

August 12, 2013

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1801
Phone: 216-787-3665 or 800-626-2297 Fax: 216-787-3361

www.auditor.state.oh.us

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McKayla Adkins – 3rd grade
Burton Elementary

Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2013

Berkshire Local School District
Burton, Ohio

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Berkshire Local School District Burton, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Rachel Rich – 9th grade
Berkshire High School

For the Fiscal Year Ended June 30, 2013

*Prepared by Beth A. McCaffrey
Treasurer*

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Jacob Wichert – 6th grade
Burton Elementary

Introductory Section

Berkshire Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013
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Berkshire Local School District

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

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

August 12, 2013

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, 2013. 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 2013, 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 46.5 non-certificated employees, 69 certificated full time teaching personnel and 7 administrative employees to provide services to 1,063 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 two buildings:

- Berkshire High School built in 1936, with additions in 1973 and 2002, houses 558 students from grades 7 through 12.
- Burton Elementary School built in 1959, with an addition in 1962, and modular addition in 2009, houses 505 students from grades kindergarten through 6.

The Burton 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, Excell 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 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., Beaches and Dreams Travel, Buckeye Chocolate Company, Burton County Village Antiques, Coffee Corners Antiques, John's Photography, Little Pond Graphic Productions, 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 Tom and Jerry's, Burton Family Restaurant, or J.C.'s Restaurant; 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.

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 2013, 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 for fiscal year 2012/2013, the School District expanded their open enrollment policy to include students at the Kindergarten through sixth grade. This resulted in an additional twenty four students to the School District. The School District will continue the expanded open enrollment policy in the 2013/2014 school year.

Knowing that current economic times are tough, the administration continues look at ways to operate more efficiently. The School District is pursuing talks with Newbury Local Schools for a potential consolidation of the districts. Administrators from both districts are actively speaking with officials at the Ohio Department of Education, The Schools Facilities Commission and the Ohio Governor's Office to assist with a potential consolidation.

Ohio Report Card

The Ohio Report Card is issued in February of each school year. The report uses data from the previous school year to inform the public of School District success or failure in 26 indicators. On the 2012 report card the School District met, or exceeded the Ohio standard in 24 of 26 indicators and also met AYP, Adequate Yearly Progress in all areas including subgroups. The School District was rated in the category titled, "Excellent".

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 Improving Teacher Quality Grant allowing for additional teachers at the Elementary School. The Title I Reading Recovery program improves the reading for eligible students in First Grade at each of the elementary buildings. 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 2013 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 accesses 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, 2012. 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.

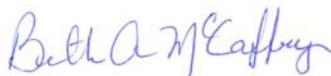
Acknowledgments

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, Diane Jordak and Jaime Berman. 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 David 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



Douglas Delong
Superintendent

Berkshire Local School District

Principal Officials

June 30, 2013

Board of Education

John ManfrediPresident
Val Timmons..... Vice-President
Jim Koster Member
Roger Miller Member
Tim Honkala..... Member

Treasurer

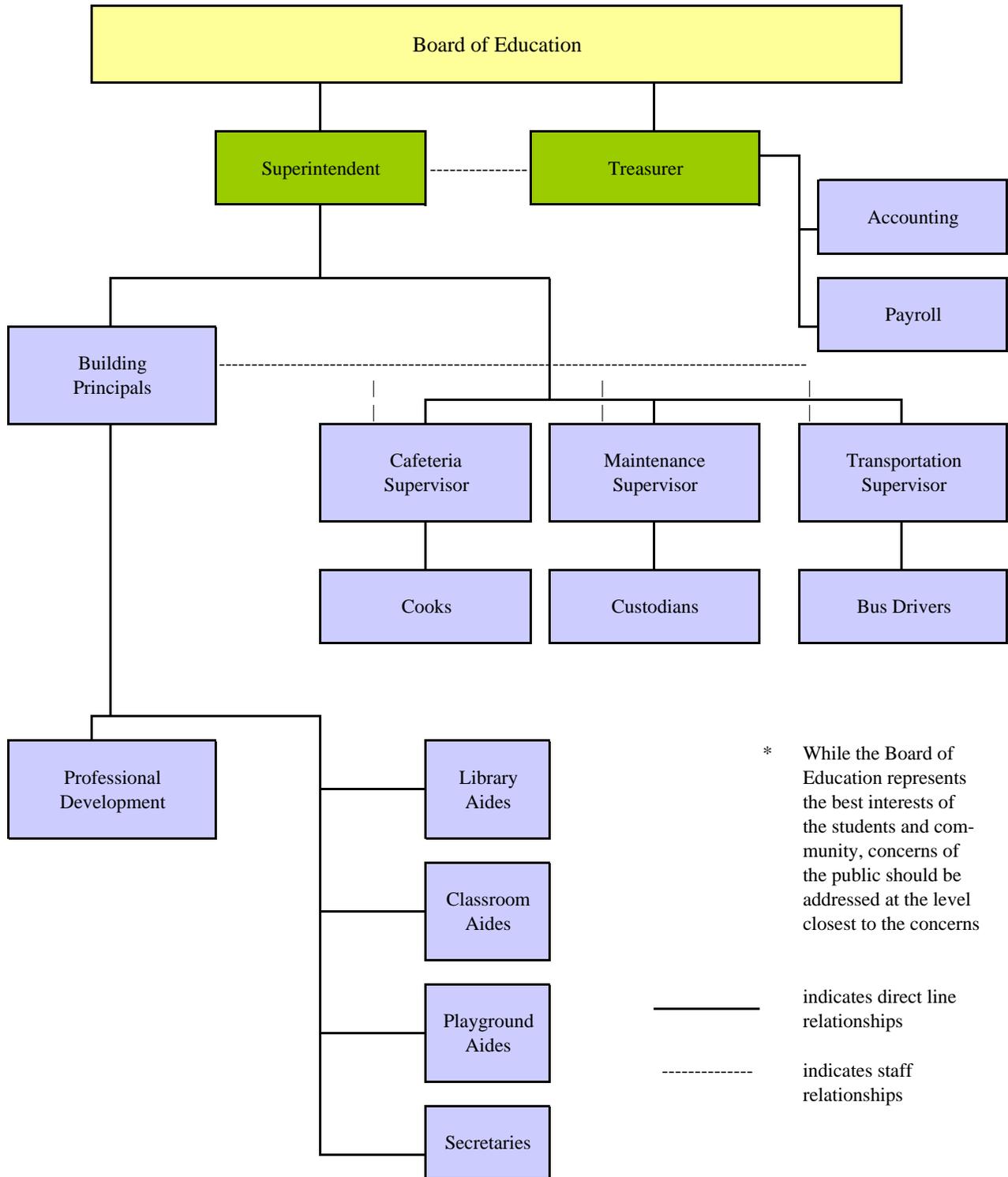
Mrs. Beth A. McCaffrey

Superintendent

Mr. Douglas Delong

Berkshire Local School District

Organizational Chart



* While the Board of Education represents the best interests of the students and community, concerns of the public should be addressed at the level closest to the concerns

———— indicates direct line relationships

----- indicates staff relationships



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, 2012

Executive Director/CEO



Branson Skidmore – 11th grade
Berkshire High School

Financial Section

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Berkshire Local School District
Geauga County
14259 Claridon Troy Road, Box 364
Burton, Ohio 44021-0364

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, 2013, 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 Berkshire Local School District, Ohio, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparisons for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the 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 August 12, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

August 12, 2013

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Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

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, 2013. 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 2013 are as follows:

- Total net position of governmental activities decreased \$275,133 which represents a 5.80 percent decrease from fiscal year 2012.
- Total revenues of \$11,726,727 were comprised of general revenues in the amount of \$10,346,833 or 88.23 percent and program specific revenues from charges for services, grants and contributions in the amount of \$1,379,894 or 11.77 percent.
- The School District leased two new buses in fiscal year 2012, through the general fund. Several district wide improvements were made to asphalt parking lots as well as new lockers in the high school along with new computers for the computer lab. These purchases were made through the permanent improvement levy last renewed by voters in 2008.

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 2013?" 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

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

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 2013 compared to 2012:

Table 1
 Net Position
 Governmental Activities

	2013	2012	Change
Assets			
Current and Other Assets	\$7,249,768	\$7,482,629	(\$232,861)
Capital Assets, net	3,411,520	3,406,704	4,816
<i>Total Assets</i>	<u>10,661,288</u>	<u>10,889,333</u>	<u>(228,045)</u>
Liabilities			
Current Liabilities	1,377,905	1,475,232	(97,327)
Long-Term Liabilities			
Due Within One Year	422,493	311,618	110,875
Due In More Than One Year	712,429	702,445	9,984
<i>Total Liabilities</i>	<u>2,512,827</u>	<u>2,489,295</u>	<u>23,532</u>
Deferred Inflows of Resources			
Property Taxes	<u>3,683,269</u>	<u>3,659,713</u>	<u>23,556</u>
Net Position			
Net Investment in Capital Assets	3,271,163	3,357,657	(86,494)
Restricted for:			
Capital Projects	215,983	88,576	127,407
Set Asides	39,468	39,468	-
Other Purposes	69,685	33,293	36,392
Unrestricted	868,893	1,221,331	(352,438)
<i>Total Net Position</i>	<u>\$4,465,192</u>	<u>\$4,740,325</u>	<u>(\$275,133)</u>

By comparing assets and liabilities, one can see the overall position of the School District has declined as evidenced by the decrease 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 2013 and 2012.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Table 2
Governmental Activities

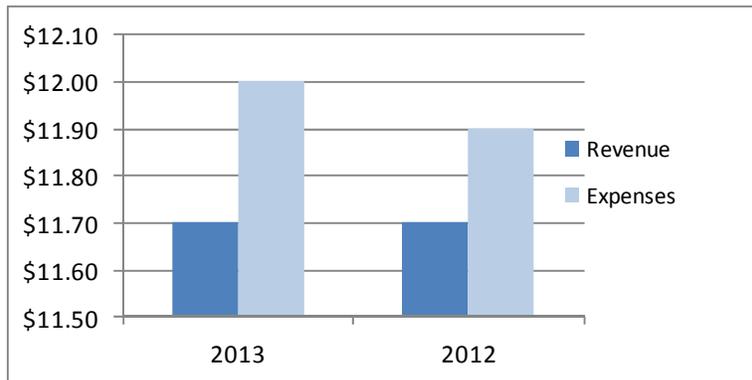
	2013	2012	Change
Program Revenues			
Charges for Services and Sales	\$758,194	\$694,215	\$63,979
Operating Grants and Contributions	621,700	719,791	(98,091)
<i>Total Program Revenues</i>	<u>1,379,894</u>	<u>1,414,006</u>	<u>(34,112)</u>
General Revenues			
Property Taxes	4,329,482	4,349,741	(20,259)
Income Taxes	1,932,690	1,548,753	383,937
Grants and Entitlements	4,037,322	4,325,044	(287,722)
Investments, Earnings	4,079	6,285	(2,206)
Miscellaneous	43,260	23,633	19,627
<i>Total General Revenues</i>	<u>10,346,833</u>	<u>10,253,456</u>	<u>93,377</u>
<i>Total Revenues</i>	<u>11,726,727</u>	<u>11,667,462</u>	<u>59,265</u>
Program Expenses			
Instruction:			
Regular	5,243,207	5,181,808	(61,399)
Special	1,547,813	1,512,004	(35,809)
Vocational	83,075	78,326	(4,749)
Student Intervention	138,647	165,196	26,549
Support Services			
Pupil	450,373	654,119	203,746
Instructional Staff	330,797	324,804	(5,993)
Board of Education	82,509	83,794	1,285
Administration	1,238,897	1,177,718	(61,179)
Fiscal	401,819	329,361	(72,458)
Business	1,359	21,999	20,640
Operation and Maintenance of Plant	1,056,199	1,037,957	(18,242)
Pupil Transportation	788,278	720,683	(67,595)
Operation of Non-Instructional Services	19,649	0	(19,649)
Operation of Community Services	7,300	0	(7,300)
Operation of Food Services	239,814	251,258	11,444
Extracurricular Activities	369,669	349,327	(20,342)
Interest and Fiscal Charges	2,455	447	(2,008)
<i>Total Program Expenses</i>	<u>12,001,860</u>	<u>11,888,801</u>	<u>(113,059)</u>
<i>Decrease in Net Position</i>	(275,133)	(221,339)	(53,794)
Net Position Beginning of Year	<u>4,740,325</u>	<u>4,961,664</u>	<u>(221,339)</u>
Net Position End of Year	<u><u>\$4,465,192</u></u>	<u><u>\$4,740,325</u></u>	<u><u>(\$275,133)</u></u>

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Graph 1
 Revenues and Expenses
 (In Millions)

	2013	2012
Revenues	\$11.7	\$11.7
Expenses	12.0	11.9

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, 2013
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 decrease in property tax revenue was due to the collection of delinquencies in the prior year.

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 expenses increased during fiscal year 2013 due to costs associated with the special education of students.

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.

In May 2006, the School District sold the Troy Elementary School building at an auction with the option to lease it back for two or more years. This was the beginning of the School District's long-term plan of bringing all elementary students under one roof. This final sale was completed in July 2006. The School District began construction on additional modular units to Burton Elementary during fiscal year 2009 and moved the Troy Elementary students into the new modular units in fiscal year 2010.

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 four 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, 2013
Unaudited

Table 3
 Total and Net Cost of Program Services
 Governmental Activities

	2013		2012	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction:				
Regular	\$5,243,207	(\$4,470,561)	\$5,181,808	(\$4,681,595)
Special	1,547,813	(1,349,688)	1,512,004	(1,028,599)
Vocational	83,075	(83,075)	78,326	(78,326)
Student Intervention	138,647	(138,647)	165,196	(165,196)
Support Services:				
Pupil	450,373	(420,131)	654,119	(626,326)
Instructional Staff	330,797	(289,974)	324,804	(324,804)
Board of Education	82,509	(82,509)	83,794	(83,794)
Administration	1,238,897	(1,235,297)	1,177,718	(1,174,118)
Fiscal	401,819	(401,819)	329,361	(329,361)
Business	1,359	(1,359)	21,999	(21,999)
Operation and Maintenance of Plant	1,056,199	(1,056,199)	1,037,957	(1,037,957)
Pupil Transportation	788,278	(788,278)	720,683	(720,683)
Operation of Non-Instructional Services	19,649	(19,649)	0	0
Operation of Community Services	7,300	(7,300)	0	0
Operation of Food Services	239,814	(58,016)	251,258	(35,708)
Extracurricular Activities	369,669	(217,009)	349,327	(165,882)
Interest and Fiscal Charges	2,455	(2,455)	447	(447)
Total	\$12,001,860	(\$10,621,966)	\$11,888,801	(\$10,474,795)

The School District's Funds

Information regarding the School District's major funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$11,573,490 and expenditures of \$11,751,437. The general fund decrease in fund balance is mainly due to the decreases in intergovernmental revenues. The permanent improvement fund balance increased due to decreased expenditures for building improvements. The 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 52.78 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 2013, 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, 2013
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 \$3,854 less 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 2013 balances compared to 2012:

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

	2013	2012
Land	\$13,810	\$13,810
Land Improvements	68,040	75,327
Building and Improvements	2,532,287	2,596,634
Furniture, Fixtures and Equipment	347,713	368,063
Vehicles	449,669	352,870
<i>Total Capital Assets</i>	\$3,411,519	\$3,406,704

The School District purchased new lockers, tables for the cafeteria and two new buses during fiscal year 2013. 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 2013, this amounted to \$173,731. See Note 10 to the basic financial statements for additional information on the School District's capital assets and Note 19 for additional information regarding required set-asides.

Debt

The School District had no bonded debt in fiscal year 2013 and also maintains a AAA bond rating. The School District initiated capital leases in the amount of \$146,624 during the fiscal year. The outstanding capital lease balance as of the end of fiscal year 2013 was \$140,357. See Note 15 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, 2013
Unaudited

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.

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 2012 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

Berkshire Local School District

Statement of Net Position

June 30, 2013

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,141,838
Restricted Cash and Cash Equivalents	39,468
Accounts Receivable	12,181
Intergovernmental Receivable	44,983
Prepaid Items	2,139
Inventory Held for Resale	8,416
Materials and Supplies Inventory	1,531
Income Taxes Receivable	694,160
Property Taxes Receivable	4,305,052
Nondepreciable Capital Assets	13,810
Depreciable Capital Assets, Net	<u>3,397,710</u>
<i>Total Assets</i>	<u>10,661,288</u>
Liabilities	
Accounts Payable	83,341
Accrued Wages and Benefits	777,455
Intergovernmental Payable	249,079
Matured Compensated Absences Payable	233,332
Claims Payable	34,698
Long-Term Liabilities:	
Due Within One Year	422,493
Due In More Than One Year	<u>712,429</u>
<i>Total Liabilities</i>	<u>2,512,827</u>
Deferred Inflows of Resources	
Property Taxes	<u>3,683,269</u>
Net Position	
Net Investment in Capital Assets	3,271,163
Restricted for:	
Capital Projects	215,983
Set Asides	39,468
Other Purposes	69,685
Unrestricted	<u>868,893</u>
<i>Total Net Position</i>	<u><u>\$4,465,192</u></u>

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2013

	Program Revenues		Net (Expense)
	Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
Expenses			Governmental Activities
Governmental Activities			
Instruction:			
Regular	\$5,243,207	\$500,468	\$272,178
Special	1,547,813	0	198,125
Vocational	83,075	0	0
Student Intervention	138,647	0	0
Support Services:			
Pupil	450,373	0	30,242
Instructional Staff	330,797	0	40,823
Board of Education	82,509	0	0
Administration	1,238,897	0	3,600
Fiscal	401,819	0	0
Business	1,359	0	0
Operation and Maintenance of Plant	1,056,199	0	0
Pupil Transportation	788,278	0	0
Operation of Non-Instructional Services	19,649	0	0
Operation of Community Services	7,300		
Operation of Food Services	239,814	105,066	76,732
Extracurricular Activities	369,669	152,660	0
Interest and Fiscal Charges	2,455	0	0
Totals	\$12,001,860	\$758,194	\$621,700
General Revenues			
Property Taxes Levied for:			
			4,112,813
			216,669
			1,932,690
			4,037,322
			4,079
			43,260
			<u>10,346,833</u>
			(275,133)
			<u>4,740,325</u>
			<u>\$4,465,192</u>

See accompanying notes to the basic financial statements

Berkshire Local School District

Balance Sheet

Governmental Funds

June 30, 2013

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$1,923,105	\$80,029	\$106,541	\$2,109,675
Restricted Assets:				
Equity in Pooled Cash and				
Cash Equivalents	39,468	0	0	39,468
Accounts Receivable	12,181	0	0	12,181
Intergovernmental Receivable	23,762	0	21,221	44,983
Prepaid Items	2,139	0	0	2,139
Inventory Held for Resale	0	0	8,416	8,416
Materials and Supplies Inventory	0	0	1,531	1,531
Income Taxes Receivable	694,160	0	0	694,160
Property Taxes Receivable	4,089,055	215,997	0	4,305,052
<i>Total Assets</i>	<u>\$6,783,870</u>	<u>\$296,026</u>	<u>\$137,709</u>	<u>\$7,217,605</u>
Liabilities				
Accounts Payable	\$57,610	\$10,952	\$14,779	\$83,341
Accrued Wages and Benefits	760,209	0	17,246	777,455
Intergovernmental Payable	243,188	0	5,891	249,079
Matured Compensated Absences Payable	229,200	0	4,132	233,332
<i>Total Liabilities</i>	<u>1,290,207</u>	<u>10,952</u>	<u>42,048</u>	<u>1,343,207</u>
Deferred Inflows of Resources				
Property Taxes	3,498,720	184,549	0	3,683,269
Unavailable Revenue	384,455	6,010	0	390,465
<i>Total Deferred Inflows of Resources</i>	<u>3,883,175</u>	<u>190,559</u>	<u>0</u>	<u>4,073,734</u>
Fund Balance				
Nonspendable	2,139	0	1,531	3,670
Restricted	41,614	94,515	94,130	230,259
Committed	260,558	0	0	260,558
Assigned	590,741	0	0	590,741
Unassigned	715,436	0	0	715,436
<i>Total Fund Balances</i>	<u>1,610,488</u>	<u>94,515</u>	<u>95,661</u>	<u>1,800,664</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$6,783,870</u>	<u>\$296,026</u>	<u>\$137,709</u>	<u>\$7,217,605</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, 2013*

Total Governmental Fund Balances	\$1,800,664
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,411,520
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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	119,794
Income Taxes	<u>270,671</u>

Total	390,465
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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.

	(2,535)
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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>(1,134,922)</u>
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<i>Net Position of Governmental Activities</i>	<u><u>\$4,465,192</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 Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Income Taxes	\$1,735,507	\$0	\$0	\$1,735,507
Property Taxes	4,154,554	218,874	0	4,373,428
Intergovernmental	3,982,532	54,790	590,678	4,628,000
Interest	4,079	0	0	4,079
Tuition and Fees	498,588	0	0	498,588
Extracurricular Activities	102,397	0	50,263	152,660
Contributions and Donations	29,522	0	1,500	31,022
Charges for Services	0	0	105,066	105,066
Rentals	1,880	0	0	1,880
Miscellaneous	39,446	0	3,814	43,260
<i>Total Revenues</i>	<u>10,548,505</u>	<u>273,664</u>	<u>751,321</u>	<u>11,573,490</u>
Expenditures				
Current:				
Instruction:				
Regular	4,765,180	9,499	266,453	5,041,132
Special	1,349,330	0	172,628	1,521,958
Vocational	79,538	0	0	79,538
Student Intervention	138,647	0	0	138,647
Support Services:				
Pupil	427,886	0	5,172	433,058
Instructional Staff	287,340	0	0	287,340
Board of Education	82,509	0	0	82,509
Administration	1,168,142	0	37,547	1,205,689
Fiscal	387,450	4,649	0	392,099
Business	1,359	0	0	1,359
Operation and Maintenance of Plant	729,658	218,759	0	948,417
Pupil Transportation	832,991	0	0	832,991
Operation of Non-Instructional Services	0	0	4,132	4,132
Operation of Food Services	0	0	233,496	233,496
Operation of Community Services	0	0	7,300	7,300
Extracurricular Activities	306,425	0	62,120	368,545
Capital Outlay	115,458	0	0	115,458
Debt Service:				
Principal Retirement	31,166	24,148	0	55,314
Interest and Fiscal Charges	0	2,455	0	2,455
<i>Total Expenditures</i>	<u>10,703,079</u>	<u>259,510</u>	<u>788,848</u>	<u>11,751,437</u>
<i>Excess of Revenues Over (Under)</i> <i>Expenditures</i>	<u>(154,574)</u>	<u>14,154</u>	<u>(37,527)</u>	<u>(177,947)</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	146,624	0	0	146,624
Transfers In	0	0	75,000	75,000
Transfers Out	(350,000)	0	0	(350,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(203,376)</u>	<u>0</u>	<u>75,000</u>	<u>(128,376)</u>
<i>Net Change in Fund Balances</i>	(357,950)	14,154	37,473	(306,323)
<i>Fund Balances Beginning of Year</i>	<u>1,968,438</u>	<u>80,361</u>	<u>58,188</u>	<u>2,106,987</u>
<i>Fund Balances End of Year</i>	<u>\$1,610,488</u>	<u>\$94,515</u>	<u>\$95,661</u>	<u>\$1,800,664</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, 2013*

Net Change in Fund Balances - Total Governmental Funds (306,323)

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

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

Capital Outlay	241,828
Depreciation	<u>(205,868)</u>

Total 35,960

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (31,144)

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

Property Taxes	(197,183)
Income Taxes	<u>43,946</u>

Total 153,237

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 (146,624)

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. 55,314

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. (29,549)

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. (6,004)

Change in Net Position of Governmental Activities (\$275,133)

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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Income Taxes	\$1,635,955	\$1,756,995	\$1,756,995	\$0
Property Taxes	4,287,311	4,176,977	4,176,977	0
Intergovernmental	4,094,153	4,117,339	3,982,532	(134,807)
Interest	5,000	3,350	4,079	729
Tuition and Fees	210,000	463,696	463,581	(115)
Extracurricular Activities	100,000	97,738	100,215	2,477
Contributions and Donations	500	315	315	0
Rentals	0	1,880	1,880	0
Miscellaneous	10,000	22,898	24,012	1,114
<i>Total Revenues</i>	<u>10,342,919</u>	<u>10,641,188</u>	<u>10,510,586</u>	<u>(130,602)</u>
Expenditures				
Current:				
Instruction:				
Regular	4,590,340	4,455,106	4,450,096	5,010
Special	1,603,999	1,443,670	1,443,081	589
Vocational	78,753	79,931	79,873	58
Student Intervention Services	149,711	144,641	144,164	477
Support Services:				
Pupil	561,167	533,117	532,506	611
Instructional Staff	514,853	324,430	324,236	194
Board of Education	80,897	85,108	85,108	0
Administration	1,139,817	1,154,526	1,153,787	739
Fiscal	368,923	389,655	389,275	380
Business	4,340	1,729	1,729	0
Operation and Maintenance of Plant	935,477	777,794	777,185	609
Pupil Transportation	904,148	871,464	870,366	1,098
Extracurricular Activities	289,995	290,683	290,683	0
<i>Total Expenditures</i>	<u>11,222,420</u>	<u>10,551,854</u>	<u>10,542,089</u>	<u>9,765</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(879,501)</u>	<u>89,334</u>	<u>(31,503)</u>	<u>(120,837)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	0	0
Transfers Out	(330,863)	(628,131)	(493,130)	135,001
<i>Total Other Financing Sources (Uses)</i>	<u>(330,863)</u>	<u>(628,131)</u>	<u>(493,130)</u>	<u>135,001</u>
<i>Net Change in Fund Balance</i>	(1,210,364)	(538,797)	(524,633)	14,164
<i>Fund Balance Beginning of Year</i>	1,889,811	1,889,811	1,889,811	0
Prior Year Encumbrances Appropriated	211,348	211,348	211,348	0
<i>Fund Balance End of Year</i>	<u>\$890,795</u>	<u>\$1,562,362</u>	<u>\$1,576,526</u>	<u>\$14,164</u>

See accompanying notes to the basic financial statements

Berkshire Local School District

Statement of Fund Net Position

Internal Service Fund

June 30, 2013

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$32,163
Liabilities	
Claims Payable	<u>34,698</u>
Net Position	
Unrestricted (Deficit)	<u><u>(\$2,535)</u></u>

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, 2013*

	Insurance
Operating Revenues	
Charges for Services	\$117,516
Operating Expenses	
Purchased Services	1,632
Claims	396,888
<i>Total Operating Expenses</i>	398,520
<i>Loss Before Transfers</i>	(281,004)
Transfers In	275,000
<i>Change in Net Position</i>	(6,004)
<i>Net Position, Beginning of Year</i>	3,469
<i>Net Position, End of Year (Deficit)</i>	(\$2,535)

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, 2013

	Insurance
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$117,516
Cash Payments for Goods and Services	(1,632)
Cash Payments for Claims	(386,405)
<i>Net Cash Used for Operating Activities</i>	(270,521)
Cash Flows from Noncapital Financing Activities	
Transfers In	275,000
<i>Net Increase in Cash and Cash Equivalents</i>	4,479
<i>Cash and Cash Equivalents, Beginning of Year</i>	27,684
<i>Cash and Cash Equivalents, End of Year</i>	\$32,163
 Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(\$281,004)
Adjustments:	
Increase in Claims Payable	10,483
<i>Net Cash Used for Operating Activities</i>	(\$270,521)

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013

Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$40,854</u>
Liabilities	
Due to Students	\$32,788
Undistributed Monies	<u>8,066</u>
<i>Total Liabilities</i>	<u>\$40,854</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, 2013

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 three instructional/support facilities staffed by 46.5 non-certified employees, 69 certified full time teaching personnel and 7 administrative employees to provide services to 1,063 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 70 square miles. It is located in Geauga County, including all of Burton Village, Burton, Claridon, and Troy Townships, Ohio. It currently operates three 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 insure 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 16, 17 and 18 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, 2013

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 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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

The other governmental funds of the School District account for grants and other resources whose use is restricted 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 no trust funds. 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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the 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 5). 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, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Berkshire Local School District
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For the Fiscal Year Ended June 30, 2013

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

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 2013, 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold for on June 30, 2013.

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 2013 amounted to \$4,079.

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, or imposed by enabling legislation. Restricted assets in the general fund include amounts required by State statute to be set aside to create a reserve for budget stabilization. See Note 19 for additional information regarding set-asides.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2013, 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, 2013

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 fair market 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. Interfund Balances

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

K. 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.

Berkshire Local School District
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For the Fiscal Year Ended June 30, 2013

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 contractually required pension contributions 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. 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 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. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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Board of Education delegated that authority by State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Berkshire Local School District
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For the Fiscal Year Ended June 30, 2013

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

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

Note 3 - 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 a reservation of 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.

Net Change in Fund Balance	
GAAP Basis	(\$357,950)
Net Adjustment for Revenue Accruals	(184,543)
Net Adjustment for Expenditure Accruals	127,068
Net change in fund balance:	
Uniform School Supplies	17
Special Rotary	1,840
Public School Support	7,192
Unclaimed Funds	0
Termination Benefit	(18,757)
Encumbrances	<u>(99,500)</u>
Budget Basis	<u><u>(\$524,633)</u></u>

Berkshire Local School District
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For the Fiscal Year Ended June 30, 2013

Note 4 - 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, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$1,738,373 of the School District's bank balance of \$2,285,071 was uninsured and

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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.

Investments

As of June 30, 2013, the School District had STAR Ohio as the only investment with an amount of \$49,585 and an average maturity of 55 days.

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 5 - 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 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, 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.

Public utility property tax revenues received in calendar year 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 become a lien December 31, 2011, were levied after April 1, 2012 and are collected in 2013 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, 2013, are available to finance fiscal year 2013 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, 2013 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

Berkshire Local School District
Notes to the Basic Financial Statements
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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.

The amount available as an advance at June 30, 2013 was \$476,551 in the general fund and \$25,438 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2012, was \$498,974 in the general fund and \$26,571 in the permanent improvement capital projects fund.

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 deferred.

The assessed values upon which the fiscal year 2013 taxes were collected are:

	2012 Second		2013 First	
	Half Collections		Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$212,667,930	97.45 %	\$213,753,840	97.20 %
Public Utility Personal	<u>5,573,190</u>	<u>2.55</u>	<u>6,152,350</u>	<u>2.80</u>
Total	<u>\$218,241,120</u>	<u>100.00 %</u>	<u>\$219,906,190</u>	<u>100.00 %</u>
Full tax rate per \$1,000 of assessed valuation	\$52.30		\$52.30	

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the School District. The County Auditor periodically remits to the School District its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2012, and for which there is an enforceable legal claim. In the general fund and the permanent improvement fund, the entire receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2012 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On an accrual basis, collectible delinquent property taxes have been recorded as revenue while on a modified accrual basis the revenue is reported as deferred inflows of resources.

Note 6- Receivables

Receivables at June 30, 2013, 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, 2013, the general fund had \$23,762 in intergovernmental receivables and the food service, Title I and class size reduction grant special revenue funds had intergovernmental receivables of \$5,756, \$8,417 and \$7,048, respectively.

Note 7 - 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

Berkshire Local School District
Notes to the Basic Financial Statements
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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 8 – 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:

Fund Balances	General	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>			
Inventory	\$0	\$1,531	\$1,531
Prepaid Items	2,139	0	2,139
<i>Total Nonspendable</i>	2,139	1,531	3,670
<i>Restricted for</i>			
Budget Stabilization	39,468	0	39,468
Unclaimed Funds	2,146	0	2,146
Food Service Operations	0	35,499	35,499
Other Grants	0	5,327	5,327
Athletic and Music	0	18,347	18,347
Title VI-B	0	3,947	3,947
Title I	0	23,962	23,962
Class Size Reduction	0	7,048	7,048
Permanent Improvements	0	94,515	94,515
<i>Total Restricted</i>	41,614	188,645	230,259
<i>Committed to</i>			
Employee Retirements	260,558	0	260,558
<i>Assigned to</i>			
Fiscal Year 2014 Appropriations	566,903	0	566,903
Uniform School Supplies	4,700	0	4,700
Rotaty	3,810	0	3,810
Public School Support	15,303	0	15,303
School Improvement Model	25	0	25
	590,741	0	590,741
<i>Unassigned</i>	715,436	0	715,436
<i>Total Fund Balances</i>	\$1,610,488	\$190,176	\$1,800,664

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 9 - 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, 2013.

B. Litigation

The School District is not party to legal proceedings.

Note 10 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2012
Nondepreciable Capital Assets				
Land	\$13,810	\$0	\$0	\$13,810
Depreciable Capital Assets				
Land Improvements	203,261	0	0	203,261
Buildings and Improvements	5,468,779	0	0	5,468,779
Furniture and Fixtures	1,329,253	56,595	(33,993)	1,351,855
Vehicles	941,599	185,233	(132,220)	994,612
<i>Total at Historical Cost</i>	<u>7,942,892</u>	<u>241,828</u>	<u>(166,213)</u>	<u>8,018,507</u>
Less: Accumulated Depreciation				
Land Improvements	(127,934)	(7,287)	0	(135,221)
Buildings and Improvements	(2,872,145)	(64,347)	0	(2,936,492)
Furniture and Fixtures	(961,189)	(54,032)	11,079	(1,004,142)
Vehicles	(588,730)	(80,202)	123,990	(544,942)
<i>Total Accumulated Depreciation</i>	<u>(4,549,998)</u>	<u>(205,868) *</u>	<u>135,069</u>	<u>(4,620,797)</u>
<i>Depreciable Capital Assets, Net of Accumulated Depreciation</i>	<u>3,392,894</u>	<u>35,960</u>	<u>(31,144)</u>	<u>3,397,710</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$3,406,704</u>	<u>\$35,960</u>	<u>(\$31,144)</u>	<u>\$3,411,520</u>

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$94,624
Support Services:	
Administration	6,528
Operation and Maintenance of Plant	18,610
Pupil Transportation	79,745
Operation of Food Services	1,124
Extracurricular Activities	5,237
Total Depreciation Expense	\$205,868

Note 11 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2013, 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	\$25,477,837
Crime Insurance	50,000
Theft	75,000
Automobile Liability	1,000,000
Uninsured Motorists	1,000,000
General Liability	
Per Occurrence	1,000,000
Total per year	2,000,000
Commercial Umbrella	5,000,000

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 2013, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService provides administrative, cost control and actuarial services to the GRP.

Berkshire Local School District
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For the Fiscal Year Ended June 30, 2013

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 \$34,698 reported in the internal service fund at June 30, 2013 is based 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 2012 and 2013 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2012	\$18,364	\$391,124	\$385,273	\$24,215
2013	24,215	396,888	386,405	34,698

Note 12 - 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.

C. Retirement Incentive

The School District Board of Education offers employees participation in a Retirement Incentive program. Participation is open to employees who are eligible for service retirement under the State Teachers Retirement System (STRS) and School Employees Retirement System (SERS). Each employee who qualifies for and takes retirement must notify the Board in writing of the employee's intention prior to April 30. The employee receives a retirement incentive of 20 percent of the employee's last year's salary. The incentive is paid upon retirement. Changes in the retirement incentive liability amount for 2013 was:

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
General Fund	\$51,071	\$97,402	\$51,071	\$97,402

Note 13 – Defined Benefit Pension Plans

A. School Employees Retirement System

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2013, the allocation to pension and death benefits was 13.10 percent. The remaining .90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District’s required contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$169,367, \$179,309, and \$171,236, respectively; 51.7 percent has been contributed for fiscal year 2013, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

B. State Teachers Retirement System

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

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

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

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2012, the most current information available, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011, were \$599,976, \$657,680, and \$639,654, respectively; 72.53 percent has been contributed for fiscal year 2013, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

Contributions made to STRS Ohio for the DC Plan for fiscal year 2012 (the latest information available) were \$10,532 made by the School District and \$7,523 made by the plan members. In addition, member contributions of \$5,942 were made for fiscal year 2012 for the defined contribution portion of the Combined Plan

Note 14 – Postemployment Benefits

A. School Employee Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2013, 0.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2013, this amount was \$35,800. During fiscal year 2013, the School District paid \$22,750.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011, were \$17,337, \$20,190, \$20,734, respectively; 51.70 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2012, the most current information available, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011, were \$10,135, \$10,730, and \$11,019, respectively; 52.33 percent has been contributed for fiscal year 2013, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

B. State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$44,994, \$49,432, and \$48,046 respectively. For fiscal year 2013, 72.53 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

Note 15 - Long Term Obligations

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

	Principal Outstanding 06/30/12	Additions	Reductions	Principal Outstanding 06/30/13	Amount Due in One Year
Governmental Activities					
Capital Leases Payable	\$49,047	\$146,624	\$55,314	\$140,357	\$52,886
Compensated Absences	965,016	196,973	167,424	994,565	369,607
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	<u>\$1,014,063</u>	<u>\$343,597</u>	<u>\$222,738</u>	<u>\$1,134,922</u>	<u>\$422,493</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 and the class size reduction grant special revenue funds.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

The School District's overall debt margin was \$19,237,846 with an unvoted debt margin of \$213,754 at June 30, 2013.

Note 16 - 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 2013, the School District paid \$45,291 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 2013, the School District paid \$3,243 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, 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. Compass Energy has been selected as the supplier and program manager. There are currently 151 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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 17 - 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 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 18 - 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 OASBA, 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 19 - 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 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, 2012	\$39,468	\$0
Current Year Set-aside Requirement	0	173,731
Qualifying Disbursements	0	(471,116)
Totals	\$39,468	(\$297,385)
Set-aside Balance Carried Forward to Future Fiscal Years	\$39,468	\$0
Set-aside Reserve Balance as of June 30, 2013	\$39,468	\$0

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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 20 – Interfund Transfers

Transfers made during the year ended June 30, 2013 were as follows:

Transfers To	Transfers From General
Non Major Funds	\$75,000
Internal Service Fund:	
Self Insurance	275,000
<i>Total Transfers</i>	<i>\$350,000</i>

The transfer from the general fund to the 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 21 – Leases

During fiscal year 2013, the School District entered into a capital lease for school buses in the amount of \$146,624 at an interest rate of 3.14 percent. The assets acquired through the capital lease were capitalized at the present value of the minimum lease payments at the time the lease was entered into.

The asset acquired through the capital lease are as follows:

	Governmental Activities
Asset:	
Furnitures and Fixtures	\$79,809
Vehicles	146,624
Less: Accumulated depreciation	(15,735)
Total	\$210,698

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

Fiscal Year	Governmental Activities
2014	\$57,769
2015	31,166
2016	31,166
2017	31,166
Total Minimum Lease Payments	151,267
Less amount representing Interest	(10,910)
Present value of minuum Lease Payment	\$140,357

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 22 – Change in Accounting Principles

For 2013, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements,” Statement No. 61, “The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34, Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements,” Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” Statement No. 64, “Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53,” No. 65, “Items Previously Reported as Assets and Liabilities” and Statement No. 66, “Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62”.

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the School District’s financial statements.

GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, the display of component units presentation and certain disclosure requirements. The implementation of this statement did not result in any change in the School District’s financial statements.

GASB Statement No. 62 incorporates into GASB’s authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the School District’s financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the School District’s 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not result in any change in the School District’s financial statements.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the School District’s 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the School District’s financial statements.

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.

Class Size Reduction Grant Fund This fund accounts for and reports for Federal monies restricted to reduce class size in elementary schools.

National School Lunch Expansion Grant Fund The fund accounts for and reports for the purchase of equipment used to expand the District's school lunch program.

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, 2013

	Food Service	Other Grants	Athletics and Music
Assets			
Equity in Pooled Cash and Cash Equivalents	\$50,796	\$5,459	\$18,397
Intergovernmental Receivable	5,756	0	0
Inventory Held for Resale	8,416	0	0
Materials and Supplies Inventory	1,531	0	0
<i>Total Assets</i>	<u>\$66,499</u>	<u>\$5,459</u>	<u>\$18,397</u>
Liabilities			
Accounts Payable	\$2,200	\$132	\$50
Accrued Wages and Benefits	17,246	0	0
Intergovernmental Payable	5,891	0	0
Matured Compensated Absences Payable	4,132	0	0
<i>Total Liabilities</i>	<u>29,469</u>	<u>132</u>	<u>50</u>
Fund Balances			
Nonspendable	1,531	0	0
Restricted	35,499	5,327	18,347
<i>Total Fund Balances</i>	<u>37,030</u>	<u>5,327</u>	<u>18,347</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$66,499</u>	<u>\$5,459</u>	<u>\$18,397</u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Class Size Reduction Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$3,947	\$27,942	\$0	\$106,541
0	8,417	7,048	21,221
0	0	0	8,416
0	0	0	1,531
<u>\$3,947</u>	<u>\$36,359</u>	<u>\$7,048</u>	<u>\$137,709</u>
\$0	\$12,397	\$0	\$14,779
0	0	0	17,246
0	0	0	5,891
0	0	0	4,132
<u>0</u>	<u>12,397</u>	<u>0</u>	<u>42,048</u>
0	0		1,531
<u>3,947</u>	<u>23,962</u>	<u>7,048</u>	<u>94,130</u>
<u>3,947</u>	<u>23,962</u>	<u>7,048</u>	<u>95,661</u>
<u>\$3,947</u>	<u>\$36,359</u>	<u>\$7,048</u>	<u>\$137,709</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, 2013

	Food Service	Other Grants	Athletics and Music	ONEnet	Title VI-B
Revenues					
Intergovernmental	\$76,732	\$0	\$0	\$3,600	\$198,125
Extracurricular Activities	0	0	50,263	0	0
Contributions and Donations	0	1,500	0	0	0
Charges for Services	105,066	0	0	0	0
Miscellaneous	3,814	0	0	0	0
<i>Total Revenues</i>	<u>185,612</u>	<u>1,500</u>	<u>50,263</u>	<u>3,600</u>	<u>198,125</u>
Expenditures					
Current:					
Instruction:					
Regular	0	2,074	0	0	0
Special	0	0	0	0	160,231
Support Services:					
Pupil	0	0	0	0	0
Administration	0	0	0	3,600	33,947
Operation of Non-Instructional Services	4,132	0	0	0	0
Operation of Food Services	233,496	0	0	0	0
Operation of Community Services	0	0	0	0	0
Extracurricular Activities	0	0	62,120	0	0
<i>Total Expenditures</i>	<u>237,628</u>	<u>2,074</u>	<u>62,120</u>	<u>3,600</u>	<u>194,178</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(52,016)	(574)	(11,857)	0	3,947
Other Financing Sources					
Transfers In	50,000	0	25,000	0	0
<i>Net Change in Fund Balances</i>	(2,016)	(574)	13,143	0	3,947
<i>Fund Balances Beginning of Year</i>	<u>39,046</u>	<u>5,901</u>	<u>5,204</u>	<u>0</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$37,030</u></u>	<u><u>\$5,327</u></u>	<u><u>\$18,347</u></u>	<u><u>\$0</u></u>	<u><u>\$3,947</u></u>

Title I	Class Size Reduction Grant	National School Lunch Expansion Grant	Total Nonmajor Special Revenue Funds
\$270,678	\$40,823	\$720	\$590,678
0	0	0	50,263
0	0	0	1,500
0	0	0	105,066
0	0	0	3,814
270,678	40,823	720	751,321
230,604	33,775	0	266,453
12,397	0	0	172,628
4,452	0	720	5,172
0	0	0	37,547
0	0	0	4,132
0	0	0	233,496
7,300			7,300
0	0	0	62,120
254,753	33,775	720	788,848
15,925	7,048	0	(37,527)
0	0	0	75,000
15,925	7,048	0	37,473
8,037	0	0	58,188
\$23,962	\$7,048	\$0	\$95,661

Combining Statements - Fiduciary Funds

Agency Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. 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 reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Berkshire Local School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2013

	Beginning Balance 6/30/12	Additions	Deductions	Ending Balance 6/30/13
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$35,500	\$53,640	\$50,125	\$39,015
Liabilities				
Due to Students	\$29,273	\$53,640	\$50,125	\$32,788
Undistributed Monies	6,227	0	0	6,227
Total Liabilities	\$35,500	\$53,640	\$50,125	\$39,015
<i>Elementary</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,349	\$0	\$510	\$1,839
Liabilities				
Undistributed Monies	\$2,349	\$0	\$510	\$1,839
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$37,849	\$53,640	\$50,635	\$40,854
Liabilities				
Due to Students	\$29,273	\$53,640	\$50,125	\$32,788
Undistributed Monies	8,576	0	510	8,066
Total Liabilities	\$37,849	\$53,640	\$50,635	\$40,854

**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, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Income Taxes	\$1,635,955	\$1,756,995	\$1,756,995	\$0
Property Taxes	4,287,311	4,176,977	4,176,977	0
Intergovernmental	4,094,153	4,117,339	3,982,532	(134,807)
Interest	5,000	3,350	4,079	729
Tuition and Fees	210,000	463,696	463,581	(115)
Extracurricular Activities	100,000	97,738	100,215	2,477
Contributions and Donations	500	315	315	0
Rentals	0	1,880	1,880	0
Miscellaneous	10,000	22,898	24,012	1,114
<i>Total Revenues</i>	<u>10,342,919</u>	<u>10,641,188</u>	<u>10,510,586</u>	<u>(130,602)</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,898,789	2,911,117	2,911,117	0
Fringe Benefits	933,930	850,122	845,186	4,936
Purchased Services	680,336	628,289	628,289	0
Materials and Supplies	70,285	56,041	55,967	74
Capital Outlay - New	7,000	9,537	9,537	0
Total Regular	<u>4,590,340</u>	<u>4,455,106</u>	<u>4,450,096</u>	<u>5,010</u>
Special:				
Salaries and Wages	459,438	427,374	427,374	0
Fringe Benefits	127,858	111,842	111,254	588
Purchased Services	1,014,638	904,017	904,016	1
Materials and Supplies	2,065	437	437	0
Total Special	<u>1,603,999</u>	<u>1,443,670</u>	<u>1,443,081</u>	<u>589</u>
Vocational:				
Salaries and Wages	60,464	60,919	60,919	0
Fringe Benefits	13,972	13,844	13,787	57
Materials and Supplies	4,317	5,168	5,167	1
Total Vocational	<u>78,753</u>	<u>79,931</u>	<u>79,873</u>	<u>58</u>
Student Intervention Services:				
Salaries and Wages	93,919	90,454	90,454	0
Fringe Benefits	55,792	54,187	53,710	477
Materials and Supplies	0	0	0	0
Total Student Intervention Services	<u>149,711</u>	<u>144,641</u>	<u>144,164</u>	<u>477</u>
Total Instruction	<u>\$6,422,803</u>	<u>\$6,123,348</u>	<u>\$6,117,214</u>	<u>\$6,134</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	\$322,940	\$322,534	\$322,534	\$0
Fringe Benefits	120,354	113,876	113,265	611
Purchased Services	107,390	92,677	92,677	0
Materials and Supplies	10,483	4,030	4,030	0
Total Pupil	561,167	533,117	532,506	611
Instructional Staff:				
Salaries and Wages	383,907	193,243	193,243	0
Fringe Benefits	59,537	57,718	57,568	150
Purchased Services	32,510	24,580	24,580	0
Materials and Supplies	38,899	48,889	48,845	44
Capital Outlay - New	0	0	0	0
Total Instructional Staff	514,853	324,430	324,236	194
Board of Education:				
Salaries and Wages	6,600	7,250	7,250	0
Fringe Benefits	1,085	1,612	1,612	0
Purchased Services	46,712	53,170	53,170	0
Materials and Supplies	1,000	449	449	0
Other	25,500	22,627	22,627	0
Total Board of Education	80,897	85,108	85,108	0
Administration:				
Salaries and Wages	556,700	577,045	577,045	0
Fringe Benefits	225,912	224,417	223,678	739
Purchased Services	25,277	17,699	17,699	0
Materials and Supplies	6,107	4,288	4,288	0
Capital Outlay - Replacement	0	0	0	0
Other	325,821	331,077	331,077	0
Total Administration	1,139,817	1,154,526	1,153,787	739
Fiscal:				
Salaries and Wages	138,837	145,059	145,059	0
Fringe Benefits	70,970	70,944	70,564	380
Purchased Services	23,105	22,450	22,450	0
Materials and Supplies	4,000	5,192	5,192	0
Capital Outlay - Replacement	0	0	0	0
Other	132,011	146,010	146,010	0
Total Fiscal	\$368,923	\$389,655	\$389,275	\$380

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Other	\$4,340	\$1,729	\$1,729	\$0
Operation and Maintenance of Plant:				
Salaries and Wages	317,933	305,681	305,681	0
Fringe Benefits	118,459	120,181	119,572	609
Purchased Services	435,072	303,422	303,422	0
Materials and Supplies	59,013	47,826	47,826	0
Capital Outlay - Replacement	5,000	684	684	0
Total Operation and Maintenance of Plant	935,477	777,794	777,185	609
Pupil Transportation:				
Salaries and Wages	407,392	378,837	378,837	0
Fringe Benefits	150,755	166,510	165,412	1,098
Purchased Services	113,158	120,031	120,031	0
Materials and Supplies	147,843	116,821	116,821	0
Capital Outlay - Replacement	85,000	89,265	89,265	0
Total Pupil Transportation	904,148	871,464	870,366	1,098
Total Support Services	4,509,622	4,137,823	4,134,192	3,631
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	28,622	29,068	29,068	0
Fringe Benefits	7,642	9,070	9,070	0
Total Academic and Subject Oriented Activities	36,264	38,138	38,138	0
Sports Oriented Activities:				
Salaries and Wages	220,141	222,161	222,161	0
Fringe Benefits	24,700	21,660	21,660	0
Purchased Services	0	180	180	0
Total Sports Oriented Activities	\$244,841	\$244,001	\$244,001	\$0

(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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
School and Public Service Co-Curricular Activities:				
Salaries and Wages	\$7,760	\$7,473	\$7,473	\$0
Fringe Benefits	1,130	1,071	1,071	0
Total School and Public Service Co-Curricular Activities	<u>8,890</u>	<u>8,544</u>	<u>8,544</u>	<u>0</u>
Total Extracurricular Activities	<u>289,995</u>	<u>290,683</u>	<u>290,683</u>	<u>0</u>
<i>Total Expenditures</i>	<u>11,222,420</u>	<u>10,551,854</u>	<u>10,542,089</u>	<u>9,765</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(879,501)</u>	<u>89,334</u>	<u>(31,503)</u>	<u>(120,837)</u>
Other Financing Sources				
Transfers Out	<u>(330,863)</u>	<u>(628,131)</u>	<u>(493,130)</u>	<u>135,001</u>
<i>Total Other Financing Sources</i>	<u>(330,863)</u>	<u>(628,131)</u>	<u>(493,130)</u>	<u>135,001</u>
<i>Net Change in Fund Balance</i>	<u>(1,210,364)</u>	<u>(538,797)</u>	<u>(524,633)</u>	<u>14,164</u>
<i>Fund Balance Beginning of Year</i>	1,889,811	1,889,811	1,889,811	0
Prior Year Encumbrances Appropriated	<u>211,348</u>	<u>211,348</u>	<u>211,348</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$890,795</u>	<u>\$1,562,362</u>	<u>\$1,576,526</u>	<u>\$14,164</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, 2013

	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$220,007	\$220,007	\$0
Intergovernmental	54,790	54,790	0
<i>Total Revenues</i>	<u>274,797</u>	<u>274,797</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	9,499	9,499	0
Support Services:			
Fiscal:			
Other	4,649	4,649	0
Operation and Maintenance of Plant:			
Purchased Services	254,042	250,362	3,680
Total Support Services	<u>258,691</u>	<u>255,011</u>	<u>3,680</u>
<i>Total Expenditures</i>	<u>268,190</u>	<u>264,510</u>	<u>3,680</u>
<i>Net Change in Fund Balance</i>	6,607	10,287	3,680
<i>Fund Balance Beginning of Year</i>	53,790	53,790	0
Prior Year Encumbrances Appropriated	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$65,397</u></u>	<u><u>\$69,077</u></u>	<u><u>\$3,680</u></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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$89,271	\$90,114	\$843
Charges for Services	106,250	105,066	(1,184)
<i>Total Revenues</i>	<u>195,521</u>	<u>195,180</u>	<u>(341)</u>
Expenditures			
Current:			
Operation of Food Services:			
Salaries and Wages	120,024	119,346	678
Fringe Benefits	54,373	53,175	1,198
Purchased Services	3,843	3,843	0
Materials and Supplies	74,845	72,470	2,375
Capital Outlay - Replacement	118	118	0
<i>Total Expenditures</i>	<u>253,203</u>	<u>248,952</u>	<u>4,251</u>
<i>Excess of Revenues Under Expenditures</i>	(57,682)	(53,772)	3,910
Other Financing Sources			
Transfers In	50,000	50,000	0
<i>Net Change in Fund Balance</i>	(7,682)	(3,772)	3,910
<i>Fund Balance Beginning of Year</i>	<u>52,092</u>	<u>52,092</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$44,410</u></u>	<u><u>\$48,320</u></u>	<u><u>\$3,910</u></u>

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Other Grants
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$1,500	\$1,500	\$0
Expenditures			
Current:			
Regular:			
Materials and Supplies	2,283	2,206	77
<i>Net Change in Fund Balance</i>	(783)	(706)	77
<i>Fund Balance Beginning of Year</i>	5,901	5,901	0
Prior Year Encumbrances Appropriated	132	132	0
<i>Fund Balance End of Year</i>	\$5,250	\$5,327	\$77

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$50,313	\$50,313	\$0
Expenditures			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	2,775	1,800	975
Fringe Benefits	300	267	33
Purchased Services	15,798	13,938	1,860
Other	46,781	46,163	618
Total Expenditures	65,654	62,168	3,486
<i>Excess of Revenues Under Expenditures</i>	(15,341)	(11,855)	3,486
Other Financing Sources			
Transfers In	25,000	25,000	0
<i>Net Change in Fund Balance</i>	9,659	13,145	3,486
<i>Fund Balance Beginning of Year</i>	5,208	5,208	0
<i>Fund Balance End of Year</i>	\$14,867	\$18,353	\$3,486

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$3,600	\$3,600	\$0
Expenditures			
Current:			
Support Services:			
Administration:			
Purchased Services	3,600	3,600	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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$198,125	\$198,125	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Purchased Services	160,231	160,231	0
Administration:			
Salaries and Wages	32,823	29,035	3,788
Fringe Benefits	5,071	4,911	160
Total Support Services	37,894	33,946	3,948
<i>Total Expenditures</i>	198,125	194,177	3,948
<i>Net Change in Fund Balance</i>	0	3,948	3,948
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$3,948	\$3,948

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$293,678	\$285,260	(\$8,418)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	198,494	175,752	22,742
Fringe Benefits	50,588	50,384	204
Materials and Supplies	22,564	22,257	307
Capital Outlay - New	9,570	9,570	0
Total Instruction	281,216	257,963	23,253
Support Services:			
Pupil:			
Salaries and Wages	4,452	4,452	0
Operation of Community Services:			
Fringe Benefits	688	688	0
Purchased Services	700	700	0
Materials and Supplies	6,622	5,912	710
Total Operation of Non-Instructional Services:	8,010	7,300	710
<i>Total Expenditures</i>	293,678	269,715	23,963
<i>Net Change in Fund Balance</i>	0	15,545	15,545
<i>Fund Balance (Deficit) Beginning of Year</i>	(14,962)	(14,962)	0
Prior Year Encumbrances Appropriated	14,962	14,962	0
<i>Fund End of Year</i>	\$0	\$15,545	\$15,545

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Class Size Reduction Grant Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$40,822	\$33,775	(\$7,047)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	40,822	33,775	7,047
<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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$48,374	\$50,006	\$1,632
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	57,396	57,342	54
<i>Excess of Revenues Under Expenditures</i>	(9,022)	(7,336)	1,686
Other Financing Sources			
Operating Transfers In	7,353	7,353	0
<i>Net Change in Fund Balance</i>	(1,669)	17	1,686
<i>Fund Balance Beginning of Year</i>	4,683	4,683	0
<i>Fund Balance End of Year</i>	<u>\$3,014</u>	<u>\$4,700</u>	<u>\$1,686</u>

Berkshire Local School District
*Schedule of Revenues, Expenditures and Changes
 In Fund Balance - Budget (Non-GAAP) and Actual
 National School Lunch Expansion Grant Fund
 For the Fiscal Year Ended June 30, 2013*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$720	\$720	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Capital Outlay - New	720	720	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
Special Rotary Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$5,123	\$6,575	\$1,452
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	4,735	4,735	0
<i>Net Change in Fund Balance</i>	388	1,840	1,452
<i>Fund Balance Beginning of Year</i>	1,970	1,970	0
<i>Fund Balance End of Year</i>	\$2,358	\$3,810	\$1,452

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$0	\$0	\$0
Extracurricular Activities	2,024	2,182	158
Contributions and Donations	21,664	22,632	968
<i>Total Revenues</i>	23,688	24,814	1,126
Expenditures			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	20,339	17,622	2,717
<i>Net Change in Fund Balance</i>	3,349	7,192	3,843
<i>Fund Balance Beginning of Year</i>	8,111	8,111	0
<i>Fund Balance End of Year</i>	\$11,460	\$15,303	\$3,843

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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures	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>	<u>\$25</u>	<u>\$25</u>	<u>\$0</u>

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Unclaimed Fund Funds
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Miscellaneous	\$500	\$0	(\$500)
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	500	0	(500)
<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>\$2,646</u></u>	<u><u>\$2,146</u></u>	<u><u>(\$500)</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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	150,620	150,620	0
Support Services:			
Pupil Transportation:			
Salaries and Wages	<u>3,914</u>	<u>3,914</u>	<u>0</u>
<i>Total Expenditures</i>	<u>154,534</u>	<u>154,534</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(154,534)	(154,534)	0
Other Financing Sources			
Operating Transfers In	<u>135,777</u>	<u>135,777</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(18,757)	(18,757)	0
<i>Fund Balance Beginning of Year</i>	<u>279,315</u>	<u>279,315</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$260,558</u></u>	<u><u>\$260,558</u></u>	<u><u>\$0</u></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, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$112,178	\$117,516	\$5,338
Expenses			
Purchased Services	1,664	1,632	32
Claims	386,405	386,405	0
<i>Total Expenses</i>	388,069	388,037	32
<i>Excess of Revenues Under Expenses Before Transfers</i>	(275,891)	(270,521)	5,370
Transfers In	275,000	275,000	0
<i>Net Change in Fund Equity</i>	(891)	4,479	5,370
<i>Fund Equity Beginning of Year</i>	27,652	27,652	0
<i>Fund Equity End of Year</i>	\$26,761	\$32,131	\$5,370



Alexus Doerger – 4th grade
Burton Elementary

Statistical Section

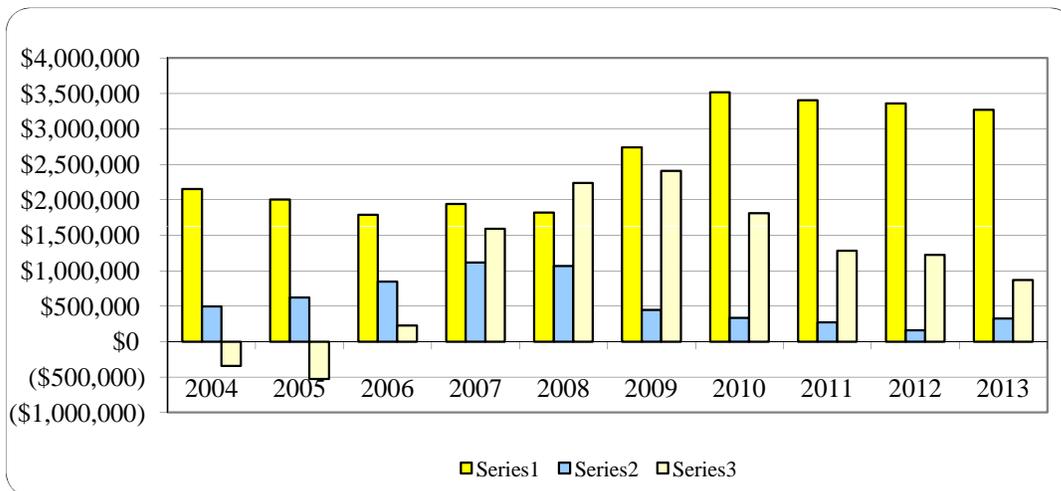
Berkshire Local School District

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2012	2011	2010
Net Investment in Capital Assets	\$3,271,163	\$3,357,657	\$3,404,650	\$3,518,243
Restricted for:				
Capital Projects	215,983	88,576	203,064	193,702
Debt Service	0	0	0	0
Set Asides	39,468	39,468	39,468	39,468
Other Purposes	69,685	33,293	31,163	102,983
Unrestricted (Deficit)	868,893	1,221,331	1,283,319	1,812,478
Total Net Position	\$4,465,192	\$4,740,325	\$4,961,664	\$5,666,874



2009	2008	2007	2006	2005	2004
\$2,742,560	\$1,818,772	\$1,940,269	\$1,789,300	\$2,003,813	\$2,154,459
357,068	953,421	922,955	640,564	471,040	302,853
0	0	0	0	0	0
39,468	39,468	39,468	39,468	39,468	39,468
51,841	74,824	151,441	168,066	110,672	156,379
<u>2,409,771</u>	<u>2,235,701</u>	<u>1,592,209</u>	<u>228,005</u>	<u>(525,586)</u>	<u>(342,388)</u>
<u>\$5,600,708</u>	<u>\$5,122,186</u>	<u>\$4,646,342</u>	<u>\$2,865,403</u>	<u>\$2,099,407</u>	<u>\$2,310,771</u>

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

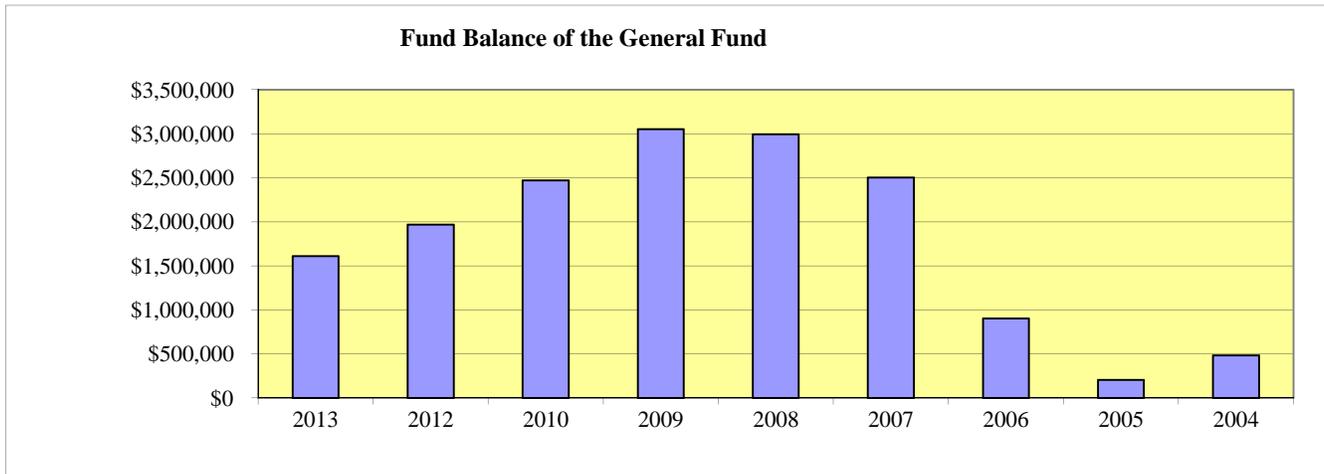
	2013	2012	2011	2010
Expenses				
Regular Instruction	\$5,243,207	\$5,181,808	\$5,181,808	\$4,830,346
Special Instruction	1,547,813	1,512,004	1,512,004	1,529,679
Vocational Instruction	83,075	78,326	78,326	76,125
Student Intervention	138,647	165,196	165,196	339,048
Pupil Support	450,373	654,119	653,548	600,884
Instructional Staff Support	330,797	324,804	324,804	455,767
Board of Education	82,509	83,794	83,794	41,679
Administration	1,238,897	1,177,718	1,177,718	1,113,593
Fiscal	401,819	329,361	329,361	382,159
Business	1,359	21,999	21,999	28,687
Operation and Maintenance of Plant	1,056,199	1,037,957	1,037,957	878,611
Pupil Transportation	788,278	720,683	720,683	791,630
Operation of Non-Instructional Services	19,649	0	0	0
Operation of Community Services	7,300	0	0	0
Operation of Food Services	239,814	251,258	251,258	264,105
Extracurricular Activities	369,669	349,327	349,327	382,735
Interest and Fiscal Charges	2,455	447	571	0
<i>Total Expenses</i>	<u>12,001,860</u>	<u>11,888,801</u>	<u>11,888,354</u>	<u>11,715,048</u>
Program Revenues				
Charges for Services				
Regular Instruction	500,468	387,610	387,610	220,598
Special Instruction	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Operation of Food Services	105,066	124,989	124,989	153,133
Extracurricular Activities	152,660	181,616	181,616	185,985
Operating Grants and Contributions	621,700	719,791	719,791	959,797
Capital Grants and Contributions	0	0	0	0
<i>Total Program Revenues</i>	<u>1,379,894</u>	<u>1,414,006</u>	<u>1,414,006</u>	<u>1,519,513</u>
Net Expense	<u>(10,621,966)</u>	<u>(10,474,795)</u>	<u>(10,474,348)</u>	<u>(10,195,535)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes	4,112,813	4,131,819	4,131,819	3,841,219
Capital Outlay	216,669	217,922	217,922	198,446
Income Taxes Levied for:				
General Purposes	1,932,690	1,548,753	1,548,753	1,536,729
Grants and Entitlements not				
Restricted to Specific Programs	4,037,322	4,325,044	4,325,044	4,650,889
Unrestricted Contributions	0	0	0	0
Investment Earnings	4,079	6,285	6,285	13,083
Gain on Sale of Capital Assets	0	0	0	0
Miscellaneous	43,260	23,633	23,633	19,758
<i>Total General Revenues</i>	<u>10,346,833</u>	<u>10,253,456</u>	<u>10,253,456</u>	<u>10,260,124</u>
<i>Change in Net Position</i>	<u>(\$275,133)</u>	<u>(\$221,339)</u>	<u>(\$220,892)</u>	<u>\$64,589</u>

2009	2008	2007	2006	2005	2004
\$5,062,708	\$4,800,546	\$4,495,206	\$4,693,751	\$5,188,198	\$4,988,073
1,271,151	1,263,407	1,326,200	1,564,547	1,390,995	1,153,426
78,115	58,924	60,671	55,414	55,653	53,983
12,776	0	0	0	0	0
602,816	619,086	614,007	611,399	615,690	605,670
442,628	485,694	423,189	407,207	504,650	474,125
87,962	54,834	36,959	61,313	46,666	51,839
1,142,152	1,002,491	1,102,186	829,843	873,703	879,946
406,222	334,840	348,188	322,274	320,702	334,441
38,727	32,706	28,018	29,925	36,421	27,850
938,412	1,048,609	1,136,704	1,052,876	1,044,789	1,118,464
762,715	982,780	693,519	763,710	809,410	816,997
0	0	0	0	0	0
0	0	0	0	0	0
302,888	311,629	270,350	331,153	385,017	388,659
405,456	446,431	391,545	363,747	373,143	425,556
0	0	0	884	3,006	5,078
<u>11,554,728</u>	<u>11,441,977</u>	<u>10,926,742</u>	<u>11,088,043</u>	<u>11,648,043</u>	<u>11,324,107</u>
185,794	197,407	467,384	98,213	87,553	79,894
28,265	0	0	0	0	0
0	5,314	0	10,677	7,783	6,968
174,575	184,448	190,268	220,821	250,221	262,367
201,972	246,908	151,692	290,301	151,534	135,663
522,346	642,954	608,524	647,025	703,894	684,384
10,013	30,062	0	5,333	11,130	13,034
<u>1,122,965</u>	<u>1,307,093</u>	<u>1,417,868</u>	<u>1,272,370</u>	<u>1,212,115</u>	<u>1,182,310</u>
<u>(10,431,763)</u>	<u>(10,134,884)</u>	<u>(9,508,874)</u>	<u>(9,815,673)</u>	<u>(10,435,928)</u>	<u>(10,141,797)</u>
4,338,549	4,304,017	4,766,622	4,777,030	4,859,170	4,536,033
226,907	226,907	249,327	252,820	286,289	240,597
1,656,813	1,710,748	1,501,823	1,329,783	1,182,066	1,092,823
4,620,371	4,234,744	4,221,620	4,015,962	3,857,075	3,851,111
0	0	0	10,649	0	0
52,667	124,954	176,711	91,189	34,686	24,063
0	0	365,160	103,118	0	0
14,978	9,358	8,550	1,118	5,278	85,207
<u>10,910,285</u>	<u>10,610,728</u>	<u>11,289,813</u>	<u>10,581,669</u>	<u>10,224,564</u>	<u>9,829,834</u>
<u>\$478,522</u>	<u>\$475,844</u>	<u>\$1,780,939</u>	<u>\$765,996</u>	<u>(\$211,364)</u>	<u>(\$311,963)</u>

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

	2013	2012	2011	2010	2009
General Fund					
Nonspendable	\$2,139	\$2,017	\$2,029	\$1,824	N/A
Restricted	41,614	41,614	41,045	41,045	N/A
Committed	260,558	105,012	182,726	0	N/A
Assigned	590,741	1,137,370	888,474	13,884	N/A
Unassigned	715,436	682,425	954,849	2,412,958	N/A
Reserved	N/A	N/A	N/A	N/A	\$975,989
Unreserved (Deficit)	N/A	N/A	N/A	N/A	2,074,377
Total General Fund	<u>1,610,488</u>	<u>1,968,438</u>	<u>2,069,123</u>	<u>2,469,711</u>	<u>3,050,366</u>
All Other Governmental Funds					
Nonspendable	1,531	7,101	8,211	5,288	N/A
Restricted	188,645	131,448	258,673	313,009	N/A
Unassigned (Deficit)	0	0	(425)	0	N/A
Reserved	N/A	N/A	N/A	N/A	148,174
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	N/A	N/A	N/A	N/A	71,375
Debt Service Funds	N/A	N/A	N/A	N/A	0
Capital Projects Funds	N/A	N/A	N/A	N/A	206,166
Total All Other Governmental Funds	<u>190,176</u>	<u>138,549</u>	<u>266,459</u>	<u>318,297</u>	<u>425,715</u>
Total Governmental Funds	<u>\$1,800,664</u>	<u>\$2,106,987</u>	<u>\$2,335,582</u>	<u>\$2,788,008</u>	<u>\$3,476,081</u>

Note: GASB 54 was implemented in fiscal year 2011.



2008	2007	2006	2005	2004
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
\$695,341	\$1,017,180	\$975,425	\$1,081,687	\$720,833
2,300,013	1,486,945	(73,635)	(876,971)	(237,113)
<u>2,995,354</u>	<u>2,504,125</u>	<u>901,790</u>	<u>204,716</u>	<u>483,720</u>
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
151,933	121,426	235,130	201,771	110,697
51,585	57,547	156,030	73,826	113,164
0	0	0	0	0
<u>804,933</u>	<u>815,411</u>	<u>408,063</u>	<u>285,158</u>	<u>228,061</u>
<u>1,008,451</u>	<u>994,384</u>	<u>799,223</u>	<u>560,755</u>	<u>451,922</u>
<u>\$4,003,805</u>	<u>\$3,498,509</u>	<u>\$1,701,013</u>	<u>\$765,471</u>	<u>\$935,642</u>

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

	2013	2012	2011	2010	2009
Revenues					
Income Taxes	\$1,735,507	\$1,548,753	\$1,626,657	\$1,544,686	\$1,680,604
Property Taxes	4,373,428	4,353,798	4,349,320	4,059,441	4,560,815
Intergovernmental	4,628,000	5,007,888	5,610,908	5,581,373	5,125,435
Interest	4,079	6,285	9,820	13,083	52,667
Tuition and Fees	498,588	387,610	397,999	220,598	214,059
Extracurricular Activities	152,660	179,916	209,908	183,351	197,688
Contributions and Donations	31,022	36,947	21,375	29,313	27,295
Charges for Services	105,066	124,989	138,066	153,133	174,681
Rentals	1,880	1,700	2,000	2,634	4,178
Miscellaneous	43,260	23,633	40,129	19,758	14,978
<i>Total Revenues</i>	<u>11,573,490</u>	<u>11,671,519</u>	<u>12,406,182</u>	<u>11,807,370</u>	<u>12,052,400</u>
Expenditures					
Current:					
Instruction:					
Regular	5,041,132	5,000,387	4,920,559	4,598,101	4,910,346
Special	1,521,958	1,489,364	1,799,284	1,560,754	1,248,295
Vocational	79,538	75,001	71,458	70,925	67,117
Student Intervention	138,647	165,196	191,649	339,048	12,776
Support Services:					
Pupil	433,058	699,224	642,890	587,278	585,437
Instructional Staff	287,340	320,881	453,246	444,152	413,989
Board of Education	82,509	83,794	50,980	41,679	87,962
Administration	1,205,689	1,132,616	1,195,284	1,084,482	1,103,077
Fiscal	392,099	325,331	432,910	376,220	403,219
Business	1,359	21,999	30,680	28,687	38,727
Operation and Maintenance of Plant	948,417	1,001,524	1,148,327	963,066	1,103,255
Pupil Transportation	832,991	688,329	1,018,781	854,523	749,980
Operation of Non-Instructional Services	4,132	0	0	0	0
Operation of Food Services	233,496	243,726	279,864	244,249	270,217
Operation of Community Services	7,300	0	0	0	0
Extracurricular Activities	368,545	376,503	364,396	381,611	403,839
Capital Outlay	115,458	49,839	8,300	622,245	921,888
Debt Service:					
Principal Retirement	55,314	26,603	0	0	0
Interest and Fiscal Charges	2,455	447	0	0	0
<i>Total Expenditures</i>	<u>11,751,437</u>	<u>11,700,764</u>	<u>12,608,608</u>	<u>12,197,020</u>	<u>12,320,124</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(177,947)</u>	<u>(29,245)</u>	<u>(202,426)</u>	<u>(389,650)</u>	<u>(267,724)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	0	0
Inception of Capital Lease	146,624	75,650	0	0	0
Transfers In	75,000	11,000	0	116,600	165,444
Transfers Out	(350,000)	(286,000)	(250,000)	(416,600)	(425,444)
<i>Total Other Financing Sources (Uses)</i>	<u>(128,376)</u>	<u>(199,350)</u>	<u>(250,000)</u>	<u>(300,000)</u>	<u>(260,000)</u>
<i>Net Change in Fund Balances</i>	<u>(\$306,323)</u>	<u>(\$228,595)</u>	<u>(\$452,426)</u>	<u>(\$689,650)</u>	<u>(\$527,724)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.50%	0.23%	0.00%	0.00%	0.00%

2008	2007	2006	2005	2004
\$1,605,512	\$1,501,823	\$1,329,783	\$1,182,066	\$1,092,823
4,425,741	5,155,342	5,026,267	5,103,176	4,775,107
4,874,439	4,759,998	4,644,456	4,553,248	4,501,737
124,954	176,711	91,189	34,686	24,063
197,099	221,754	56,244	55,769	46,141
246,908	309,758	290,301	151,534	135,663
33,321	70,146	34,513	18,851	46,792
184,756	270,045	262,790	282,005	296,120
5,314	7,787	10,677	7,783	6,968
9,358	8,550	1,118	5,278	85,207
11,707,402	12,481,914	11,747,338	11,394,396	11,010,621
4,551,570	4,359,350	4,510,378	4,970,513	4,794,030
1,270,129	1,329,869	1,535,933	1,423,454	1,155,584
63,351	59,507	54,762	54,833	51,639
0	0	0	0	0
596,768	610,225	606,815	613,912	579,799
466,354	433,541	400,096	499,865	470,724
54,834	36,959	46,539	45,977	51,018
1,027,474	1,067,488	805,231	852,759	876,884
332,881	371,725	313,693	315,633	325,462
32,706	28,018	29,925	36,421	27,850
958,097	967,069	973,686	1,008,026	1,070,456
753,843	768,513	690,623	770,480	761,529
0	0	0	0	0
294,331	262,839	320,715	392,307	377,141
0	0	0	0	0
445,806	390,948	354,006	357,388	418,126
223,962	369,621	334,672	146,929	325,713
0	0	68,736	72,947	70,879
0	0	994	3,123	5,191
11,072,106	11,055,672	11,046,804	11,564,567	11,362,025
635,296	1,426,242	700,534	(170,171)	(351,404)
0	371,254	235,008	0	0
0	0	0	0	0
0	30,808	0	0	52,024
(130,000)	(30,808)	0	0	(52,024)
(130,000)	371,254	235,008	0	0
\$505,296	\$1,797,496	\$935,542	(\$170,171)	(\$351,404)
0.00%	0.00%	0.65%	0.67%	0.69%

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

Collection Year	Real Estate			Estimated Actual Value	Tangible Assessed Value
	Assessed Value				
	Residential/ Agricultural	Commercial/ Industrial	Total		
2013	\$187,539,730	\$26,214,110	\$213,753,840	\$610,725,257	\$0
2012	187,328,640	25,339,290	212,667,930	607,622,657	0
2011	189,075,680	24,497,110	213,572,790	610,207,971	0
2010	189,031,680	24,417,430	213,449,110	609,854,600	0
2009	187,824,100	23,853,220	211,677,320	604,792,343	0
2008	185,639,640	23,379,720	209,019,360	597,198,171	4,807,680
2007	183,710,490	22,453,650	206,164,140	589,040,400	9,765,500
2006	181,335,230	22,365,410	203,700,640	582,001,829	14,712,180
2005	158,735,280	19,832,180	178,567,460	510,192,743	19,212,290
2004	155,560,120	19,950,180	175,510,300	501,458,000	19,535,060

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 transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006.

The 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. Beginning in 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

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

Personal		Public Utility Personal		Total	
Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$0	\$6,152,350	\$6,991,307	\$219,906,190	\$617,716,564	\$22.30914
0	5,573,190	6,333,170	218,241,120	613,955,828	22.02885
0	6,152,350	6,991,307	219,725,140	617,199,278	22.17931
0	5,284,160	6,004,727	218,733,270	615,859,327	21.92695
0	4,965,770	5,642,920	216,643,090	610,435,263	21.67722
76,922,880	5,279,450	5,999,375	219,106,490	680,120,426	22.64113
78,124,000	6,276,010	7,131,830	222,205,650	674,296,230	23.44983
78,464,960	6,205,680	7,051,909	224,618,500	667,518,698	24.07686
76,849,160	6,533,790	7,424,761	204,313,540	594,466,664	25.41435
78,140,240	6,472,680	7,355,318	201,518,040	586,953,558	25.48296

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

	2013	2012	2011	2010	2009
Unvoted Millage					
Operating	\$4.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000
Voted Millage - by levy					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	7.8567	7.8404	7.7734	7.7579	7.7572
Commercial/Industrial	7.3287	7.3184	7.5105	7.4948	7.5018
Tangible/Public Utility Personal	26.1000	26.1000	26.1000	26.1000	26.1000
1977 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	1.5051	1.5020	1.4891	1.4862	1.4861
Commercial/Industrial	1.4040	1.4020	1.4388	1.4358	1.4371
Tangible/Public Utility Personal	5.0000	5.0000	5.0000	5.0000	5.0000
1983 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.0342	2.0300	2.0126	2.0086	2.0095
Commercial/Industrial	2.5208	2.5173	2.5834	2.5780	2.5804
Tangible/Public Utility Personal	4.7000	4.7000	4.7000	4.7000	4.7000
1985 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	1.9476	1.9436	1.9269	1.9231	1.9229
Commercial/Industrial	2.4136	2.4102	2.4734	2.4683	2.4706
Tangible/Public Utility Personal	4.5000	4.5000	4.5000	4.5000	4.5000
1988 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.3553	2.3504	2.3304	2.3256	2.3254
Commercial/Industrial	2.7483	2.7445	2.8165	2.8106	2.8132
Tangible/Public Utility Personal	5.0000	5.0000	5.0000	5.0000	5.0000
2005 Permanent Improvements - 5 years (1)					
Effective Millage Rates					
Residential/Agricultural	1.0318	1.0296	1.0208	1.0188	1.0187
Commercial/Industrial	1.3899	1.3880	1.4244	1.4214	1.4228
Tangible/Public Utility Personal	2.5000	2.5000	2.5000	2.5000	2.5000
Total Effective Voted Millage by type of property					
Residential/Agricultural	16.7307	16.6960	16.5531	16.5202	16.5187
Commercial/Industrial	17.8053	17.7804	18.2469	18.2088	18.2260
Tangible/Public Utility Personal	47.8000	47.8000	47.8000	47.8000	47.8000
Total Effective Millage by type of property					
Residential/Agricultural	21.2307	21.1960	21.0531	21.0202	21.0187
Commercial/Industrial	22.3053	22.2804	22.7469	22.7088	22.7260
Tangible/Public Utility Personal	52.3000	52.3000	52.3000	52.3000	52.3000

2008	2007	2006	2005	2004
\$4.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000
7.7505	7.7472	7.7462	7.5200	7.5170
7.4899	7.4844	7.3781	8.2787	8.1365
26.1000	26.1000	26.1000	26.1000	26.1000
1.4848	1.4841	1.4840	1.4406	1.4400
1.4349	1.4338	1.4134	1.5860	1.5587
5.0000	5.0000	5.0000	5.0000	5.0000
2.0107	2.0118	2.0121	2.0893	2.0903
2.5763	2.5744	2.5378	2.8476	2.7987
4.7000	4.7000	4.7000	4.7000	4.7000
1.9251	1.9262	1.9265	2.0004	2.0014
2.4667	2.4648	2.4298	2.7264	2.6796
4.5000	4.5000	4.5000	4.5000	4.5000
2.3289	2.3306	2.3312	2.4497	2.4512
2.8088	2.8067	2.7668	3.1046	3.0513
5.0000	5.0000	5.0000	5.0000	5.0000
1.0225	1.0244	1.0249	1.1537	1.1554
1.4205	1.4195	1.3993	1.5701	1.5432
2.5000	2.5000	2.5000	2.5000	2.5000
16.5225	16.5243	16.5249	16.6537	16.6553
18.1971	18.1836	17.9252	20.1134	19.7680
47.8000	47.8000	47.8000	47.8000	47.8000
21.0225	21.0243	21.0249	21.1537	21.1553
22.6971	22.6836	22.4252	24.6134	24.2680
52.3000	52.3000	52.3000	52.3000	52.3000

(continued)

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

	2013	2012	2011	2010	2009
Overlapping Rates by Taxing District					
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
Burton Public Library Voted Millage					
Effective Millage Rates					
Residential/Agricultural	1.2000	1.2000	1.1980	1.1956	1.1955
Commercial/Industrial	1.1710	1.1693	1.2000	1.1989	1.2000
Tangible/Public Utility Personal	1.2000	1.2000	1.2000	1.2000	1.2000
Village of Burton Unvoted Millage					
Residential/Agricultural	8.1969	8.1914	8.1231	8.1174	8.1172
Commercial/Industrial	9.0709	9.0348	9.3172	9.3172	9.3172
Tangible/Public Utility Personal	9.7500	9.7500	9.7500	9.7500	9.7500
Township of Burton Voted Millage					
Effective Millage Rates					
Residential/Agricultural	5.1969	5.2561	5.9389	5.9316	5.9289
Commercial/Industrial	6.0709	5.5043	6.3130	6.3107	6.3099
Tangible/Public Utility Personal	6.7500	6.3500	7.2500	7.2500	7.2500
Township of Claridon Voted Millage					
Effective Millage Rates					
Residential/Agricultural	7.5605	6.5040	6.5222	6.5171	6.5153
Commercial/Industrial	7.3061	6.2763	6.2885	6.2884	6.2874
Tangible/Public Utility Personal	9.1500	9.4000	9.4000	9.4000	9.4000
Township of Troy Voted Millage					
Residential/Agricultural	8.3363	8.3172	9.3918	9.3722	9.3777
Commercial/Industrial	7.2395	7.2392	8.4271	8.3976	8.4153
Tangible/Public Utility Personal	11.0000	11.0000	12.5000	12.5000	12.5000
Geauga County Voted Millage					
Effective Millage Rates					
Residential/Agricultural	11.9850	11.9674	11.6097	11.2064	10.9011
Commercial/Industrial	12.7460	12.5853	12.4348	12.0948	11.5893
Tangible/Public Utility Personal	15.1000	15.1000	15.1000	15.1000	15.1000

(1) This is renewed every five years and was last renewed in 2008.

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

2008	2007	2006	2005	2004
\$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
0.7926	0.7941	0.7945	0.8943	0.8956
0.8905	0.8898	0.8772	0.9843	0.9674
1.0000	1.0000	1.0000	1.0000	1.0000
8.1326	8.1302	8.1252	8.7626	8.7626
9.3407	9.3440	9.1220	9.5308	9.2209
9.7500	9.7500	9.7500	9.7500	9.7500
5.9351	5.9387	5.9448	5.2931	5.3819
6.3099	6.3070	6.3072	5.6419	5.7536
7.2500	7.2500	7.2500	6.8000	7.1000
6.5245	6.5348	6.5377	6.3170	6.3238
6.2874	6.2873	6.2914	6.7227	6.7227
9.4000	9.4000	9.4000	9.4000	9.4000
9.4210	9.4284	9.4212	10.1821	10.1830
8.3713	8.3613	8.2919	9.3190	9.3190
12.5000	12.5000	12.5000	12.5000	12.5000
10.8584	10.8751	10.8912	11.8767	10.8587
11.4913	11.5035	11.4143	12.6037	11.7554
15.1000	15.1000	15.1000	15.1000	15.1000

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
2012	\$4,847,757	\$4,729,795	97.57%	\$117,245	\$4,847,040	99.99%
2011	4,822,787	4,764,641	0.99	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
2006	5,768,910	5,328,272	92.36	190,742	5,519,014	95.67
2005	5,309,213	5,118,387	96.41	190,147	5,308,534	99.99
2004	5,480,405	5,047,035	92.09	121,135	5,168,170	94.30
2003	5,473,088	4,996,649	91.29	140,381	5,137,030	93.86

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 2013 information cannot be presented because all collections have not been made by June 30, 2013.
- (3) The County does not maintain delinquency information by tax year.

Note: The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. However, our current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. We are looking at options to improve the presentation.

Berkshire Local School District

Principal Taxpayers

Real Estate Tax

2013 and 2004

Name of Taxpayer	2013	
	Assessed Value	Percent of Real Property Assessed Value
City of Akron	\$1,982,390	0.93 %
Thistle Lane Real Properties LLC	1,580,010	0.74
Excel Polymers LLC	1,292,350	0.60
Luxenburg Properties BH	1,263,100	0.59
Great Lakes Cheese	1,126,480	0.53
John & James Masternick Trustees	1,083,930	0.51
Bridge Creek Properties LLC	818,970	0.38
Raklo Farms LLC	709,860	0.33
Totals	<u>\$9,857,090</u>	<u>4.61 %</u>
Total Real Estate Tax Assessed Valuation	<u>\$213,753,840</u>	

Name of Taxpayer	2004	
	Assessed Value	Percent of Real Property Assessed Value
Great Lakes Cheese Company, LLC	\$3,867,190	2.20 %
Thistle Lane Real Properties	1,473,330	0.84
Berkshire Hills Limited	1,224,990	0.70
Excell Polymers LLC	1,138,920	0.65
John J. Masternick	1,061,110	0.60
Troy Oaks Homes	756,890	0.43
Blaine M. Kaufmann	519,680	0.30
City of Akron	448,340	0.26
Stepen Rajki, Jr.	492,010	0.28
William E George	444,370	0.25
Totals	<u>\$11,426,830</u>	<u>6.51 %</u>
Total Real Estate Tax Assessed Valuation	<u>\$175,510,300</u>	

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

Berkshire Local School District

Principal Taxpayers

Public Utilities Tax

2013 and 2004

Name of Taxpayer	2013	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$5,049,850	82.08 %
East Ohio Gas Company	387,590	6.30
American Transmission Systems Inc	369,570	6.01
Ohio Edison	304,170	4.94
Total	<u>\$6,111,180</u>	<u>99.33 %</u>
Total Public Utilities Assessed Valuation	<u>\$6,152,350</u>	

Name of Taxpayer	2004	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$4,167,640	64.90 %
Ohio Bell Telephone Company	928,850	14.35
American Transmission	374,330	5.78
Ohio Edison	192,010	2.97
East Ohio Gas Company	121,310	1.87
Total	<u>\$5,784,140</u>	<u>89.36 %</u>
Total Public Utilities Assessed Valuation	<u>\$6,472,680</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	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Direct Payments	Percentage of Taxes from Direct Payments
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
2007	0.75	1,501,823	687,835	45.80	813,988	54.20
2006	0.75	1,329,783	711,434	53.50	618,349	46.50
2005	0.75	1,182,066	632,405	53.50	549,661	46.50
2004	0.75	1,092,823	611,981	56.00	480,842	44.00

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

Source: Ohio Department of Taxation

Berkshire Local School District
*Computation of Direct and Overlapping
 Governmental Activities Debt
 December 31, 2012*

	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Berkshire Local School District	\$0	100.00%	\$0
Overlapping:			
Geauga County			
Special Assessment Bonds	1,284,922	7.52%	96,626
General Obligation Notes	12,069,114	7.52%	907,597
Total Overlapping	13,354,036	7.52%	1,004,224
Total	\$13,354,036		\$1,004,224

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 2012 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
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	617,199,278	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
2007	8,647	674,296,230	0	0.00	0.00
2006	8,647	667,518,698	0	0.00	0.00
2005	8,647	594,466,664	0	0.00	0.00
2004	8,647	586,953,558	0	0.00	0.00

Source: (1) U.S. Bureau of Census, Census of Population
 (a) 1990 Federal Census
 (b) 2000 Federal Census

(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
\$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
0	0	0.00	0.00
0	0	0.00	0.00
68,736	68,736	0.24	7.95
141,683	141,683	0.50	16.39

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

	2013	2012	2011	2010
Assessed Valuation (1)	<u>\$213,753,840</u>	<u>\$212,667,930</u>	<u>\$213,572,790</u>	<u>\$213,449,110</u>
Debt Limit - 9% of Assessed Value (2)	\$19,237,846	\$19,140,114	\$19,221,551	\$19,210,420
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>\$19,237,846</u>	<u>\$19,140,114</u>	<u>\$19,221,551</u>	<u>\$19,210,420</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)	\$213,754	\$212,668	\$213,573	\$213,449
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$213,754</u>	<u>\$212,668</u>	<u>\$213,573</u>	<u>\$213,449</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.

2009	2008	2007	2006	2005	2004
<u>\$211,677,320</u>	<u>\$209,019,360</u>	<u>\$206,164,140</u>	<u>\$203,700,640</u>	<u>\$178,567,460</u>	<u>\$175,510,300</u>
\$19,050,959	\$18,811,742	\$18,554,773	\$18,333,058	\$16,071,071	\$15,795,927
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>\$19,050,959</u>	<u>\$18,811,742</u>	<u>\$18,554,773</u>	<u>\$18,333,058</u>	<u>\$16,071,071</u>	<u>\$15,795,927</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$211,677	\$209,019	\$206,164	\$203,701	\$178,567	\$175,510
0	0	0	0	0	0
<u>\$211,677</u>	<u>\$209,019</u>	<u>\$206,164</u>	<u>\$203,701</u>	<u>\$178,567</u>	<u>\$175,510</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Berkshire Local School District
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (1)	Personal Income Per Capita (1)	Median Household Income (1)
2013	1,450	\$28,298,200	\$19,516	\$41,830
2012	1,450	28,298,200	19,516	41,830
2011	1,450	28,298,200	19,516	41,830
2010	1,450	28,298,200	19,516	41,830
2009	1,450	28,298,200	19,516	41,830
2008	1,450	28,298,200	19,516	41,830
2007	1,450	28,298,200	19,516	41,830
2006	1,450	28,298,200	19,516	41,830
2005	1,450	28,298,200	19,516	41,830
2004	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	5.6 %	\$219,906,190
37.50	135,100	7.5	218,241,120
37.50	135,100	7.5	219,145,980
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
37.50	135,100	4.9	222,205,650
37.50	135,100	4.4	224,618,500
37.50	135,100	4.7	204,313,540
37.50	135,100	4.7	201,518,040

Berkshire Local School District
Principal Employers
December 31, 2012 and December 31, 2004 (1)

December 31, 2012			
Employer	City	Nature of Business or Activity	Employees
Great Lakes Cheese	Troy	Cheese Packaging and Distribution	578
Excell Polymers, LLC	Burton	Manufacturing	221
Berkshire School Board of Education	Burton	Education	125
Burton Health Care	Burton	Long-term Health Care and Rehabilitation	110
Preston Superstore	Burton	Automobile Sales	110
Duramax	Troy	Manufacturing	93
ARMS Trucking	Burton	Trucking	(1) 75
BFG Supply, Incorporated	Burton	Wholesale Distributor - Greenhouse	62
Ronyak Paving	Burton	Paving	51
Troy Manufacturing	Troy	Manufacturing	41
Total			<u>1,466</u>
Total Employment within the School District			<u>n/a</u>

December 31, 2004			
Employer	City	Nature of Business or Activity	Employees
Great Lakes Cheese	Troy	Cheese Packaging and Distribution	500
Excell Polymers, LLC	Burton	Manufacturing	214
Berkshire School Board of Education	Burton	Education	190
Burton Health Care	Burton	Long-term Health Care and Rehabilitation	158
BFG Supply, Incorporated	Burton	Wholesale Distributor - Greenhouse	125
Duramax	Troy	Manufacturing	90
Preston Superstore	Burton	Automobile Sales	75
Ronyak Paving	Burton	Paving	66
ARMS Trucking	Burton	Trucking	65
Troy Manufacturing	Troy	Manufacturing	32
Total			<u>1,515</u>
Total Employment within the School District			<u>n/a</u>

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

(1) Most current information available.

n/a - Information not available.

Berkshire Local School District
Building Statistics by Function/Program
Last Nine Fiscal Years (1)

	2013	2012	2011	2010	2009
Burton Elementary School					
Constructed in 1959					
Total Building Square Footage	41,645	41,645	41,645	41,645	41,645
Enrollment Grades K-6	505	491	507	508	495
Student Capacity	640	640	640	640	640
Regular Instruction Classrooms	23	23	23	23	16
Regular Instruction Teachers	29	29	23	23	21
Special Instruction Classrooms	4	4	4	4	4
Special Instruction Teachers	5	5	8	8	8
Troy Elementary School					
Constructed in 1924					
Total Building Square Footage	0	0	0	0	18,556
Enrollment Grades 1-6	0	0	0	0	163
Student Capacity	0	0	0	0	190
Regular Instruction Classrooms	0	0	0	0	6
Regular Instruction Teachers	0	0	0	0	6
Special Instruction Classrooms	0	0	0	0	1
Special Instruction Teachers	0	0	0	0	1
Claridon Elementary School					
Constructed in 1920					
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
Junior High/High School					
Constructed in 1936					
Total Building Square Footage	95,485	95,485	95,485	95,485	95,485
Enrollment Grades 7-12	558	548	576	569	629
Student Capacity	760	760	760	760	760
Regular Instruction Classrooms	32	32	32	32	32
Regular Instruction Teachers	27	28	30	30	30
Special Instruction Classrooms	5	5	5	5	5
Special Instruction Teachers	6	5	5	5	5

(1) Information prior to 2005 is not available

Source: School District Records

2008	2007	2006	2005
29,549	29,549	29,549	29,549
363	408	421	371
450	450	450	450
30	23	23	23
30	24	26	26
3	2	2	2
3	2	3	3
18,556	18,556	18,556	18,556
163	149	159	99
190	190	190	190
6	10	10	10
6	11	11	9
1	1	1	1
1	1	1	1
0	0	0	15,467
0	0	0	142
0	0	0	200
0	0	0	6
0	0	0	6
0	0	0	0
0	0	0	0
95,485	95,485	95,485	95,485
619	690	702	724
760	760	760	760
32	32	32	32
30	31	32	32
5	4	4	4
5	4	4	4

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
2013	\$11,751,437	1,063	\$11,055	(1.87) %	69	15.4	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
2007	11,055,672	1,247	8,866	2.81	75	16.6	54	4.3
2006	11,046,804	1,282	8,617	(0.46)	79	16.2	49	3.8
2005	11,564,567	1,336	8,656	5.21	86	15.5	47	3.5
2004	11,362,025	1,381	8,227		87	15.9	68	4.9

Source: School District Records

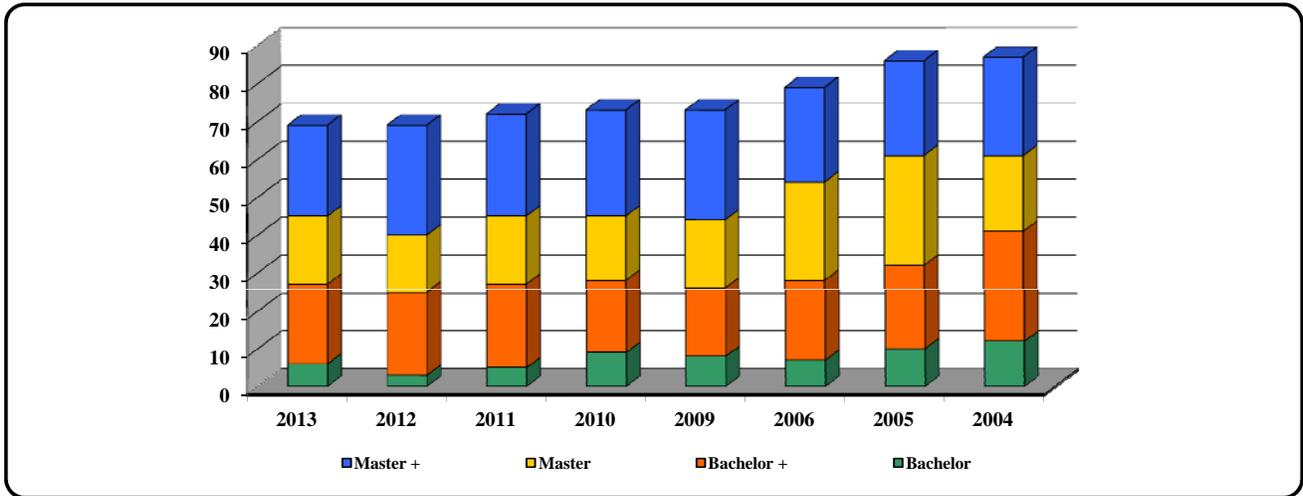
Berkshire Local School District
Attendance and Graduation Rates
Last Ten School Years

Fiscal Year	Berkshire Attendance Rate	State Average	Berkshire Graduation Rate	State Average
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
2007	94.10	93.00	94.00	90.00
2006	95.20	94.10	95.30	86.20
2005	95.60	94.30	94.60	85.90
2004	95.90	94.50	95.40	84.30

Source: Ohio Department of Education Local Report Cards

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

Degree	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Bachelor's Degree	6	3	5	9	8	8	5	7	10	12
Bachelor + 15	4	4	7	4	3	3	2	0	4	3
Bachelor + 150	17	18	15	15	15	15	19	21	18	26
Master's Degree	18	15	18	17	18	20	22	26	29	20
Master + 15	10	12	13	12	11	11	13	11	11	14
Master + 30	14	17	14	16	18	18	14	14	14	12
Total	69	69	72	73	73	75	75	79	86	87



Source: School District Records

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

Function/Program	2013	2012	2011	2010	2009
Regular Instruction					
Elementary Classroom Teachers	29.00	29.00	31.00	31.00	30.00
High School Classroom Teachers	24.00	25.00	30.00	29.00	30.00
Special Instruction					
Elementary Classroom Teachers	4.00	4.00	4.00	4.00	4.00
Gifted Education Teachers	1.00	1.00	1.00	1.00	1.00
High School Classroom Teachers	5.00	5.00	5.00	4.00	3.00
Vocational Instruction					
High School Classroom Teachers	1.00	1.00	1.00	1.00	1.00
Pupil Support Services					
Guidance Counselors	2.00	2.00	2.00	2.00	2.00
Librarians	1.00	1.00	1.00	2.00	2.00
Psychologists	1.00	1.00	1.00	1.00	1.00
Speech and Language Pathologists	1.00	1.00	2.00	2.00	2.00
Nurse	1.00	1.00	1.00	1.00	1.00
Aides	4.00	5.00	5.00	5.00	9.00
Administration					
Elementary	2.00	2.00	2.00	2.00	3.00
High School	2.00	2.00	2.00	2.00	2.00
Central Office	2.00	2.00	2.00	2.00	1.00
Secretarial	7.50	7.50	7.50	7.50	8.00
Technology	1.00	1.00	1.00	1.00	1.50
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	7.00	7.00	8.00	7.50	7.50
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	10.00	10.00	10.00	10.00	10.00
Bus Aides	3.00	3.00	5.00	5.00	6.00
Van Drivers	2.00	2.00	2.00	2.00	2.00
Food Service Program					
Elementary Cooks	4.00	4.00	4.00	4.00	4.00
High School Cooks	3.00	3.00	3.00	3.00	3.00
Totals	<u>122.50</u>	<u>124.50</u>	<u>135.50</u>	<u>134.00</u>	<u>139.00</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

2008	2007	2006	2005	2004
30.00	35.00	33.00	34.00	39.00
30.00	31.00	31.00	33.00	33.00
4.00	3.00	4.00	4.00	4.00
1.00	0.50	0.50	1.00	1.00
5.00	4.00	3.00	4.00	3.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
9.00	9.00	9.00	9.00	9.00
3.00	3.00	3.00	3.50	3.00
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
3.00	3.00	3.00	3.00	3.00
1.50	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
7.50	9.00	9.00	10.50	11.00
1.00	1.00	2.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
10.00	9.00	13.00	13.00	13.00
5.00	2.00	1.00	2.00	1.00
2.00	1.00	1.00	2.00	1.00
6.00	5.00	5.00	5.00	5.00
4.00	4.00	4.00	5.00	5.00
<u>138.00</u>	<u>136.50</u>	<u>138.50</u>	<u>147.00</u>	<u>149.00</u>

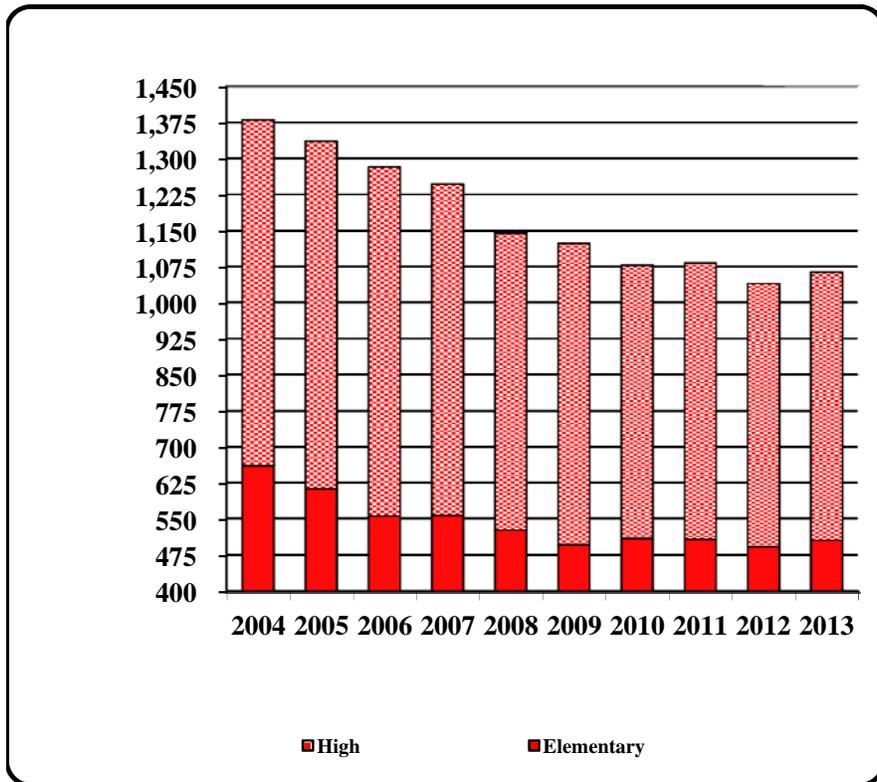
Berkshire Local School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Junior/High School	Total
2013	505	558	1,063
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
2007	557	690	1,247
2006	556	726	1,282
2005	612	724	1,336
2004	661	720	1,381

Source: School District Records

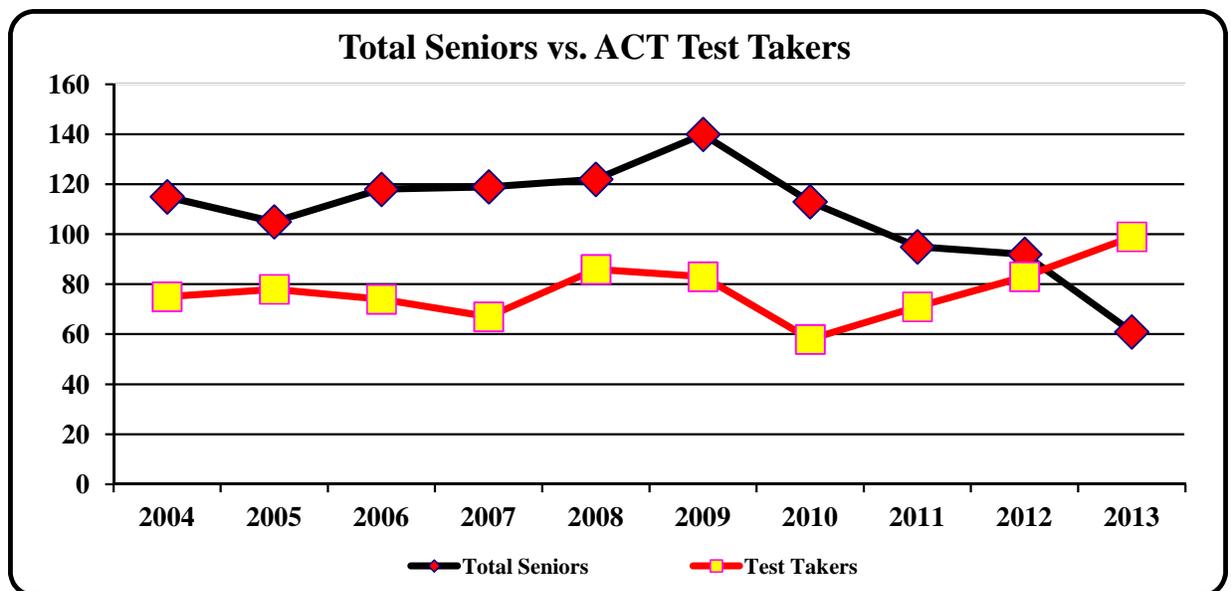


Berkshire Local School District

ACT Composite Scores

Last Ten School Years

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Berkshire Composite	Ohio Composite	National Composite
2013	99	61	162.30 %	20.7	21.8	21.1
2012	83	92	90.22	22.5	21.8	21.1
2011	71	95	74.74	22	21.8	21
2010	58	113	51.33	21.7	21.7	21.1
2009	83	140	59.29	22.6	21.7	21.1
2008	86	122	70.49	22.6	21.7	21.1
2007	67	119	56.30	22.4	21.6	21.2
2006	74	118	62.71	21.8	21.5	21.1
2005	78	105	74.29	20.7	21.4	20.9
2004	75	115	65.22	20.5	21.4	20.9



Source: High School Guidance Office,
Berkshire Local School District

Berkshire Local School District

SAT Composite Scores

Last Ten Fiscal Years

School Year	Number of Senior Test Takers	Berkshire Verbal	Ohio Verbal	National Verbal
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
2006	118	570	535	503
2005	105	571	539	508
2004	115	575	538	508

Source: High School Guidance Office, Berkshire Local School District

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

<u>Berkshire Math</u>	<u>Ohio Math</u>	<u>National Math</u>
763	552	514
528	514	514
520	516	516
520	546	515
530	533	515
n/a	544	515
568	542	515
560	544	518
555	543	520
574	542	518

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

Fiscal Year	Berkshire Average	State Average
2013	15.4	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
2007	16.6	19.6
2006	16.2	18.6
2005	15.5	18.5
2004	15.9	18.5

Source: Ohio Department of Education, EMIS Reports



Dave Yost • Auditor of State

BERKSHIRE LOCAL SCHOOL DISTRICT

GEAUGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 3, 2013**