



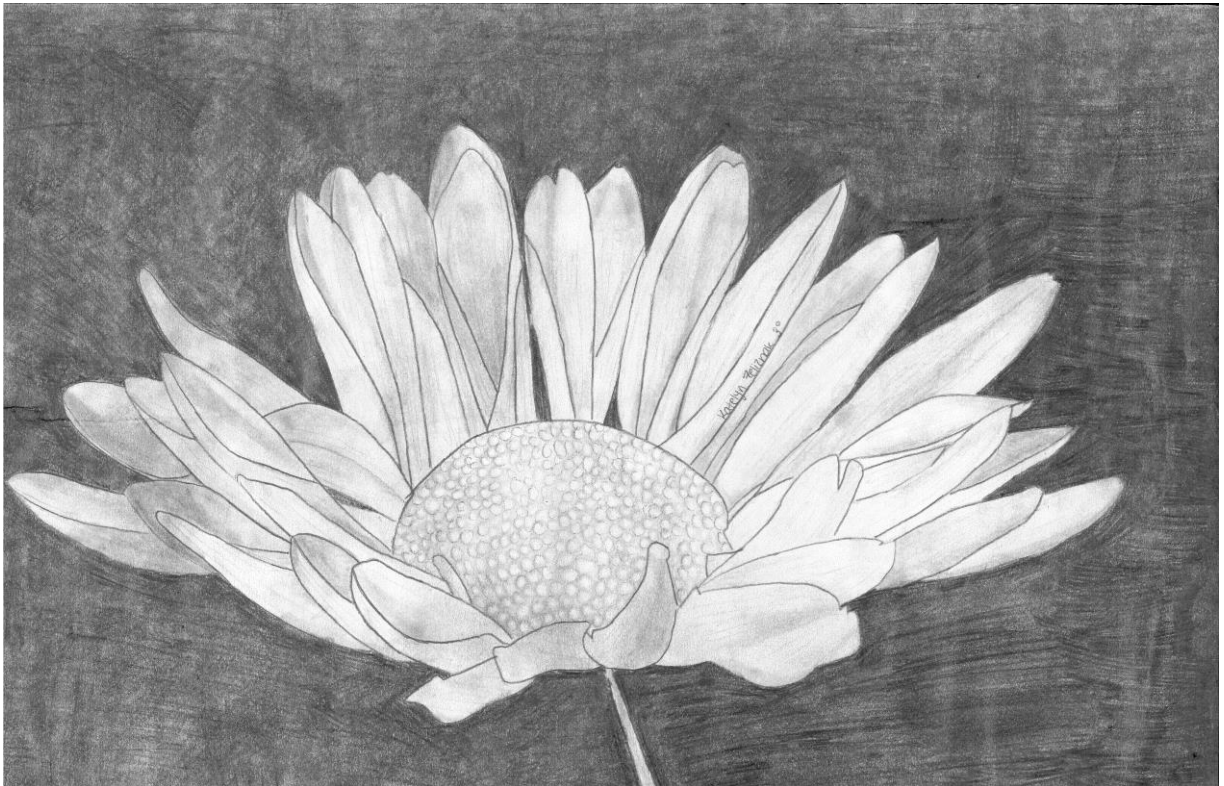
Jacob Patterson – 2nd grade
Ledgemont Elementary

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2015

Berkshire Local School District
Burton, Ohio

Berkshire Local School District Burton, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT



Katelyn Zeliznak – 8th grade
Berkshire High School

For the Fiscal Year Ended June 30, 2015

*Prepared by Beth A. McCaffrey
Treasurer*



Jarred Rzeszotarski – 8th grade
Berkshire High School

Introductory Section

Berkshire Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015
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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**

December 18, 2015

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, 2015. 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 2015, 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 43.5 non-certificated employees, 70 certificated full time teaching personnel and 7 administrative employees to provide services to 906 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 Junior Senior High School built in 1936, with additions in 1973 and 2002, houses 480 students from grades 7 through 12.
- Burton Elementary School built in 1959, with an addition in 1962, and modular addition in 2009, houses 426 students from grades kindergarten through 6.

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, Excel Polymers, LLC, Troy Manufacturing, Burton Floral and Garden, Preston Superstore, and TRC Manufacturing.

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

The high school and elementary building are located in Burton Village, known for its historical atmosphere – a place where history lives. Around the center of town and in the surrounding area are many specialty shops that add to the charm of the Village and to the local economy. These include All Matters, Inc., A.H., Christiansons, Beaches and Dreams Travel, Buckeye Chocolate Company, 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 2015, the School District maintained a restrictive budget and monitored costs to end the fiscal year with a conservative balance. The School District has continued to closely monitor expenditures as a result of declining revenue and anticipated revenue losses in the coming years. Various cost cutting measures including sharing transportation arrangements with other nearby districts when feasible. These efforts were made to attempt to keep ahead of the rising cost of utilities and fuel and building maintenance repairs. The School District is striving to maintain a quality education for its students within a tight budget.

Long-Term Planning

Annually, the School District prepares a five-year financial forecast in accordance with State law. The financial forecast is the foundation for the School District's operations and is used as a financial planning tool to assist the School District in determining its ability to meet certain financial obligations and plan future funding needs. The forecast shows revenues and expenditures for the general operating fund for the past three fiscal years and projects revenues and expenditures for the ensuing five-year period. Through a collaborative process, the administration assists the Board of Education in determining and prioritizing the needs of the School District.

Major Initiatives

Strategic Planning/Long-term Financial Goals

For the future of the School District, the Board needs to evaluate the current and future revenue sources and expenditures and the needs of our facilities, and review curriculum and staffing needs at all levels. The

Board is currently exploring the possibility of collaboration efforts with Kent State University, Newbury Local Schools and Cardinal Local Schools. The Board wants to make sure the needs of the School District are met with the lowest financial impact on the community.

To offset declining enrollment, the School District expanded their open enrollment policy in 2012 to include students at the Kindergarten through sixth grade levels. For fiscal year 2015, an additional one hundred and one students open enrolled to the School District. The School District will continue the expanded open enrollment policy in the 2015/2016 school year.

No Child Left Behind Compliance

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

Federal Projects

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

Educational Programs and Facilities Improvements

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

During the 2015 school year, the School District’s curriculum included a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and vocational programs. Advanced placement courses are offered at the high school in Biology, Calculus and Chemistry. The high school offers over 180 courses on the main campus with over 50 additional vocational offerings at Auburn Career Center.

The School District regularly assesses the needs of the buildings and what facility improvements are needed for that school year. Minor repairs and updates have been made during the current year while looking to the major needs and planning for those projects in the near future. The Facilities Committee has spent much time reviewing the needs, prioritizing them and planning a schedule of completion.

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Berkshire Local School District for its

comprehensive annual financial report for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

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

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

Respectfully submitted,



Beth A. McCaffrey
Treasurer



Douglas DeLong
Superintendent

Berkshire Local School District

Principal Officials

June 30, 2015

Board of Education

Jim KosterPresident
Kimberly Brown.....Vice-President
John ManfrediMember
Lee Imhof.....Member
Tim Honkala.....Member

Treasurer

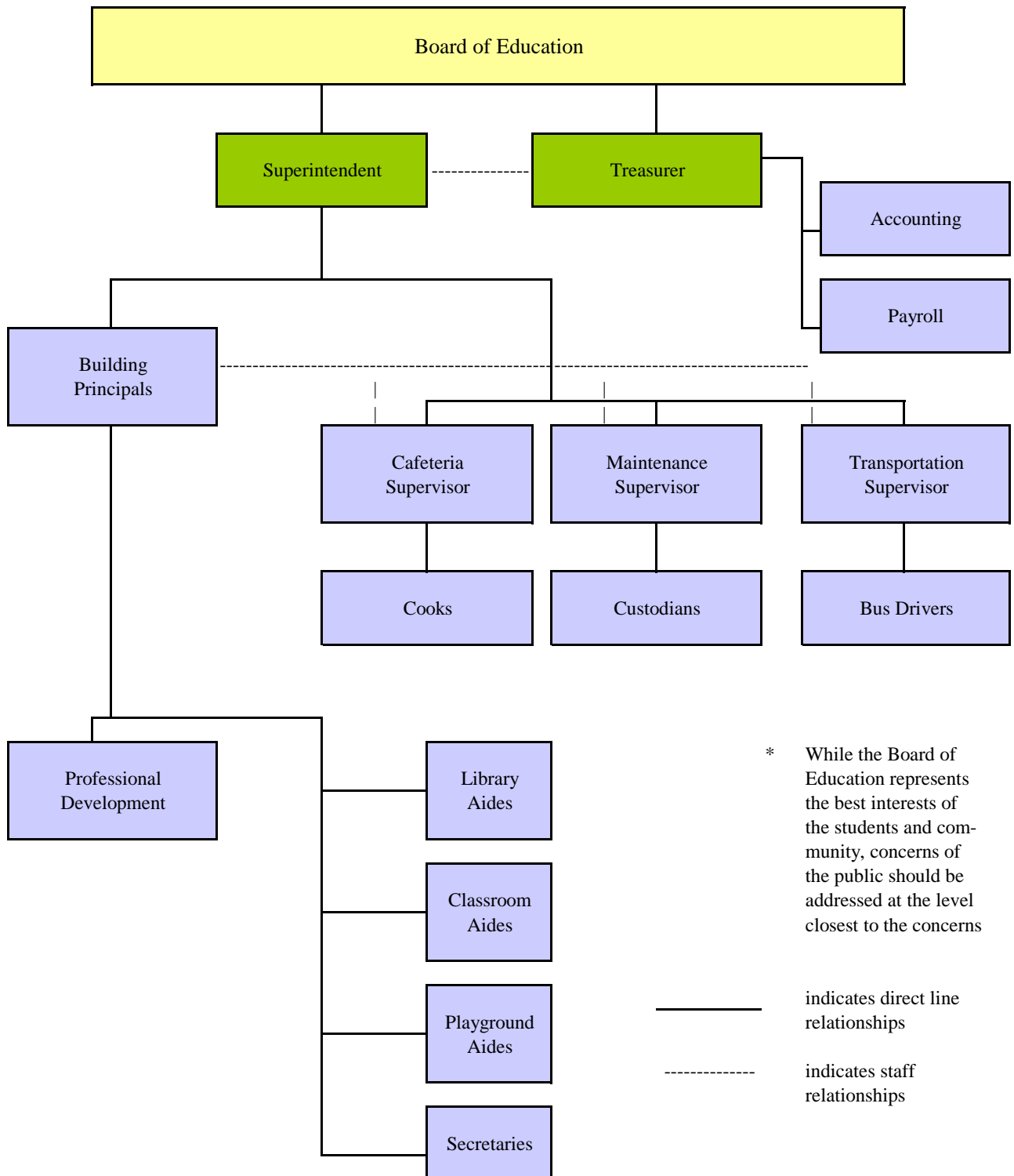
Mrs. Beth A. McCaffrey

Superintendent

Mr. Douglas Delong

Berkshire Local School District

Organizational Chart





Government Finance Officers Association

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

Presented to

**Berkshire Local School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive style with a large, stylized 'J' and 'E'.

Executive Director/CEO

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Georgia Clark – 2nd grade
Burton Elementary

Financial Section



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each the 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Berkshire Local School District, Geauga County, Ohio, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the District adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 18, 2015

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Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
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, 2015. 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 2015 are as follows:

- Total net position of governmental activities increased \$626,445 which represents a 6.55 percent increase from fiscal year 2014.
- Total revenues of \$13,188,923 were comprised of general revenues in the amount of \$11,156,081 or 84.59 percent and program specific revenues from charges for services, grants and contributions in the amount of \$2,032,842 or 15.41 percent.
- The School District leased two new buses in fiscal year 2015, through the general fund. A new Cisco Meraki wireless network was implemented district wide with the majority of it being funded through grant monies. A new public address system and playground fencing was installed at Burton Elementary. New scoreboards, sound system and bleachers were installed at the high school gymnasium. District wide improvements included repairs to asphalt and roofs throughout the District. These purchases were made through the permanent improvement levy. This levy was renewed, one year early, on the November 2013 ballot for five additional years.

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 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all non-fiduciary assets and liabilities

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

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

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

Proprietary Fund The School District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District's internal service fund accounts for dental and prescription claims self-insurance. The proprietary fund uses the accrual basis of accounting.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2015 compared to 2014:

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Table 1
Net Position
Governmental Activities

| | 2015 | 2014 | Change |
|--|----------------------|----------------------|------------------|
| Assets | | | |
| Current and Other Assets | \$7,634,150 | \$7,324,958 | \$309,192 |
| Capital Assets, net | 3,593,605 | 3,484,653 | 108,952 |
| <i>Total Assets</i> | <u>11,227,755</u> | <u>10,809,611</u> | <u>418,144</u> |
| Deferred Outflows of Resources | | | |
| Pension | 930,802 | 750,375 | 180,427 |
| Liabilities | | | |
| Current Liabilities | 1,326,559 | 1,220,194 | 106,365 |
| Long-Term Liabilities | | | |
| Due Within One Year | 345,865 | 328,615 | 17,250 |
| Due In More Than One Year | | | |
| Other Amounts | 844,007 | 807,606 | 36,401 |
| Net Pension Liability | 12,671,110 | 15,054,007 | (2,382,897) |
| <i>Total Liabilities</i> | <u>15,187,541</u> | <u>17,410,422</u> | <u>123,615</u> |
| Deferred Inflows of Resources | | | |
| Property Taxes | 3,615,720 | 3,709,160 | (93,440) |
| Pension | 2,288,447 | - | 2,288,447 |
| <i>Total Deferred Inflows of Resources</i> | <u>5,904,167</u> | <u>3,709,160</u> | <u>2,195,007</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 3,260,556 | 3,206,253 | 54,303 |
| Restricted for: | | | |
| Capital Projects | 77,674 | 247,599 | (169,925) |
| Set Asides | 39,468 | 39,468 | 0 |
| Other Purposes | 124,233 | 64,040 | 60,193 |
| Unrestricted | (12,435,082) | (13,116,956) | 681,874 |
| <i>Total Net Position</i> | <u>(\$8,933,151)</u> | <u>(\$9,559,596)</u> | <u>\$626,445</u> |

During 2015, the School District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Under the new standards required by GASB 68, the net pension liability equals the School District's proportionate share of each plan's collective:

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

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

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

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

As a result of implementing GASB 68, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$4,744,036 to (\$9,559,596).

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

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current year. Table 2 shows total revenues, expenses and changes in net position for the fiscal years 2015 and 2014.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Table 2
Governmental Activities

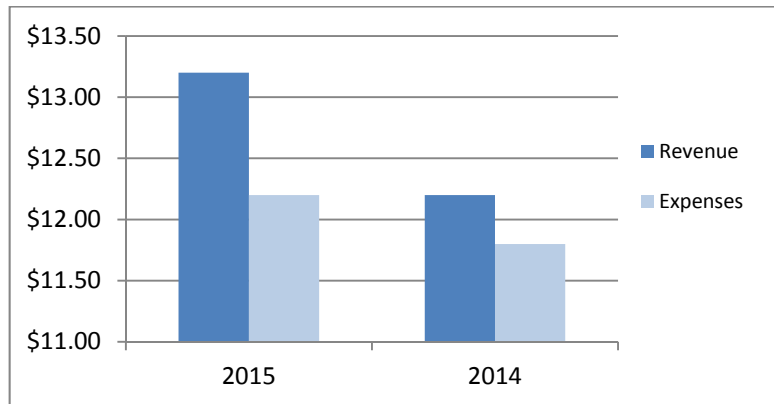
| | 2015 | 2014 | Change |
|------------------------------------|-----------------------------|-----------------------------|------------------|
| Program Revenues | | | |
| Charges for Services and Sales | \$879,164 | \$887,057 | (\$7,893) |
| Operating Grants and Contributions | 1,153,678 | 647,311 | 506,367 |
| <i>Total Program Revenues</i> | <u>2,032,842</u> | <u>1,534,368</u> | <u>498,474</u> |
| General Revenues | | | |
| Property Taxes | 4,997,029 | 4,534,888 | 462,141 |
| Income Taxes | 1,969,869 | 2,009,045 | (39,176) |
| Grants and Entitlements | 4,135,157 | 4,023,930 | 111,227 |
| Investments, Earnings | 5,463 | 5,439 | 24 |
| Unrestricted Contributions | 840 | 3,680 | (2,840) |
| Miscellaneous | 47,723 | 48,801 | (1,078) |
| <i>Total General Revenues</i> | <u>11,156,081</u> | <u>10,625,783</u> | <u>530,298</u> |
| <i>Total Revenues</i> | <u>13,188,923</u> | <u>12,160,151</u> | <u>1,028,772</u> |
| Program Expenses | | | |
| Instruction: | | | |
| Regular | 5,559,328 | 5,060,982 | (498,346) |
| Special | 1,503,851 | 1,556,460 | 52,609 |
| Vocational | 4,181 | 33,765 | 29,584 |
| Student Intervention | 107,764 | 90,120 | (17,644) |
| Support Services | | | |
| Pupil | 665,385 | 603,317 | (62,068) |
| Instructional Staff | 327,824 | 293,308 | (34,516) |
| Board of Education | 92,855 | 76,731 | (16,124) |
| Administration | 1,079,853 | 1,182,343 | 102,490 |
| Fiscal | 426,786 | 429,912 | 3,126 |
| Business | 2,270 | 2,904 | 634 |
| Operation and Maintenance of Plant | 1,179,273 | 1,036,171 | (143,102) |
| Pupil Transportation | 943,414 | 875,550 | (67,864) |
| Operation of Community Services | 438 | 955 | 517 |
| Operation of Food Services | 250,013 | 264,347 | 14,334 |
| Extracurricular Activities | 411,667 | 369,113 | (42,554) |
| Interest and Fiscal Charges | 7,576 | 5,329 | (2,247) |
| <i>Total Program Expenses</i> | <u>12,562,478</u> | <u>11,881,307</u> | <u>(681,171)</u> |
| <i>Change in Net Position</i> | 626,445 | 278,844 | <u>\$347,601</u> |
| Net Position Beginning of Year | <u>(9,559,596)</u> | <u>N/A</u> | |
| Net Position End of Year | <u><u>(\$8,933,151)</u></u> | <u><u>(\$9,559,596)</u></u> | |

Berkshire Local School District
Management's Discussion and Analysis
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Unaudited

Graph 1
Revenues and Expenses
(In Millions)

| | <u>2015</u> | <u>2014</u> |
|----------|-------------|-------------|
| Revenues | \$13.2 | \$12.2 |
| Expenses | 12.6 | 11.9 |

Graph 1
Revenues and Expenses
(In Millions)



The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$750,375 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$536,681. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

| | |
|---|-------------------------|
| Total 2015 program expenses under GASB 68 | \$12,562,478 |
| Pension expense under GASB 68 | (536,681) |
| 2015 contractually required contribution | <u>811,557</u> |
| Adjusted 2015 program expenses | 12,837,354 |
| Total 2014 program expenses under GASB 27 | <u>11,881,307</u> |
| Increase in program expenses not related to pension | <u><u>\$956,047</u></u> |

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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.

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 revenues increased during fiscal year 2015 due primarily to the increase in delinquent property tax collections.

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

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

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, 2015
Unaudited

Table 3
Total and Net Cost of Program Services
Governmental Activities

| | 2015 | | 2014 | |
|------------------------------------|--------------------------|------------------------|--------------------------|------------------------|
| | Total Cost of Service | Net Cost of Service | Total Cost of Service | Net Cost of Service |
| Instruction: | | | | |
| Regular | \$5,559,328 | (\$4,110,869) | \$5,060,982 | (\$4,148,208) |
| Special | 1,503,851 | (1,310,391) | 1,556,460 | (1,353,043) |
| Vocational | 4,181 | (4,181) | 33,765 | (33,765) |
| Student Intervention | 107,764 | (107,764) | 90,120 | (90,120) |
| Support Services: | | | | |
| Pupil | 665,385 | (636,667) | 603,317 | (575,495) |
| Instructional Staff | 327,824 | (278,868) | 293,308 | (259,785) |
| Board of Education | 92,855 | (92,855) | 76,731 | (76,731) |
| Administration | 1,079,853 | (1,076,253) | 1,182,343 | (1,178,743) |
| Fiscal | 426,786 | (426,786) | 429,912 | (429,912) |
| Business | 2,270 | (2,270) | 2,904 | (2,904) |
| Operation and Maintenance of Plant | 1,179,273 | (1,179,273) | 1,036,171 | (1,036,171) |
| Pupil Transportation | 943,414 | (943,414) | 875,550 | (875,550) |
| Operation of Community Services | 438 | (438) | 955 | (955) |
| Operation of Food Services | 250,013 | (110,111) | 264,347 | (94,228) |
| Extracurricular Activities | 411,667 | (241,920) | 369,113 | (186,000) |
| Interest and Fiscal Charges | 7,576 | (7,576) | 5,329 | (5,329) |
| Total | <u>\$12,562,478</u> | <u>(\$10,529,636)</u> | <u>\$11,881,307</u> | <u>(\$10,346,939)</u> |

The School District's Funds

Information regarding the School District's major funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$13,051,619 and expenditures of \$12,711,364. The general fund increase in fund balance is mainly due to the increases in property taxes and intergovernmental revenues. The permanent improvement fund balance decreased due to increased expenditures for building improvements. The School District has developed a five year plan of improvements and continues to stay within revenue projections. As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, property and income taxes from the communities that comprise the School District are the largest revenue source, accounting for 52.33 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 2015, 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, 2015
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 \$169,430 higher than budgeted. This is due in large part to the School District's continued commitment to provide a quality education while still controlling the costs of a quality education.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal 2015 balances compared to 2014:

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

| | <u>2015</u> | <u>2014</u> |
|-----------------------------------|---------------------------|---------------------------|
| Land | \$13,810 | \$13,810 |
| Land Improvements | 53,464 | 60,752 |
| Building and Improvements | 2,420,696 | 2,485,976 |
| Furniture, Fixtures and Equipment | 410,731 | 319,254 |
| Vehicles | <u>694,904</u> | <u>604,861</u> |
| <i>Total Capital Assets</i> | <u><u>\$3,593,605</u></u> | <u><u>\$3,484,653</u></u> |

The School District purchased two new buses, a new public address system for Burton Elementary and for the high school gym, new bleachers for the high school gym and a new Cisco Meraki wireless system districtwide during fiscal year 2015. 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 2015, this amounted to \$160,249. See Note 11 to the basic financial statements for additional information on the School District's capital assets and Note 21 for additional information regarding required set-asides.

Debt

The School District had no bonded debt in fiscal year 2015. The School District initiated capital leases in the amount of \$163,306 during the fiscal year. The outstanding capital lease balance as of the end of fiscal year 2015 was \$333,049. See Note 17 to the basic financial statements for additional information regarding long-term obligations.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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.

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 2014 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

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Berkshire Local School District*Statement of Net Position**June 30, 2015*

| | Governmental Activities |
|--|-----------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$1,886,475 |
| Restricted Cash and Cash Equivalents | 39,468 |
| Accounts Receivable | 35,950 |
| Intergovernmental Receivable | 79,220 |
| Prepaid Items | 1,807 |
| Inventory Held for Resale | 2,235 |
| Materials and Supplies Inventory | 1,167 |
| Income Taxes Receivable | 956,454 |
| Property Taxes Receivable | 4,631,374 |
| Nondepreciable Capital Assets | 13,810 |
| Depreciable Capital Assets, Net | 3,579,795 |
| <i>Total Assets</i> | <u>11,227,755</u> |
| Deferred Outflows of Resources | |
| Pension | <u>930,802</u> |
| Liabilities | |
| Accounts Payable | 106,596 |
| Accrued Wages and Benefits | 796,972 |
| Intergovernmental Payable | 242,514 |
| Matured Compensated Absences Payable | 140,420 |
| Claims Payable | 40,057 |
| Long-Term Liabilities: | |
| Due Within One Year | 345,865 |
| Due In More Than One Year | 844,007 |
| Net Pension Liability (See Note 14) | <u>12,671,110</u> |
| <i>Total Liabilities</i> | <u>15,187,541</u> |
| Deferred Inflows of Resources | |
| Property Taxes | 3,615,720 |
| Pension | <u>2,288,447</u> |
| <i>Total Deferred Inflows of Resources</i> | <u>5,904,167</u> |
| Net Position | |
| Net Investment in Capital Assets | 3,260,556 |
| Restricted for: | |
| Capital Projects | 77,674 |
| Set Asides | 39,468 |
| Other Purposes | 124,233 |
| Unrestricted (Deficit) | <u>(12,435,082)</u> |
| <i>Total Net Position</i> | <u><u>(\$8,933,151)</u></u> |

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2015

| | | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|--|---------------------|--------------------------------------|--|--|
| | Expenses | Charges for Services and Sales | Operating Grants and Contributions | Governmental Activities |
| Governmental Activities | | | | |
| Instruction: | | | | |
| Regular | \$5,559,328 | \$633,047 | \$815,412 | (\$4,110,869) |
| Special | 1,503,851 | 0 | 193,460 | (1,310,391) |
| Vocational | 4,181 | 0 | 0 | (4,181) |
| Student Intervention | 107,764 | 0 | 0 | (107,764) |
| Support Services: | | | | |
| Pupil | 665,385 | 0 | 28,718 | (636,667) |
| Instructional Staff | 327,824 | 0 | 48,956 | (278,868) |
| Board of Education | 92,855 | 0 | 0 | (92,855) |
| Administration | 1,079,853 | 0 | 3,600 | (1,076,253) |
| Fiscal | 426,786 | 0 | 0 | (426,786) |
| Business | 2,270 | 0 | 0 | (2,270) |
| Operation and Maintenance of Plant | 1,179,273 | 0 | 0 | (1,179,273) |
| Pupil Transportation | 943,414 | 0 | 0 | (943,414) |
| Operation of Community Services | 438 | 0 | 0 | (438) |
| Operation of Food Services | 250,013 | 77,260 | 62,642 | (110,111) |
| Extracurricular Activities | 411,667 | 168,857 | 890 | (241,920) |
| Interest and Fiscal Charges | 7,576 | 0 | 0 | (7,576) |
| Totals | \$12,562,478 | \$879,164 | \$1,153,678 | (10,529,636) |
| General Revenues | | | | |
| Property Taxes Levied for: | | | | |
| General Purposes | | | | 4,765,063 |
| Capital Outlay | | | | 231,966 |
| Income Taxes Levied for General Purposes | | | | 1,969,869 |
| Grants and Entitlements not Restricted to | | | | |
| Specific Programs | | | | 4,135,157 |
| Investment Earnings | | | | 5,463 |
| Unrestricted Contributions | | | | 840 |
| Miscellaneous | | | | 47,723 |
| Total General Revenues | | | | 11,156,081 |
| Change in Net Position | | | | 626,445 |
| <i>Net Position, Beginning of Year - Restated See Note 3</i> | | | | <i>(9,559,596)</i> |
| <i>Net Position, End of Year</i> | | | | <i>(\$8,933,151)</i> |

See accompanying notes to the basic financial statements

Berkshire Local School District

Balance Sheet

Governmental Funds

June 30, 2015

| | <u>General</u> | <u>Permanent Improvement</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|--------------------|----------------------------------|---|---|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,671,242 | \$66,211 | \$93,630 | \$1,831,083 |
| Restricted Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | 41,614 | 0 | 0 | 41,614 |
| Accounts Receivable | 35,950 | 0 | 0 | 35,950 |
| Intergovernmental Receivable | 0 | 0 | 79,220 | 79,220 |
| Prepaid Items | 1,807 | 0 | 0 | 1,807 |
| Inventory Held for Resale | 0 | 0 | 2,235 | 2,235 |
| Materials and Supplies Inventory | 0 | 0 | 1,167 | 1,167 |
| Income Taxes Receivable | 956,454 | 0 | 0 | 956,454 |
| Property Taxes Receivable | 4,400,113 | 231,261 | 0 | 4,631,374 |
| <i>Total Assets</i> | <u>\$7,107,180</u> | <u>\$297,472</u> | <u>\$176,252</u> | <u>\$7,580,904</u> |
| Liabilities | | | | |
| Accounts Payable | \$38,660 | \$38,883 | \$29,053 | \$106,596 |
| Accrued Wages and Benefits | 781,589 | 0 | 15,383 | 796,972 |
| Intergovernmental Payable | 237,412 | 0 | 5,102 | 242,514 |
| Matured Compensated Absences Payable | 136,306 | 0 | 4,114 | 140,420 |
| <i>Total Liabilities</i> | <u>1,193,967</u> | <u>38,883</u> | <u>53,652</u> | <u>1,286,502</u> |
| Deferred Inflows of Resources | | | | |
| Property Taxes | 3,434,805 | 180,915 | 0 | 3,615,720 |
| Unavailable Revenue | 375,649 | 7,546 | 0 | 383,195 |
| <i>Total Deferred Inflows of Resources</i> | <u>3,810,454</u> | <u>188,461</u> | <u>0</u> | <u>3,998,915</u> |
| Fund Balance | | | | |
| Nonspendable | 3,953 | 0 | 1,167 | 5,120 |
| Restricted | 39,468 | 70,128 | 122,087 | 231,683 |
| Committed | 184,943 | 0 | 0 | 184,943 |
| Assigned | 20,807 | 0 | 0 | 20,807 |
| Unassigned (Deficit) | 1,853,588 | 0 | (654) | 1,852,934 |
| <i>Total Fund Balances</i> | <u>2,102,759</u> | <u>70,128</u> | <u>122,600</u> | <u>2,295,487</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$7,107,180</u> | <u>\$297,472</u> | <u>\$176,252</u> | <u>\$7,580,904</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, 2015*

| | |
|---|--------------------|
| Total Governmental Fund Balances | \$2,295,487 |
|---|--------------------|

*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. | 3,593,605 |
|---|-----------|

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 | 146,554 |
| Income Taxes | <u>236,641</u> |

| | |
|-------|---------|
| Total | 383,195 |
|-------|---------|

The net pension liability is not due and payable in the current period; therefore, the liability and related dererred inflows/outflows are not reported in governmental funds:

| | |
|-----------------------------|---------------------|
| Deferred Outflows - Pension | 930,802 |
| Deferred Inflows - Pension | (2,288,447) |
| Net Pension Liability | <u>(12,671,110)</u> |

| | |
|-------|--------------|
| Total | (14,028,755) |
|-------|--------------|

| | |
|--|--------|
| 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. | 13,189 |
|--|--------|

| | |
|--|--------------------|
| 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>(1,189,872)</u> |
|--|--------------------|

| | |
|--|-----------------------------|
| <i>Net Position of Governmental Activities</i> | <u><u>(\$8,933,151)</u></u> |
|--|-----------------------------|

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, 2015

| | General | Permanent Improvement | Other Governmental Funds | Total Governmental Funds |
|---|--------------------|--------------------------|--------------------------------|--------------------------------|
| Revenues | | | | |
| Income Taxes | \$1,850,476 | \$0 | \$0 | \$1,850,476 |
| Property Taxes | 4,730,652 | 248,466 | 0 | 4,979,118 |
| Intergovernmental | 4,230,453 | 56,521 | 960,253 | 5,247,227 |
| Interest | 5,463 | 0 | 0 | 5,463 |
| Tuition and Fees | 631,147 | 0 | 0 | 631,147 |
| Extracurricular Activities | 110,724 | 0 | 57,613 | 168,337 |
| Contributions and Donations | 29,558 | 0 | 12,890 | 42,448 |
| Charges for Services | 0 | 0 | 77,260 | 77,260 |
| Rentals | 1,900 | 0 | 520 | 2,420 |
| Miscellaneous | 47,723 | 0 | 0 | 47,723 |
| <i>Total Revenues</i> | <u>11,638,096</u> | <u>304,987</u> | <u>1,108,536</u> | <u>13,051,619</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 4,979,713 | 0 | 575,593 | 5,555,306 |
| Special | 1,287,489 | 0 | 203,567 | 1,491,056 |
| Vocational | 309 | 0 | 1,000 | 1,309 |
| Student Intervention | 102,829 | 0 | 0 | 102,829 |
| Support Services: | | | | |
| Pupil | 643,904 | 0 | 7,042 | 650,946 |
| Instructional Staff | 245,244 | 0 | 70,270 | 315,514 |
| Board of Education | 92,855 | 0 | 0 | 92,855 |
| Administration | 1,101,238 | 0 | 14,050 | 1,115,288 |
| Fiscal | 439,221 | 4,828 | 0 | 444,049 |
| Business | 2,270 | 0 | 0 | 2,270 |
| Operation and Maintenance of Plant | 817,944 | 330,817 | 0 | 1,148,761 |
| Pupil Transportation | 969,397 | 0 | 0 | 969,397 |
| Operation of Community Services | 0 | 0 | 438 | 438 |
| Operation of Food Services | 4,114 | 0 | 217,735 | 221,849 |
| Extracurricular Activities | 345,836 | 0 | 87,275 | 433,111 |
| Capital Outlay | 50,153 | 0 | 0 | 50,153 |
| Debt Service: | | | | |
| Principal Retirement | 108,657 | 0 | 0 | 108,657 |
| Interest and Fiscal Charges | 7,576 | 0 | 0 | 7,576 |
| <i>Total Expenditures</i> | <u>11,198,749</u> | <u>335,645</u> | <u>1,176,970</u> | <u>12,711,364</u> |
| <i>Excess of Revenues Over (Under)</i> | | | | |
| <i> Expenditures</i> | <u>439,347</u> | <u>(30,658)</u> | <u>(68,434)</u> | <u>340,255</u> |
| Other Financing Sources (Uses) | | | | |
| Inception of Capital Lease | 163,306 | 0 | 0 | 163,306 |
| Transfers In | 0 | 0 | 95,000 | 95,000 |
| Transfers Out | (370,000) | 0 | 0 | (370,000) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(206,694)</u> | <u>0</u> | <u>95,000</u> | <u>(111,694)</u> |
| <i>Net Change in Fund Balances</i> | <u>232,653</u> | <u>(30,658)</u> | <u>26,566</u> | <u>228,561</u> |
| <i>Fund Balances Beginning of Year</i> | <u>1,870,106</u> | <u>100,786</u> | <u>96,034</u> | <u>2,066,926</u> |
| <i>Fund Balances End of Year</i> | <u>\$2,102,759</u> | <u>\$70,128</u> | <u>\$122,600</u> | <u>\$2,295,487</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, 2015*

| | |
|---|------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$228,561 |
|---|------------------|

***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 | 321,119 |
| Depreciation | <u>(212,167)</u> |

| | |
|-------|---------|
| Total | 108,952 |
|-------|---------|

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

| | |
|----------------|----------------|
| Property Taxes | 17,911 |
| Income Taxes | <u>119,393</u> |

| | |
|-------|---------|
| Total | 137,304 |
|-------|---------|

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

811,557

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

(536,681)

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

(163,306)

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.

108,657

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.

998

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.

(69,598)

Change in Net Position of Governmental Activities

\$626,445

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, 2015

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|-------------------------|---------------------------|---------------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Income Taxes | \$1,824,874 | \$1,839,804 | \$1,839,804 | \$0 |
| Property Taxes | 4,215,304 | 4,393,952 | 4,393,952 | 0 |
| Intergovernmental | 4,056,486 | 4,160,287 | 4,230,453 | 70,166 |
| Interest | 5,000 | 5,000 | 5,463 | 463 |
| Tuition and Fees | 471,792 | 667,056 | 592,242 | (74,814) |
| Extracurricular Activities | 93,000 | 104,286 | 112,777 | 8,491 |
| Contributions and Donations | 19,000 | 26,200 | 860 | (25,340) |
| Rentals | 1,500 | 1,900 | 1,900 | 0 |
| Miscellaneous | 70,480 | 50,937 | 47,723 | (3,214) |
| <i>Total Revenues</i> | <u>10,757,436</u> | <u>11,249,422</u> | <u>11,225,174</u> | <u>(24,248)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 4,728,623 | 4,799,202 | 4,784,599 | 14,603 |
| Special | 1,457,080 | 1,409,192 | 1,408,238 | 954 |
| Vocational | 17,258 | 7,041 | 7,041 | 0 |
| Student Intervention Services | 116,990 | 103,080 | 102,694 | 386 |
| Support Services: | | | | |
| Pupil | 601,855 | 627,748 | 625,929 | 1,819 |
| Instructional Staff | 295,539 | 307,646 | 287,466 | 20,180 |
| Board of Education | 81,162 | 91,208 | 91,208 | 0 |
| Administration | 1,137,478 | 1,119,701 | 1,084,693 | 35,008 |
| Fiscal | 416,397 | 447,369 | 424,359 | 23,010 |
| Business | 5,000 | 3,160 | 2,270 | 890 |
| Operation and Maintenance of Plant | 821,502 | 828,410 | 821,808 | 6,602 |
| Pupil Transportation | 940,079 | 979,954 | 977,453 | 2,501 |
| Extracurricular Activities | 295,387 | 311,540 | 311,456 | 84 |
| Capital Outlay | 8,900 | 3,080 | 3,080 | 0 |
| <i>Total Expenditures</i> | <u>10,923,250</u> | <u>11,038,331</u> | <u>10,932,294</u> | <u>106,037</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(165,814)</u> | <u>211,091</u> | <u>292,880</u> | <u>81,789</u> |
| Other Financing Uses | | | | |
| Transfers Out | <u>(485,000)</u> | <u>(540,413)</u> | <u>(452,772)</u> | <u>87,641</u> |
| <i>Net Change in Fund Balance</i> | <u>(650,814)</u> | <u>(329,322)</u> | <u>(159,892)</u> | <u>169,430</u> |
| <i>Fund Balance Beginning of Year</i> | <u>1,427,200</u> | <u>1,427,200</u> | <u>1,427,200</u> | <u>0</u> |
| Prior Year Encumbrances Appropriated | <u>166,959</u> | <u>166,959</u> | <u>166,959</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$943,345</u></u> | <u><u>\$1,264,837</u></u> | <u><u>\$1,434,267</u></u> | <u><u>\$169,430</u></u> |

See accompanying notes to the basic financial statements

Berkshire Local School District

Statement of Fund Net Position

Internal Service Fund

June 30, 2015

| | <u>Insurance</u> |
|--|------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$53,246 |
| Liabilities | |
| Claims Payable | <u>40,057</u> |
| Net Position | |
| Unrestricted | <u><u>\$13,189</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, 2015*

| | <u>Insurance</u> |
|--|------------------------|
| Operating Revenues | |
| Charges for Services | <u>\$96,300</u> |
| Operating Expenses | |
| Purchased Services | 1,382 |
| Claims | <u>439,516</u> |
| <i>Total Operating Expenses</i> | <u>440,898</u> |
| <i>Loss Before Transfers</i> | (344,598) |
| Transfers In | <u>275,000</u> |
| <i>Change in Net Position</i> | (69,598) |
| <i>Net Position, Beginning of Year</i> | <u>82,787</u> |
| <i>Net Position, End of Year</i> | <u><u>\$13,189</u></u> |

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2015

| | <u>Insurance</u> |
|---|---------------------------|
| <i>Increase (Decrease) in Cash and Cash Equivalents</i> | |
| Cash Flows from Operating Activities | |
| Cash Received from Interfund Services Provided | \$96,300 |
| Cash Payments for Goods and Services | (1,382) |
| Cash Payments for Claims | <u>(415,127)</u> |
| <i>Net Cash Used for Operating Activities</i> | (320,209) |
| Cash Flows from Noncapital Financing Activities | |
| Transfers In | <u>275,000</u> |
| <i>Net Decrease in Cash and Cash Equivalents</i> | (45,209) |
| <i>Cash and Cash Equivalents, Beginning of Year</i> | <u>98,455</u> |
| <i>Cash and Cash Equivalents, End of Year</i> | <u><u>\$53,246</u></u> |
| Reconciliation of Operating Loss to Net Cash Used for Operating Activities | |
| Operating Loss | (\$344,598) |
| Adjustments: | |
| Increase in Claims Payable | <u>24,389</u> |
| <i>Net Cash Used for Operating Activities</i> | <u><u>(\$320,209)</u></u> |
| See accompanying notes to the basic financial statements | |

Berkshire Local School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015

Assets

| | |
|--|-----------------|
| Equity in Pooled Cash and Cash Equivalents | <u>\$44,174</u> |
|--|-----------------|

Liabilities

| | |
|-----------------|----------|
| Due to Students | \$37,399 |
|-----------------|----------|

| | |
|----------------------|--------------|
| Undistributed Monies | <u>6,775</u> |
|----------------------|--------------|

| | |
|--------------------------|------------------------|
| <i>Total Liabilities</i> | <u><u>\$44,174</u></u> |
|--------------------------|------------------------|

See accompanying notes to the basic financial statements

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 43.5 non-certified employees, 70 certified full time teaching personnel and 7 administrative employees to provide services to 906 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 ensure that the basic financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Berkshire Local School District, this includes the agencies and departments that provide the following services: general operations, food service and student related activities of the School District.

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

The School District is associated with three jointly governed organizations, one related organization and one insurance purchasing pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Ohio Schools Council Association, the Burton Public Library and the Ohio Association of School Business Officials Workers' Compensation Group Rating Program. These organizations are presented in Notes 18, 19 and 20 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, 2015

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

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

B. Fund Accounting

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

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

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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, 2015

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 outflows/inflows of resources and in the presentation of expenses versus expenditures.

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. The deferred outflows of resources related to pension are explained in Note 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and income taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 14)

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

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

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 2015, 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, 2015.

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 2015 amounted to \$5,463.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or the laws of other governments. Restricted assets in the general fund include amounts for unclaimed monies and amounts required by State statute to be set aside to create a reserve for budget stabilization. See Note 21 for additional information regarding set-asides.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015, 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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 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. 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
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

K. Pensions

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

L. Accrued Liabilities and Long-term Obligations

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

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

M. Internal Activity

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

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

N. Fund Balance

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

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

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by State statute. The Board of Education has assigned fund balance for uniform school supplies, rotary, public school support, and the school improvement model.

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

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

O. Net Position

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

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

P. Operating Revenues and Expenses

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

Q. Estimates

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

R. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds. The Treasurer has been given authority to allocate board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary 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 – Change in Accounting Principle and Restatement of Net Position

For fiscal year 2015, the School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

| | |
|--|-----------------------------|
| Net Position June 30, 2014 | \$4,744,036 |
| Adjustments: | |
| Net Pension Liability | (15,054,007) |
| Deferred Outflow - Payments Subsequent to Measurement Date | <u>750,375</u> |
| Restated Net Position June 30, 2014 | <u><u>(\$9,559,596)</u></u> |

Note 4 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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

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

| Net Change in Fund Balance | |
|---|---------------------------|
| GAAP Basis | \$232,653 |
| Net Adjustment for Revenue Accruals | (722,105) |
| Net Adjustment for Expenditure Accruals | 248,383 |
| Perspective Difference: | |
| Uniform School Supplies | 8,940 |
| Special Rotary | (1,547) |
| Public School Support | 301 |
| Termination Benefit | 144,186 |
| Encumbrances | <u>(70,703)</u> |
| Budget Basis | <u><u>(\$159,892)</u></u> |

Note 5 - Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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, \$1,420,315 of the School District's bank balance of \$1,969,911 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

Investments

As of June 30, 2015, the School District had STAR Ohio as the only investment with an amount of \$49,596 and an average maturity of 53.4 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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 6 - Property Taxes

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

Property taxes include amounts levied against all real property and public utility property located in the School District. Real property tax revenues received in calendar year 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, 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 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 become a lien December 31, 2013, were levied after April 1, 2014 and are collected in 2015 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, 2015, are available to finance fiscal year 2015 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2015 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2015 was \$826,300 in the general fund and \$42,800 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2014, was \$489,600 in the general fund and \$26,300 in the permanent improvement capital projects fund. The difference was in the timing and collection by the County Auditor.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources unavailable revenue.

The assessed values upon which the fiscal year 2015 taxes were collected are:

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

| | 2014 Second Half Collections | | 2015 First Half Collections | |
|--|---------------------------------|-----------------|--------------------------------|-----------------|
| | Amount | Percent | Amount | Percent |
| Agricultural/Residential and Other Real Estate | \$218,956,510 | 97.00 % | \$227,153,810 | 96.96 % |
| Public Utility Personal | 6,777,210 | 3.00 | 7,110,920 | 3.04 |
| Total | <u>\$225,733,720</u> | <u>100.00 %</u> | <u>\$234,264,730</u> | <u>100.00 %</u> |
| Full tax rate per \$1,000 of assessed valuation | \$52.30 | | \$52.30 | |

Note 7 - Receivables

Receivables at June 30, 2015, 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, 2015, Title I and Title IIA special revenue funds had intergovernmental receivables of \$59,768 and \$19,452, respectively.

Note 8 - Income Tax

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

Note 9 – Fund Balances

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

| Fund Balances | General | Permanent Improvement | Other Governmental Funds | Total |
|---|--------------------|--------------------------|--------------------------------|--------------------|
| <i>Nonspendable</i> | | | | |
| Inventory | \$0 | \$0 | \$1,167 | \$1,167 |
| Prepaid Items | 1,807 | 0 | 0 | 1,807 |
| Unclaimed Funds | 2,146 | 0 | 0 | 2,146 |
| <i>Total Nonspendable</i> | 3,953 | | 1,167 | 5,120 |
| <i>Restricted for</i> | | | | |
| Budget Stabilization | 39,468 | 0 | 0 | 39,468 |
| Other Grants | 0 | 0 | 15,123 | 15,123 |
| Athletic and Music | 0 | 0 | 24,174 | 24,174 |
| Title I | 0 | 0 | 65,697 | 65,697 |
| Class Size Reduction | 0 | 0 | 17,093 | 17,093 |
| Permanent Improvements | 0 | 70,128 | 0 | 70,128 |
| <i>Total Restricted</i> | 39,468 | 70,128 | 122,087 | 231,683 |
| <i>Committed to</i> | | | | |
| Employee Retirements | 184,943 | 0 | 0 | 184,943 |
| <i>Assigned to</i> | | | | |
| Uniform School Supplies | 13,746 | 0 | 0 | 13,746 |
| Rotary - assigned to community services | 1,483 | 0 | 0 | 1,483 |
| Public School Support | 5,553 | 0 | 0 | 5,553 |
| School Improvement Model | 25 | 0 | 0 | 25 |
| <i>Total Assigned</i> | 20,807 | 0 | 0 | 20,807 |
| <i>Unassigned (Deficit)</i> | 1,853,588 | 0 | (654) | 1,852,934 |
| <i>Total Fund Balances</i> | \$2,102,759 | \$70,128 | \$122,600 | \$2,295,487 |

Note 10 - 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, 2015.

B. School Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

information is updated by the School District, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of the enrollment adjustments to the June 30, 2015 Foundation funding for the School District, therefore, any financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the School District.

C. Litigation

The School District is not party to legal proceedings.

Note 11 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

| | Balance June 30, 2014 | Additions | Deletions | Balance June 30, 2015 |
|--|---------------------------|-------------------------|-------------------|---------------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$13,810 | \$0 | \$0 | \$13,810 |
| Depreciable Capital Assets | | | | |
| Land Improvements | 203,261 | 0 | 0 | 203,261 |
| Buildings and Improvements | 5,487,437 | 0 | 0 | 5,487,437 |
| Furniture and Fixtures | 1,374,427 | 134,058 | 0 | 1,508,485 |
| Vehicles | 1,112,208 | 187,061 | (63,826) | 1,235,443 |
| <i>Total at Historical Cost</i> | <u>8,177,333</u> | <u>321,119</u> | <u>(63,826)</u> | <u>8,434,626</u> |
| Less: Accumulated Depreciation | | | | |
| Land Improvements | (142,509) | (7,288) | 0 | (149,797) |
| Buildings and Improvements | (3,001,461) | (65,280) | 0 | (3,066,741) |
| Furniture and Fixtures | (1,055,173) | (42,581) | 0 | (1,097,754) |
| Vehicles | (507,347) | (97,018) | 63,826 | (540,539) |
| <i>Total Accumulated Depreciation</i> | <u>(4,706,490)</u> | <u>(212,167) *</u> | <u>63,826</u> | <u>(4,854,831)</u> |
| <i>Depreciable Capital Assets, Net of Accumulated Depreciation</i> | <u>3,470,843</u> | <u>108,952</u> | <u>0</u> | <u>3,579,795</u> |
| <i>Governmental Activities Capital Assets, Net</i> | <u><u>\$3,484,653</u></u> | <u><u>\$108,952</u></u> | <u><u>\$0</u></u> | <u><u>\$3,593,605</u></u> |

* Depreciation expense was charged to governmental functions as follows:

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

| | |
|------------------------------------|-------------------------|
| Instruction: | |
| Regular | \$93,720 |
| Support Services: | |
| Administration | 6,528 |
| Operation and Maintenance of Plant | 12,627 |
| Pupil Transportation | 97,493 |
| Extracurricular Activities | <u>1,799</u> |
| Total Depreciation Expense | <u><u>\$212,167</u></u> |

Note 12 - 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 2015, 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 | \$27,650,632 |
| Crime Insurance | 50,000 |
| Theft | 75,000 |
| Automobile Liability | 6,000,000 |
| Uninsured Motorists | 1,000,000 |
| General Liability | |
| Per Occurrence | n/a |
| Total per year | 8,000,000 |
| Commercial Umbrella | 8,000,000 |

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

B. Workers' Compensation

For fiscal year 2015, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 20). 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
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 \$40,057 reported in the internal service fund at June 30, 2015 is based on an estimate by the third party administrator and on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Management's expectation is the claims liabilities will be paid within one year. Changes in the fund's claims liability amount for 2014 and 2015 were:

| | Balance at Beginning of Year | Current Year Claims | Claim Payments | Balance at End of Year |
|------|------------------------------------|---------------------------|-------------------|---------------------------|
| 2014 | \$34,698 | \$280,459 | \$299,489 | \$15,668 |
| 2015 | 15,668 | 439,516 | 415,127 | 40,057 |

Note 13 - Employee Benefits

A. Compensated Absences

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

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

B. Life / Medical Insurance

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

Note 14 – Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of

Berkshire Local School District
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salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$194,233 for fiscal year 2015. Of this amount \$12,472 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five year of qualifying service credit, or age 55 with 25 years of service, or 30

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years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five year of service on August 1, 2026.

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$617,324 for fiscal year 2015. Of this amount \$80,993 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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| | SERS | STRS | Total |
|--|--------------|--------------|--------------|
| Proportionate Share of the Net Pension Liability | \$2,456,125 | \$10,214,985 | \$12,671,110 |
| Proportion of the Net Pension Liability | 0.04853100 % | 0.04199643 % | |
| Pension Expense | \$144,262 | \$392,419 | \$536,681 |

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | SERS | STRS | Total |
|--|------------------|------------------|------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$20,904 | \$98,341 | \$119,245 |
| School District contributions subsequent to the measurement date | 194,233 | 617,324 | 811,557 |
| Total Deferred Outflows of Resources | <u>\$215,137</u> | <u>\$715,665</u> | <u>\$930,802</u> |

Deferred Inflows of Resources

| | | | |
|--|------------------|--------------------|--------------------|
| Net difference between projected and actual earnings on pension plan investments | <u>\$398,636</u> | <u>\$1,889,811</u> | <u>\$2,288,447</u> |
|--|------------------|--------------------|--------------------|

\$811,557 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | SERS | STRS | Total |
|-----------------------------|--------------------|----------------------|----------------------|
| Fiscal Year Ending June 30: | | | |
| 2016 | (\$94,380) | (\$447,867) | (\$542,247) |
| 2017 | (94,380) | (447,867) | (542,247) |
| 2018 | (94,380) | (447,867) | (542,247) |
| 2019 | (94,592) | (447,869) | (542,461) |
| | <u>(\$377,732)</u> | <u>(\$1,791,470)</u> | <u>(\$2,169,202)</u> |

Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

| | |
|--|---|
| Wage Inflation | 3.25 percent |
| Future Salary Increases, including inflation | 4.00 percent to 22 percent |
| COLA or Ad Hoc COLA | 3 percent |
| Investment Rate of Return | 7.75 percent net of investments expense, including inflation |
| Actuarial Cost Method | Entry Age Normal |

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long Term Expected Real Rate of Return</u> |
|------------------------|------------------------------|---|
| Cash | 1.00% | 0.00 % |
| US Stocks | 22.50 | 5.00 |
| Non-US Stocks | 22.50 | 5.50 |
| Fixed Income | 19.00 | 1.50 |
| Private Equity | 10.00 | 10.00 |
| Real Assets | 10.00 | 5.00 |
| Multi-Asset Strategies | 15.00 | 7.50 |
| Total | 100.00% | |

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

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

| | 1% Decrease (6.75%) | Current Discount Rate (7.75%) | 1% Increase (8.75%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$3,504,162 | \$2,456,125 | \$1,574,637 |

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

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

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

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

| | 1% Decrease (6.75%) | Current Discount Rate (7.75%) | 1% Increase (8.75%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$14,623,865 | \$10,214,985 | \$6,486,556 |

Note 15 - Postemployment Benefits

School Employees Retirement System

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. 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 financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. 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.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the School District's surcharge obligation was \$24,325.

The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$9,973, \$1,598, and \$17,337, respectively. For fiscal year 2015, 47.04 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2014 and 2013.

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS 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. 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 2015, STRS did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$44,755, and \$44,994 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

Note 16 – Encumbrances

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

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| | |
|--------------------------|-------------------------|
| General Fund | \$70,703 |
| Other Governmental Funds | <u>69,405</u> |
| Total | <u><u>\$140,108</u></u> |

Note 17 - Long Term Obligations

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

| | Principal Outstanding 06/30/14 | Additions | Reductions | Principal Outstanding 06/30/15 | Amount Due in One Year |
|--------------------------------------|--------------------------------------|-------------------------|---------------------------|--------------------------------------|------------------------------|
| Governmental Activities | | | | | |
| Net Pension Liability: | | | | | |
| STRS | \$12,168,024 | \$0 | \$1,953,039 | \$10,214,985 | \$0 |
| SERS | <u>2,885,983</u> | <u>0</u> | <u>429,858</u> | <u>2,456,125</u> | <u>0</u> |
| Total Net Pension Liability | 15,054,007 | 0 | 2,382,897 | 12,671,110 | 0 |
| Capital Leases Payable | 278,400 | 163,306 | 108,657 | 333,049 | 107,277 |
| Compensated Absences | <u>857,821</u> | <u>236,983</u> | <u>237,981</u> | <u>856,823</u> | <u>238,588</u> |
| <i>Total Governmental Activities</i> | | | | | |
| <i>Long-Term Liabilities</i> | <u><u>\$16,190,228</u></u> | <u><u>\$400,289</u></u> | <u><u>\$2,729,535</u></u> | <u><u>\$13,860,982</u></u> | <u><u>\$345,865</u></u> |

Capital leases will be paid from the general fund and the permanent improvement capital projects fund. The compensated absences payable will be paid from the general fund and the food service special revenue funds. The School District pays obligations related to employee compensation from the fund benefitting from their service. For additional information related to the pension liability see Note 14.

The School District's overall debt margin was \$20,443,843 with an unvoted debt margin of \$227,154 at June 30, 2015.

Note 18 - 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

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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 2015, the School District paid \$39,043 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 2015, the School District paid \$3,093 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6373 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. 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.

Note 19 - 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 20 - 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

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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 21 - 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, 2014 | \$39,468 | \$0 |
| Current Year Set-aside Requirement | 0 | 160,249 |
| Qualifying Disbursements | 0 | (575,004) |
| Totals | <u>\$39,468</u> | <u>(\$414,755)</u> |
| Set-aside Balance Carried Forward to Future Fiscal Years | <u>\$39,468</u> | <u>\$0</u> |
| Set-aside Reserve Balance as of June 30, 2015 | <u>\$39,468</u> | <u>\$0</u> |

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

Note 22 – Interfund Transfers

Transfers made during the year ended June 30, 2015 were as follows:

| | Transfers From |
|--------------------------|------------------|
| Transfers To | General |
| Other Governmental Funds | \$95,000 |
| Internal Service Fund: | |
| Self Insurance | 275,000 |
| <i>Total Transfers</i> | <u>\$370,000</u> |

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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 23 – Leases

During fiscal year 2015, the School District entered into a capital lease for school buses in the amount of \$163,306 at an interest rate of 2.62 percent. In prior years the School District entered into a capital lease for furniture and fixtures and school buses. 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 assets acquired through the capital lease are as follows:

| | <u>Governmental Activities</u> |
|--------------------------------|------------------------------------|
| Asset: | |
| Furniture and Fixtures | \$79,809 |
| Vehicles | 551,079 |
| Less: Accumulated depreciation | <u>(51,101)</u> |
| Total | <u><u>\$499,978</u></u> |

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

| <u>Fiscal Year</u> | <u>Governmental Activities</u> |
|--|------------------------------------|
| 2016 | \$116,232 |
| 2017 | 116,232 |
| 2018 | 85,066 |
| 2019 | <u>34,399</u> |
| Total Minimum Lease Payments | 351,929 |
| Less amount representing Interest | <u>(18,880)</u> |
| Present value of minimum Lease Payment | <u><u>\$333,049</u></u> |

Note 24 – Subsequent Event

On July 1, 2015, the School District merged with the Ledgemont Local School District. All assets and liabilities belong to Berkshire Local School District as of that date.

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

| | 2014 | 2013 |
|--|-------------|-------------|
| School District's Proportion of the Net Pension Liability | 0.04853100% | 0.04853100% |
| School District's Proportionate Share of the Net Pension Liability | \$2,456,125 | \$2,885,983 |
| School District's Covered - Employee Payroll | \$1,430,917 | \$1,292,878 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Employee Payroll | 171.65% | 223.22% |
| Plan Fiduciary Net Posisiton as a Percentage of the Total Pension Liability | 71.70% | 65.52% |

(1) Informaiton prior to 2013 is not available.

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

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

| | 2014 | 2013 |
|--|--------------|--------------|
| School District's Proportion of the Net Pension Liability | 0.04199643% | 0.04199643% |
| School District's Proportionate Share of the Net Pension Liability | \$10,214,985 | \$12,168,024 |
| School District's Covered - Employee Payroll | \$4,261,443 | \$4,615,200 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Employee Payroll | 239.71% | 263.65% |
| Plan Fiduciary Net Posisiton as a Percentage of the Total Pension Liability | 74.70% | 69.30% |

(1) Informaiton prior to 2013 is not available.

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

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

| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---|------------------|--------------------|------------------|------------------|
| Contractually Required Contribution | \$194,233 | \$198,387 | \$178,934 | \$189,898 |
| Contributions in Relation to the Contractually Required Contribution | <u>(194,233)</u> | <u>(\$198,387)</u> | <u>(178,934)</u> | <u>(189,898)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| School District Covered-Employee Payroll | \$1,473,695 | \$1,430,917 | \$1,292,878 | \$1,411,882 |
| Contributions as a Percentage of Covered-Employee Payroll | 13.18% | 13.86% | 13.84% | 13.45% |

| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$182,255 | \$192,434 | \$147,205 | \$138,327 | \$149,791 | \$149,738 |
| (182,255) | (192,434) | (147,205) | (138,327) | (149,791) | (149,738) |
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| \$1,449,924 | \$1,421,228 | \$1,495,985 | \$1,408,624 | \$1,402,537 | \$1,415,293 |
| 12.57% | 13.54% | 9.84% | 9.82% | 10.68% | 10.58% |

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

| | 2015 | 2014 | 2013 | 2012 |
|---|-------------|-------------|-------------|-------------|
| Contractually Required Contribution | \$617,324 | \$553,988 | \$599,976 | \$657,680 |
| Contributions in Relation to the Contractually Required Contribution | (617,324) | (553,988) | (599,976) | (657,680) |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| School District Covered-Employee Payroll | \$4,409,459 | \$4,261,443 | \$4,615,200 | \$5,059,077 |
| Contributions as a Percentage of Covered-Employee Payroll | 14.00% | 13.00% | 13.00% | 13.00% |

| <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$639,654 | \$643,094 | \$573,936 | \$609,378 | \$574,938 | \$581,144 |
| <u>(639,654)</u> | <u>(643,094)</u> | <u>(573,936)</u> | <u>(609,378)</u> | <u>(574,938)</u> | <u>(581,144)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$4,920,415 | \$4,946,877 | \$4,414,892 | \$4,687,523 | \$4,422,600 | \$4,470,338 |
| 13.00% | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% |

Combining Statements and Individual Fund Schedules

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

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

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

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

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

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

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

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.

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.

(continued)

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (Continued)

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, 2015*

| | Food Service | Other Grants | Athletics and Music |
|---|-----------------|-----------------|------------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$20,241 | \$15,123 | \$24,871 |
| Intergovernmental Receivable | 0 | 0 | 0 |
| Inventory Held for Resale | 2,235 | 0 | 0 |
| Materials and Supplies Inventory | 1,167 | 0 | 0 |
| <i>Total Assets</i> | <u>\$23,643</u> | <u>\$15,123</u> | <u>\$24,871</u> |
| Liabilities | | | |
| Accounts Payable | \$0 | \$0 | \$697 |
| Accrued Wages and Benefits | 15,383 | 0 | 0 |
| Intergovernmental Payable | 3,633 | 0 | 0 |
| Matured Compensated Absences Payable | 4,114 | 0 | 0 |
| <i>Total Liabilities</i> | <u>23,130</u> | <u>0</u> | <u>697</u> |
| Fund Balances | | | |
| Nonspendable | 1,167 | 0 | 0 |
| Restricted | 0 | 15,123 | 24,174 |
| Unassigned (Deficit) | (654) | 0 | 0 |
| <i>Total Fund Balances</i> | <u>513</u> | <u>15,123</u> | <u>24,174</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$23,643</u> | <u>\$15,123</u> | <u>\$24,871</u> |

| | | | Total Nonmajor Special Revenue Funds |
|-----------------|-----------------|-----------------|--|
| Title I | Title IIA | Straight A | |
| \$16,873 | \$53 | \$16,469 | \$93,630 |
| 59,768 | 19,452 | 0 | 79,220 |
| 0 | 0 | 0 | 2,235 |
| 0 | 0 | 0 | 1,167 |
| <u>\$76,641</u> | <u>\$19,505</u> | <u>\$16,469</u> | <u>\$176,252</u> |
| | | | |
| \$10,944 | \$2,412 | \$15,000 | \$29,053 |
| 0 | 0 | 0 | 15,383 |
| 0 | 0 | 1,469 | 5,102 |
| 0 | 0 | 0 | 4,114 |
| <u>10,944</u> | <u>2,412</u> | <u>16,469</u> | <u>53,652</u> |
| | | | |
| 0 | 0 | 0 | 1,167 |
| 65,697 | 17,093 | 0 | 122,087 |
| 0 | 0 | 0 | (654) |
| <u>65,697</u> | <u>17,093</u> | <u>0</u> | <u>122,600</u> |
| <u>\$76,641</u> | <u>\$19,505</u> | <u>\$16,469</u> | <u>\$176,252</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, 2015

| | Food Service | Other Grants | Athletics and Music | ONEnet | Title VI-B |
|---|---------------------|------------------------|------------------------|-------------------|-------------------|
| Revenues | | | | | |
| Intergovernmental | \$62,642 | \$0 | \$0 | \$3,600 | \$193,460 |
| Extracurricular Activities | 0 | 0 | 57,613 | 0 | 0 |
| Contributions and Donations | 0 | 12,000 | 890 | 0 | 0 |
| Charges for Services | 77,260 | 0 | 0 | 0 | 0 |
| Rentals | 0 | 0 | 520 | 0 | 0 |
| <i>Total Revenues</i> | <u>139,902</u> | <u>12,000</u> | <u>59,023</u> | <u>3,600</u> | <u>193,460</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 0 | 1,902 | 0 | 0 | 0 |
| Special | 0 | 0 | 0 | 0 | 193,460 |
| Vocational | 0 | 1,000 | 0 | 0 | 0 |
| Support Services: | | | | | |
| Pupil | 0 | 0 | 0 | 0 | 0 |
| Instructional Staff | 0 | 0 | 0 | 0 | 0 |
| Administration | 0 | 0 | 0 | 3,600 | 0 |
| Operation of Food Services | 217,735 | 0 | 0 | 0 | 0 |
| Operation of Community Services | 0 | 0 | 0 | 0 | 0 |
| Extracurricular Activities | 0 | 0 | 87,275 | 0 | 0 |
| <i>Total Expenditures</i> | <u>217,735</u> | <u>2,902</u> | <u>87,275</u> | <u>3,600</u> | <u>193,460</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (77,833) | 9,098 | (28,252) | 0 | 0 |
| Other Financing Sources | | | | | |
| Transfers In | <u>70,000</u> | <u>0</u> | <u>25,000</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | (7,833) | 9,098 | (3,252) | 0 | 0 |
| <i>Fund Balances Beginning of Year</i> | <u>8,346</u> | <u>6,025</u> | <u>27,426</u> | <u>0</u> | <u>0</u> |
| <i>Fund Balances End of Year</i> | <u><u>\$513</u></u> | <u><u>\$15,123</u></u> | <u><u>\$24,174</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

| Title I | Title IIA | Straight A | Total Nonmajor Special Revenue Funds |
|-----------|-----------|------------|---|
| \$287,261 | \$48,956 | \$364,334 | \$960,253 |
| 0 | 0 | 0 | 57,613 |
| 0 | 0 | 0 | 12,890 |
| 0 | 0 | 0 | 77,260 |
| 0 | 0 | 0 | 520 |
| 287,261 | 48,956 | 364,334 | 1,108,536 |
| 258,173 | 0 | 315,518 | 575,593 |
| 10,107 | 0 | 0 | 203,567 |
| 0 | 0 | 0 | 1,000 |
| 7,042 | 0 | 0 | 7,042 |
| 0 | 31,904 | 38,366 | 70,270 |
| 0 | 0 | 10,450 | 14,050 |
| 0 | 0 | 0 | 217,735 |
| 438 | | | 438 |
| 0 | 0 | 0 | 87,275 |
| 275,760 | 31,904 | 364,334 | 1,176,970 |
| 11,501 | 17,052 | 0 | (68,434) |
| 0 | 0 | 0 | 95,000 |
| 11,501 | 17,052 | 0 | 26,566 |
| 54,196 | 41 | 0 | 96,034 |
| \$65,697 | \$17,093 | \$0 | \$122,600 |

Combining Statements - Fiduciary Funds

Agency Funds

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

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

Elementary Fund This fund 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, 2015

| | Beginning Balance 6/30/14 | Additions | Deductions | Ending Balance 6/30/15 |
|---|---------------------------------|-----------|------------|------------------------------|
| <i>Student Activities</i> | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$45,467 | \$43,627 | \$45,468 | \$43,626 |
| Liabilities | | | | |
| Due to Students | \$39,240 | \$43,627 | \$45,468 | \$37,399 |
| Undistributed Monies | 6,227 | 0 | 0 | 6,227 |
| Total Liabilities | \$45,467 | \$43,627 | \$45,468 | \$43,626 |
| <i>Elementary</i> | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,403 | \$207 | \$1,062 | \$548 |
| Liabilities | | | | |
| Undistributed Monies | \$1,403 | \$207 | \$1,062 | \$548 |
| <i>Total - All Agency Funds</i> | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$46,870 | \$43,834 | \$46,530 | \$44,174 |
| Liabilities | | | | |
| Due to Students | \$39,240 | \$43,627 | \$45,468 | \$37,399 |
| Undistributed Monies | 7,630 | 207 | 1,062 | 6,775 |
| Total Liabilities | \$46,870 | \$43,834 | \$46,530 | \$44,174 |

**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, 2015

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|-------------------------------------|-------------------|-------------------|-------------------|---|
| | Original | Final | Actual | |
| Revenues | | | | |
| Income Taxes | \$1,824,874 | \$1,839,804 | \$1,839,804 | \$0 |
| Property Taxes | 4,215,304 | 4,393,952 | 4,393,952 | 0 |
| Intergovernmental | 4,056,486 | 4,160,287 | 4,230,453 | 70,166 |
| Interest | 5,000 | 5,000 | 5,463 | 463 |
| Tuition and Fees | 471,792 | 667,056 | 592,242 | (74,814) |
| Extracurricular Activities | 93,000 | 104,286 | 112,777 | 8,491 |
| Contributions and Donations | 19,000 | 26,200 | 860 | (25,340) |
| Rentals | 1,500 | 1,900 | 1,900 | 0 |
| Miscellaneous | 70,480 | 50,937 | 47,723 | (3,214) |
| <i>Total Revenues</i> | <i>10,757,436</i> | <i>11,249,422</i> | <i>11,225,174</i> | <i>(24,248)</i> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 2,891,233 | 3,011,402 | 3,010,536 | 866 |
| Fringe Benefits | 947,249 | 911,635 | 905,744 | 5,891 |
| Purchased Services | 676,988 | 712,736 | 705,081 | 7,655 |
| Materials and Supplies | 200,153 | 138,691 | 138,500 | 191 |
| Capital Outlay | 13,000 | 24,738 | 24,738 | 0 |
| Total Regular | 4,728,623 | 4,799,202 | 4,784,599 | 14,603 |
| Special: | | | | |
| Salaries and Wages | 344,803 | 385,185 | 385,185 | 0 |
| Fringe Benefits | 113,111 | 105,043 | 104,588 | 455 |
| Purchased Services | 996,416 | 910,543 | 910,044 | 499 |
| Materials and Supplies | 2,750 | 8,421 | 8,421 | 0 |
| Total Special | 1,457,080 | 1,409,192 | 1,408,238 | 954 |
| Vocational: | | | | |
| Salaries and Wages | 3,188 | 5,163 | 5,163 | 0 |
| Fringe Benefits | 14,070 | 1,878 | 1,878 | 0 |
| Total Vocational | 17,258 | 7,041 | 7,041 | 0 |
| Student Intervention Services: | | | | |
| Salaries and Wages | 57,355 | 54,843 | 54,843 | 0 |
| Fringe Benefits | 59,635 | 48,237 | 47,851 | 386 |
| Total Student Intervention Services | 116,990 | 103,080 | 102,694 | 386 |
| Total Instruction | \$6,319,951 | \$6,318,515 | \$6,302,572 | \$15,943 |

(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, 2015

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---------------------------|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Support Services: | | | | |
| Pupil: | | | | |
| Salaries and Wages | \$334,036 | \$349,008 | \$349,008 | \$0 |
| Fringe Benefits | 142,601 | 162,543 | 160,724 | 1,819 |
| Purchased Services | 114,141 | 108,368 | 108,368 | 0 |
| Materials and Supplies | 11,077 | 7,829 | 7,829 | 0 |
| Total Pupil | 601,855 | 627,748 | 625,929 | 1,819 |
| Instructional Staff: | | | | |
| Salaries and Wages | 170,880 | 195,401 | 175,401 | 20,000 |
| Fringe Benefits | 36,740 | 40,230 | 40,051 | 179 |
| Purchased Services | 54,115 | 50,557 | 50,557 | 0 |
| Materials and Supplies | 33,804 | 21,458 | 21,457 | 1 |
| Total Instructional Staff | 295,539 | 307,646 | 287,466 | 20,180 |
| Board of Education: | | | | |
| Salaries and Wages | 6,600 | 9,875 | 9,875 | 0 |
| Fringe Benefits | 1,157 | 1,956 | 1,956 | 0 |
| Purchased Services | 53,105 | 64,504 | 64,504 | 0 |
| Materials and Supplies | 100 | 542 | 542 | 0 |
| Other | 20,200 | 14,331 | 14,331 | 0 |
| Total Board of Education | 81,162 | 91,208 | 91,208 | 0 |
| Administration: | | | | |
| Salaries and Wages | 555,273 | 577,612 | 553,977 | 23,635 |
| Fringe Benefits | 213,460 | 219,893 | 209,224 | 10,669 |
| Purchased Services | 25,147 | 22,889 | 22,285 | 604 |
| Materials and Supplies | 5,298 | 4,897 | 4,897 | 0 |
| Other | 338,300 | 294,410 | 294,310 | 100 |
| Total Administration | 1,137,478 | 1,119,701 | 1,084,693 | 35,008 |
| Fiscal: | | | | |
| Salaries and Wages | 158,826 | 185,287 | 169,988 | 15,299 |
| Fringe Benefits | 71,321 | 85,177 | 77,522 | 7,655 |
| Purchased Services | 31,800 | 15,712 | 15,656 | 56 |
| Materials and Supplies | 5,150 | 7,522 | 7,522 | 0 |
| Capital Outlay | 0 | 2,358 | 2,358 | 0 |
| Other | 149,300 | 151,313 | 151,313 | 0 |
| Total Fiscal | \$416,397 | \$447,369 | \$424,359 | \$23,010 |

(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, 2015

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Business: | | | | |
| Other | \$5,000 | \$3,160 | \$2,270 | \$890 |
| Operation and Maintenance of Plant: | | | | |
| Salaries and Wages | 312,612 | 312,709 | 312,709 | 0 |
| Fringe Benefits | 116,830 | 119,098 | 117,989 | 1,109 |
| Purchased Services | 351,502 | 359,394 | 355,173 | 4,221 |
| Materials and Supplies | 40,558 | 37,209 | 35,937 | 1,272 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total Operation and Maintenance of Plant | 821,502 | 828,410 | 821,808 | 6,602 |
| Pupil Transportation: | | | | |
| Salaries and Wages | 398,231 | 419,173 | 419,022 | 151 |
| Fringe Benefits | 172,725 | 207,372 | 205,022 | 2,350 |
| Purchased Services | 123,431 | 122,070 | 122,070 | 0 |
| Materials and Supplies | 128,692 | 87,776 | 87,776 | 0 |
| Capital Outlay | 117,000 | 143,563 | 143,563 | 0 |
| Total Pupil Transportation | 940,079 | 979,954 | 977,453 | 2,501 |
| Total Support Services | 4,299,012 | 4,405,196 | 4,315,186 | 90,010 |
| Extracurricular Activities: | | | | |
| Academic and Subject Oriented Activities: | | | | |
| Salaries and Wages | 20,857 | 18,097 | 18,097 | 0 |
| Fringe Benefits | 4,649 | 5,664 | 5,664 | 0 |
| Total Academic and Subject Oriented Activities | 25,506 | 23,761 | 23,761 | 0 |
| Sports Oriented Activities: | | | | |
| Salaries and Wages | 233,165 | 239,124 | 239,124 | 0 |
| Fringe Benefits | 27,374 | 38,098 | 38,029 | 69 |
| Purchased Services | 500 | 550 | 535 | 15 |
| Total Sports Oriented Activities | \$261,039 | \$277,772 | \$277,688 | \$84 |

(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, 2015

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|-------------------|--------------------|--------------------|---|
| | Original | Final | Actual | |
| School and Public Service Co-Curricular Activities: | | | | |
| Salaries and Wages | \$7,699 | \$8,795 | \$8,795 | \$0 |
| Fringe Benefits | 1,143 | 1,212 | 1,212 | 0 |
| Total School and Public Service Co-Curricular Activities | 8,842 | 10,007 | 10,007 | 0 |
| Total Extracurricular Activities | 295,387 | 311,540 | 311,456 | 84 |
| Capital Outlay: | | | | |
| Capital Outlay | 8,900 | 3,080 | 3,080 | 0 |
| <i>Total Expenditures</i> | <u>10,923,250</u> | <u>11,038,331</u> | <u>10,932,294</u> | <u>106,037</u> |
| <i>Excess of Revenues Over (Under)</i> <i>Expenditures</i> | (165,814) | 211,091 | 292,880 | 81,789 |
| Other Financing Uses | | | | |
| Transfers Out | <u>(485,000)</u> | <u>(540,413)</u> | <u>(452,772)</u> | <u>87,641</u> |
| <i>Net Change in Fund Balance</i> | (650,814) | (329,322) | (159,892) | 169,430 |
| <i>Fund Balance Beginning of Year</i> | 1,427,200 | 1,427,200 | 1,427,200 | 0 |
| Prior Year Encumbrances Appropriated | <u>166,959</u> | <u>166,959</u> | <u>166,959</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$943,345</u> | <u>\$1,264,837</u> | <u>\$1,434,267</u> | <u>\$169,430</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, 2015

| | Final | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-----------------|-----------------|---|
| Revenues | | | |
| Property Taxes | \$231,966 | \$231,966 | \$0 |
| Intergovernmental | 55,078 | 56,521 | 1,443 |
| <i>Total Revenues</i> | <u>287,044</u> | <u>288,487</u> | <u>1,443</u> |
| Expenditures | | | |
| Current: | | | |
| Support Services: | | | |
| Fiscal: | | | |
| Other | 4,828 | 4,828 | 0 |
| Operation and Maintenance of Plant: | | | |
| Purchased Services | 331,110 | 331,110 | 0 |
| <i>Total Expenditures</i> | <u>335,938</u> | <u>335,938</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (48,894) | (47,451) | 1,443 |
| <i>Fund Balance Beginning of Year</i> | 74,486 | 74,486 | 0 |
| Prior Year Encumbrances Appropriated | 293 | 293 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$25,885</u> | <u>\$27,328</u> | <u>\$1,443</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, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------------|------------------------|---|
| Revenues | | | |
| Intergovernmental | \$80,000 | \$62,642 | (\$17,358) |
| Charges for Services | 80,000 | 77,260 | (2,740) |
| <i>Total Revenues</i> | <u>160,000</u> | <u>139,902</u> | <u>(20,098)</u> |
| Expenditures | | | |
| Current: | | | |
| Operation of Food Services: | | | |
| Salaries and Wages | 114,614 | 114,387 | 227 |
| Fringe Benefits | 49,176 | 47,927 | 1,249 |
| Purchased Services | 4,757 | 1,871 | 2,886 |
| Materials and Supplies | 49,487 | 49,487 | 0 |
| <i>Total Expenditures</i> | <u>218,034</u> | <u>213,672</u> | <u>4,362</u> |
| <i>Excess of Revenues Under Expenditures</i> | (58,034) | (73,770) | (15,736) |
| Other Financing Sources | | | |
| Transfers In | 40,000 | 70,000 | 30,000 |
| <i>Net Change in Fund Balance</i> | (18,034) | (3,770) | 14,264 |
| <i>Fund Balance Beginning of Year</i> | 23,458 | 23,458 | 0 |
| Prior Year Encumbrances Appropriated | 551 | 551 | 0 |
| <i>Fund Balance End of Year</i> | <u><u>\$5,975</u></u> | <u><u>\$20,239</u></u> | <u><u>\$14,264</u></u> |

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Other Grants Fund
For the Fiscal Year Ended June 30, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-----------------|----------|---|
| Revenues | | | |
| Contributions and Donations | \$12,000 | \$12,000 | \$0 |
| Expenditures | | | |
| Current: | | | |
| Regular: | | | |
| Materials and Supplies | 15,026 | 1,902 | 13,124 |
| Vocational: | | | |
| Materials and Supplies | 1,000 | 1,000 | 0 |
| <i>Total Expenditures</i> | 16,026 | 2,902 | 13,124 |
| <i>Net Change in Fund Balance</i> | (4,026) | 9,098 | 13,124 |
| <i>Fund Balance Beginning of Year</i> | 6,025 | 6,025 | 0 |
| <i>Fund Balance End of Year</i> | \$1,999 | \$15,123 | \$13,124 |

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, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------------|------------------------|---|
| Revenues | | | |
| Extracurricular Activities | \$52,682 | \$56,062 | \$3,380 |
| Contributions and Donations | 0 | 890 | 890 |
| Rentals | 0 | 520 | 520 |
| <i>Total Revenues</i> | <u>52,682</u> | <u>57,472</u> | <u>4,790</u> |
| Expenditures | | | |
| Current: | | | |
| Extracurricular Activities: | | | |
| Sports Oriented Activities: | | | |
| Salaries and Wages | 2,338 | 2,338 | 0 |
| Fringe Benefits | 365 | 342 | 23 |
| Purchased Services | 22,482 | 22,152 | 330 |
| Other | 65,222 | 63,140 | 2,082 |
| <i>Total Expenditures</i> | <u>90,407</u> | <u>87,972</u> | <u>2,435</u> |
| <i>Excess of Revenues Under Expenditures</i> | (37,725) | (30,500) | 7,225 |
| Other Financing Sources | | | |
| Transfers In | 25,000 | 25,000 | 0 |
| <i>Net Change in Fund Balance</i> | (12,725) | (5,500) | 7,225 |
| <i>Fund Balance Beginning of Year</i> | 27,432 | 27,432 | 0 |
| Prior Year Encumbrances Appropriated | 2,248 | 2,248 | 0 |
| <i>Fund Balance End of Year</i> | <u><u>\$16,955</u></u> | <u><u>\$24,180</u></u> | <u><u>\$7,225</u></u> |

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
ONenet Fund
For the Fiscal Year Ended June 30, 2015

| | 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, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-----------------|-----------|---|
| Revenues | | | |
| Intergovernmental | \$193,460 | \$193,460 | \$0 |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Special: | | | |
| Purchased Services | 193,460 | 193,460 | 0 |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 0 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$0 |

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-----------------|-----------|---|
| Revenues | | | |
| Intergovernmental | \$294,161 | \$267,453 | (\$26,708) |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Salaries and Wages | 223,777 | 199,013 | 24,764 |
| Fringe Benefits | 53,505 | 48,545 | 4,960 |
| Materials and Supplies | 21,123 | 20,655 | 468 |
| Total Instruction | 298,405 | 268,213 | 30,192 |
| Support Services: | | | |
| Pupil: | | | |
| Salaries and Wages | 6,100 | 6,100 | 0 |
| Fringe Benefits | 942 | 942 | 0 |
| Total Pupil | 7,042 | 7,042 | 0 |
| Instructional Staff: | | | |
| Purchased Services | 2,000 | 0 | 2,000 |
| Total Support Services | 9,042 | 7,042 | 2,000 |
| Operation of Community Services: | | | |
| Fringe Benefits | 1,288 | 1,285 | 3 |
| Materials and Supplies | 500 | 57 | 443 |
| Total Operation of Community Services | 1,788 | 1,342 | 446 |
| <i>Total Expenditures</i> | 309,235 | 276,597 | 32,638 |
| <i>Net Change in Fund Balance</i> | (15,074) | (9,144) | (5,930) |
| <i>Fund Balance Beginning of Year</i> | 14,646 | 14,646 | 0 |
| Prior Year Encumbrances Appropriated | 428 | 428 | 0 |
| <i>Fund End of Year</i> | \$0 | \$5,930 | (\$5,930) |

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title IIA Fund
For the Fiscal Year Ended June 30, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|-----------|---|
| Revenues | | | |
| Intergovernmental | \$49,663 | \$39,083 | (\$10,580) |
| Expenditures | | | |
| Current: | | | |
| Support Services: | | | |
| Instructional Staff: | | | |
| Purchased Services | 43,450 | 35,984 | 7,466 |
| Materials and Supplies | 5,005 | 5,005 | 0 |
| Total Support Services | 48,455 | 40,989 | 7,466 |
| Operation of Non-Instructional Shared Services: | | | |
| Community Services | | | |
| Materials and Supplies | 500 | 453 | 47 |
| <i>Total Expenditures</i> | 48,955 | 41,442 | 7,513 |
| <i>Net Change in Fund Balance</i> | 708 | (2,359) | 3,067 |
| <i>Fund Deficit Beginning of Year</i> | (9,538) | (9,538) | 0 |
| Prior Year Encumbrances Appropriated | 9,538 | 9,538 | 0 |
| <i>Fund Balance (Deficit) End of Year</i> | \$708 | (\$2,359) | \$3,067 |

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Straight A Fund
For the Fiscal Year Ended June 30, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-----------------|-----------|---|
| Revenues | | | |
| Intergovernmental | \$516,151 | \$364,334 | (\$151,817) |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Purchase Services | 95,000 | 95,000 | |
| Capital Outlay | 220,518 | 220,518 | 0 |
| Total Regular | 315,518 | 315,518 | 0 |
| Support Services: | | | |
| Instructional Staff: | | | |
| Purchased Services | 38,366 | 38,366 | 0 |
| Administration: | | | |
| Purchased Services | 10,450 | 10,450 | 0 |
| Total Support Services | 48,816 | 48,816 | 0 |
| <i>Total Expenditures</i> | 364,334 | 364,334 | 0 |
| <i>Net Change in Fund Balance</i> | 151,817 | 0 | (151,817) |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 |
| <i>Fund Balance End of Year</i> | \$151,817 | \$0 | (\$151,817) |

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, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|----------|---|
| Revenues | | | |
| Tuition and Fees | \$50,000 | \$29,919 | (\$20,081) |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Materials and Supplies | 45,510 | 35,979 | 9,531 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 4,490 | (6,060) | (10,550) |
| Other Financing Sources | | | |
| Transfers In | 15,000 | 15,000 | 0 |
| <i>Net Change in Fund Balance</i> | 19,490 | 8,940 | (10,550) |
| <i>Fund Balance Beginning of Year</i> | 4,791 | 4,791 | 0 |
| Prior Year Encumbrances Appropriated | 10 | 10 | 0 |
| <i>Fund Balance End of Year</i> | \$24,291 | \$13,741 | (\$10,550) |

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, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|---------|---|
| Revenues | | | |
| Contributions and Donations | \$4,640 | \$5,473 | \$833 |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Materials and Supplies | 8,180 | 7,020 | 1,160 |
| <i>Net Change in Fund Balance</i> | (3,540) | (1,547) | 1,993 |
| <i>Fund Balance Beginning of Year</i> | 3,030 | 3,030 | 0 |
| <i>Fund Balance (Deficit) End of Year</i> | (\$510) | \$1,483 | \$1,993 |

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, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|----------|---|
| Revenues | | | |
| Contributions and Donations | \$25,700 | \$27,713 | \$2,013 |
| Expenditures | | | |
| Current: | | | |
| Extracurricular Activities: | | | |
| Academic and Subject Oriented Activities: | | | |
| Materials and Supplies | 27,475 | 27,412 | 63 |
| <i>Net Change in Fund Balance</i> | (1,775) | 301 | 2,076 |
| <i>Fund Balance Beginning of Year</i> | 5,252 | 5,252 | 0 |
| <i>Fund Balance End of Year</i> | \$3,477 | \$5,553 | \$2,076 |

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, 2015

| | 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> | \$25 | \$25 | \$0 |

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Unclaimed Funds Fund
For the Fiscal Year Ended June 30, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-----------------------|-----------------------|---|
| Revenues | | | |
| Miscellaneous | \$680 | \$0 | (\$680) |
| Expenditures | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | 680 | 0 | (680) |
| <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>\$2,826</u></u> | <u><u>\$2,146</u></u> | <u><u>(\$680)</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, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|---|
| Revenues | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Expenditures | | | |
| Current: | | | |
| Support Services: | | | |
| Pupils: | | | |
| Salaries and Wages | 513 | 513 | 0 |
| Fiscal: | | | |
| Salaries and Wages | 12,167 | 11,682 | 485 |
| Administration: | | | |
| Salaries and Wages | <u>83,206</u> | <u>60,105</u> | <u>23,101</u> |
| Total Support Services | 95,886 | 72,300 | 23,586 |
| Food Service Operations: | | | |
| Salaries and Wages | <u>4,114</u> | <u>4,114</u> | <u>0</u> |
| <i>Total Expenditures</i> | <u>100,000</u> | <u>76,414</u> | <u>15,724</u> |
| <i>Excess of Revenues Under Expenditures</i> | (100,000) | (76,414) | 23,586 |
| Other Financing Sources | | | |
| Transfers In | <u>67,772</u> | <u>67,772</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (32,228) | (8,642) | 23,586 |
| <i>Fund Balance Beginning of Year</i> | <u>193,585</u> | <u>193,585</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$161,357</u></u> | <u><u>\$184,943</u></u> | <u><u>\$23,586</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, 2015

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|-----------|---|
| Revenues | | | |
| Charges for Services | \$100,000 | \$96,300 | (\$3,700) |
| Expenses | | | |
| Purchased Services | 1,382 | 1,382 | 0 |
| Claims | 415,127 | 415,127 | 0 |
| <i>Total Expenses</i> | 416,509 | 416,509 | 0 |
| <i>Excess of Revenues Under Expenses Before Transfers</i> | (316,509) | (320,209) | (3,700) |
| Transfers In | 275,000 | 275,000 | 0 |
| <i>Net Change in Fund Equity</i> | (41,509) | (45,209) | (3,700) |
| <i>Fund Equity Beginning of Year</i> | 98,251 | 98,251 | 0 |
| Prior Year Encumbrances Appropriated | 204 | 204 | 0 |
| <i>Fund Equity End of Year</i> | \$56,946 | \$53,246 | (\$3,700) |



Seth Byler – 10th grade
Berkshire High School

Statistical Section

Statistical Section

This part of the Berkshire Local School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School District's overall financial health.

| Contents | Pages(s) |
|----------|----------|
|----------|----------|

| | |
|--------------------------------------|-----------------------|
| <i>Financial Trends</i> | <i>S2 – S9</i> |
|--------------------------------------|-----------------------|

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

| | |
|--------------------------------------|-------------------------|
| <i>Revenue Capacity</i> | <i>S10 – S19</i> |
|--------------------------------------|-------------------------|

These schedules contain information to help the reader assess the School District's most significant local revenue, property and income taxes.

| | |
|-----------------------------------|-------------------------|
| <i>Debt Capacity</i> | <i>S20 – S25</i> |
|-----------------------------------|-------------------------|

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

| | |
|--|-------------------------|
| <i>Economic and Demographic Information</i> | <i>S26 – S28</i> |
|--|-------------------------|

These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.

| | |
|---|-------------------------|
| <i>Operating Information</i> | <i>S30 – S41</i> |
|---|-------------------------|

These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

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

Berkshire Local School District

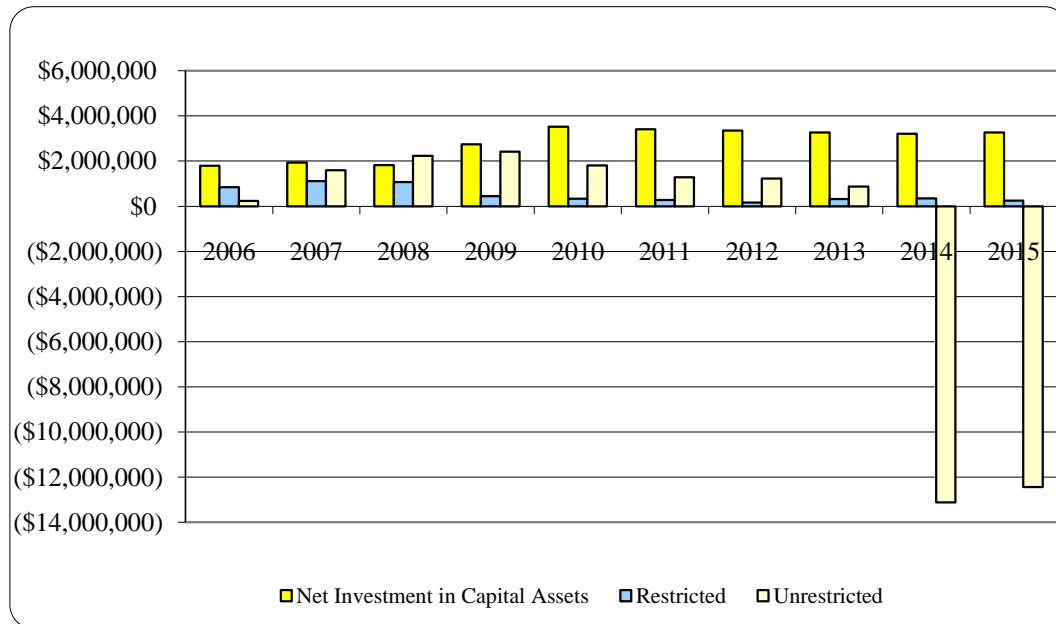
Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

| | 2015 | 2014 (1) | 2013 | 2012 | 2011 |
|----------------------------------|----------------------|----------------------|--------------------|--------------------|--------------------|
| Net Investment in Capital Assets | \$3,260,556 | \$3,206,253 | \$3,271,163 | \$3,357,657 | \$3,404,650 |
| Restricted for: | | | | | |
| Capital Projects | 77,674 | 247,599 | 215,983 | 88,576 | 203,064 |
| Set Asides | 39,468 | 39,468 | 39,468 | 39,468 | 39,468 |
| Other Purposes | 124,233 | 64,040 | 69,685 | 33,293 | 31,163 |
| Unrestricted (Deficit) | (12,435,082) | (13,116,956) | 868,893 | 1,221,331 | 1,283,319 |
| Total Net Position | (\$8,933,151) | (\$9,559,596) | \$4,465,192 | \$4,740,325 | \$4,961,664 |

(1) GASB Statement No. 68 was implemented in fiscal year 2015 and does not impact net position prior to fiscal year 2014



| <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| \$3,518,243 | \$2,742,560 | \$1,818,772 | \$1,940,269 | \$1,789,300 |
| 193,702 | 357,068 | 953,421 | 922,955 | 640,564 |
| 39,468 | 39,468 | 39,468 | 39,468 | 39,468 |
| 102,983 | 51,841 | 74,824 | 151,441 | 168,066 |
| <u>1,812,478</u> | <u>2,409,771</u> | <u>2,235,701</u> | <u>1,592,209</u> | <u>228,005</u> |
| <u><u>\$5,666,874</u></u> | <u><u>\$5,600,708</u></u> | <u><u>\$5,122,186</u></u> | <u><u>\$4,646,342</u></u> | <u><u>\$2,865,403</u></u> |

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

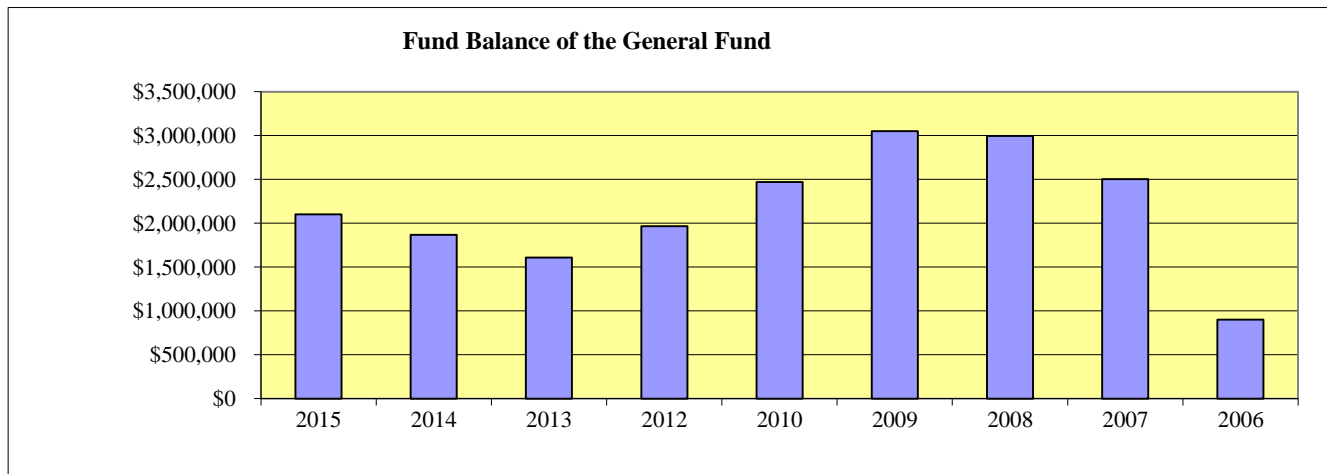
| | 2015 | 2014 | 2013 | 2012 |
|---|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | |
| Regular Instruction | \$5,559,328 | \$5,060,982 | \$5,243,207 | \$5,181,808 |
| Special Instruction | 1,503,851 | 1,556,460 | 1,547,813 | 1,512,004 |
| Vocational Instruction | 4,181 | 33,765 | 83,075 | 78,326 |
| Student Intervention | 107,764 | 90,120 | 138,647 | 165,196 |
| Pupil Support | 665,385 | 603,317 | 450,373 | 654,119 |
| Instructional Staff Support | 327,824 | 293,308 | 330,797 | 324,804 |
| Board of Education | 92,855 | 76,731 | 82,509 | 83,794 |
| Administration | 1,079,853 | 1,182,343 | 1,238,897 | 1,177,718 |
| Fiscal | 426,786 | 429,912 | 401,819 | 329,361 |
| Business | 2,270 | 2,904 | 1,359 | 21,999 |
| Operation and Maintenance of Plant | 1,179,273 | 1,036,171 | 1,056,199 | 1,037,957 |
| Pupil Transportation | 943,414 | 875,550 | 788,278 | 720,683 |
| Operation of Non-Instructional Services | 0 | 0 | 19,649 | 0 |
| Operation of Community Services | 438 | 955 | 7,300 | 0 |
| Operation of Food Services | 250,013 | 264,347 | 239,814 | 251,258 |
| Extracurricular Activities | 411,667 | 369,113 | 369,669 | 349,327 |
| Interest and Fiscal Charges | 7,576 | 5,329 | 2,455 | 447 |
| <i>Total Expenses</i> | <u>12,562,478</u> | <u>11,881,307</u> | <u>12,001,860</u> | <u>11,888,801</u> |
| Program Revenues | | | | |
| Charges for Services | | | | |
| Regular Instruction | 633,047 | 622,268 | 500,468 | 387,610 |
| Special Instruction | 0 | 0 | 0 | 0 |
| Operation and Maintenance of Plant | 0 | 0 | 0 | 0 |
| Operation of Food Services | 77,260 | 86,291 | 105,066 | 124,989 |
| Extracurricular Activities | 168,857 | 178,498 | 152,660 | 181,616 |
| Operating Grants and Contributions | 1,153,678 | 647,311 | 621,700 | 719,791 |
| Capital Grants and Contributions | 0 | 0 | 0 | 0 |
| <i>Total Program Revenues</i> | <u>2,032,842</u> | <u>1,534,368</u> | <u>1,379,894</u> | <u>1,414,006</u> |
| Net Expense | <u>(10,529,636)</u> | <u>(10,346,939)</u> | <u>(10,621,966)</u> | <u>(10,474,795)</u> |
| General Revenues | | | | |
| Property Taxes Levied for: | | | | |
| General Purposes | 4,765,063 | 4,306,253 | 4,112,813 | 4,131,819 |
| Capital Outlay | 231,966 | 228,635 | 216,669 | 217,922 |
| Income Taxes Levied for: | | | | |
| General Purposes | 1,969,869 | 2,009,045 | 1,932,690 | 1,548,753 |
| Grants and Entitlements not | | | | |
| Restricted to Specific Programs | 4,135,157 | 4,023,930 | 4,037,322 | 4,325,044 |
| Unrestricted Contributions | 840 | 3,680 | 0 | 0 |
| Investment Earnings | 5,463 | 5,439 | 4,079 | 6,285 |
| Gain on Sale of Capital Assets | 0 | 0 | 0 | 0 |
| Miscellaneous | 47,723 | 48,801 | 43,260 | 23,633 |
| <i>Total General Revenues</i> | <u>11,156,081</u> | <u>10,625,783</u> | <u>10,346,833</u> | <u>10,253,456</u> |
| <i>Change in Net Position</i> | <u>\$626,445</u> | <u>\$278,844</u> | <u>(\$275,133)</u> | <u>(\$221,339)</u> |

| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|--------------|--------------|--------------|--------------|-------------|-------------|
| \$5,181,808 | \$4,830,346 | \$5,062,708 | \$4,800,546 | \$4,495,206 | \$4,693,751 |
| 1,512,004 | 1,529,679 | 1,271,151 | 1,263,407 | 1,326,200 | 1,564,547 |
| 78,326 | 76,125 | 78,115 | 58,924 | 60,671 | 55,414 |
| 165,196 | 339,048 | 12,776 | 0 | 0 | 0 |
| 653,548 | 600,884 | 602,816 | 619,086 | 614,007 | 611,399 |
| 324,804 | 455,767 | 442,628 | 485,694 | 423,189 | 407,207 |
| 83,794 | 41,679 | 87,962 | 54,834 | 36,959 | 61,313 |
| 1,177,718 | 1,113,593 | 1,142,152 | 1,002,491 | 1,102,186 | 829,843 |
| 329,361 | 382,159 | 406,222 | 334,840 | 348,188 | 322,274 |
| 21,999 | 28,687 | 38,727 | 32,706 | 28,018 | 29,925 |
| 1,037,957 | 878,611 | 938,412 | 1,048,609 | 1,136,704 | 1,052,876 |
| 720,683 | 791,630 | 762,715 | 982,780 | 693,519 | 763,710 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 251,258 | 264,105 | 302,888 | 311,629 | 270,350 | 331,153 |
| 349,327 | 382,735 | 405,456 | 446,431 | 391,545 | 363,747 |
| 571 | 0 | 0 | 0 | 0 | 884 |
| 11,888,354 | 11,715,048 | 11,554,728 | 11,441,977 | 10,926,742 | 11,088,043 |
| 387,610 | 220,598 | 185,794 | 197,407 | 467,384 | 98,213 |
| 0 | 0 | 28,265 | 0 | 0 | 0 |
| 0 | 0 | 0 | 5,314 | 0 | 10,677 |
| 124,989 | 153,133 | 174,575 | 184,448 | 190,268 | 220,821 |
| 181,616 | 185,985 | 201,972 | 246,908 | 151,692 | 290,301 |
| 719,791 | 959,797 | 522,346 | 642,954 | 608,524 | 647,025 |
| 0 | 0 | 10,013 | 30,062 | 0 | 5,333 |
| 1,414,006 | 1,519,513 | 1,122,965 | 1,307,093 | 1,417,868 | 1,272,370 |
| (10,474,348) | (10,195,535) | (10,431,763) | (10,134,884) | (9,508,874) | (9,815,673) |
| 4,131,819 | 3,841,219 | 4,338,549 | 4,304,017 | 4,766,622 | 4,777,030 |
| 217,922 | 198,446 | 226,907 | 226,907 | 249,327 | 252,820 |
| 1,548,753 | 1,536,729 | 1,656,813 | 1,710,748 | 1,501,823 | 1,329,783 |
| 4,325,044 | 4,650,889 | 4,620,371 | 4,234,744 | 4,221,620 | 4,015,962 |
| 0 | 0 | 0 | 0 | 0 | 10,649 |
| 6,285 | 13,083 | 52,667 | 124,954 | 176,711 | 91,189 |
| 0 | 0 | 0 | 0 | 365,160 | 103,118 |
| 23,633 | 19,758 | 14,978 | 9,358 | 8,550 | 1,118 |
| 10,253,456 | 10,260,124 | 10,910,285 | 10,610,728 | 11,289,813 | 10,581,669 |
| (\$220,892) | \$64,589 | \$478,522 | \$475,844 | \$1,780,939 | \$765,996 |

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

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Fund | | | | | |
| Nonspendable | \$3,953 | \$2,139 | \$2,139 | \$2,017 | \$2,029 |
| Restricted | 39,468 | 41,614 | 41,614 | 41,614 | 41,045 |
| Committed | 184,943 | 193,585 | 260,558 | 105,012 | 182,726 |
| Assigned | 20,807 | 13,089 | 590,741 | 1,137,370 | 888,474 |
| Unassigned | 1,853,588 | 1,619,679 | 715,436 | 682,425 | 954,849 |
| Reserved | N/A | N/A | N/A | N/A | N/A |
| Unreserved (Deficit) | N/A | N/A | N/A | N/A | N/A |
| <i>Total General Fund</i> | <u>2,102,759</u> | <u>1,870,106</u> | <u>1,610,488</u> | <u>1,968,438</u> | <u>2,069,123</u> |
| All Other Governmental Funds | | | | | |
| Nonspendable | 1,167 | 1,139 | 1,531 | 7,101 | 8,211 |
| Restricted | 192,215 | 195,681 | 188,645 | 131,448 | 258,673 |
| Unassigned (Deficit) | (654) | 0 | 0 | 0 | (425) |
| Reserved | N/A | N/A | N/A | N/A | N/A |
| Unreserved, Undesignated, Reported in: | | | | | |
| Special Revenue Funds | N/A | N/A | N/A | N/A | N/A |
| Debt Service Funds | N/A | N/A | N/A | N/A | N/A |
| Capital Projects Funds | N/A | N/A | N/A | N/A | N/A |
| <i>Total All Other Governmental Funds</i> | <u>192,728</u> | <u>196,820</u> | <u>190,176</u> | <u>138,549</u> | <u>266,459</u> |
| <i>Total Governmental Funds</i> | <u>\$2,295,487</u> | <u>\$2,066,926</u> | <u>\$1,800,664</u> | <u>\$2,106,987</u> | <u>\$2,335,582</u> |

Note: GASB 54 was implemented in fiscal year 2011.



| 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------|-------------|-------------|-------------|-------------|
| \$1,824 | N/A | N/A | N/A | N/A |
| 41,045 | N/A | N/A | N/A | N/A |
| 0 | N/A | N/A | N/A | N/A |
| 13,884 | N/A | N/A | N/A | N/A |
| 2,412,958 | N/A | N/A | N/A | N/A |
| N/A | \$975,989 | \$695,341 | \$1,017,180 | \$975,425 |
| N/A | 2,074,377 | 2,300,013 | 1,486,945 | (73,635) |
| 2,469,711 | 3,050,366 | 2,995,354 | 2,504,125 | 901,790 |
| 5,288 | N/A | N/A | N/A | N/A |
| 313,009 | N/A | N/A | N/A | N/A |
| 0 | N/A | N/A | N/A | N/A |
| N/A | 148,174 | 151,933 | 121,426 | 235,130 |
| N/A | 71,375 | 51,585 | 57,547 | 156,030 |
| N/A | 0 | 0 | 0 | 0 |
| N/A | 206,166 | 804,933 | 815,411 | 408,063 |
| 318,297 | 425,715 | 1,008,451 | 994,384 | 799,223 |
| \$2,788,008 | \$3,476,081 | \$4,003,805 | \$3,498,509 | \$1,701,013 |

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

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|-------------------|-------------------|--------------------|--------------------|--------------------|
| Revenues | | | | | |
| Income Taxes | \$1,850,476 | \$2,162,468 | \$1,735,507 | \$1,548,753 | \$1,626,657 |
| Property Taxes | 4,979,118 | 4,526,039 | 4,373,428 | 4,353,798 | 4,349,320 |
| Intergovernmental | 5,247,227 | 4,636,804 | 4,628,000 | 5,007,888 | 5,610,908 |
| Interest | 5,463 | 5,439 | 4,079 | 6,285 | 9,820 |
| Tuition and Fees | 631,147 | 620,668 | 498,588 | 387,610 | 397,999 |
| Extracurricular Activities | 168,337 | 178,498 | 152,660 | 179,916 | 209,908 |
| Contributions and Donations | 42,448 | 38,117 | 31,022 | 36,947 | 21,375 |
| Charges for Services | 77,260 | 86,291 | 105,066 | 124,989 | 138,066 |
| Rentals | 2,420 | 1,600 | 1,880 | 1,700 | 2,000 |
| Miscellaneous | 47,723 | 48,801 | 43,260 | 23,633 | 40,129 |
| <i>Total Revenues</i> | <u>13,051,619</u> | <u>12,304,725</u> | <u>11,573,490</u> | <u>11,671,519</u> | <u>12,406,182</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 5,555,306 | 4,963,720 | 5,041,132 | 5,000,387 | 4,920,559 |
| Special | 1,491,056 | 1,548,503 | 1,521,958 | 1,489,364 | 1,799,284 |
| Vocational | 1,309 | 46,237 | 79,538 | 75,001 | 71,458 |
| Student Intervention | 102,829 | 90,120 | 138,647 | 165,196 | 191,649 |
| Support Services: | | | | | |
| Pupil | 650,946 | 575,935 | 433,058 | 699,224 | 642,890 |
| Instructional Staff | 315,514 | 293,572 | 287,340 | 320,881 | 453,246 |
| Board of Education | 92,855 | 76,731 | 82,509 | 83,794 | 50,980 |
| Administration | 1,115,288 | 1,206,405 | 1,205,689 | 1,132,616 | 1,195,284 |
| Fiscal | 444,049 | 422,157 | 392,099 | 325,331 | 432,910 |
| Business | 2,270 | 2,904 | 1,359 | 21,999 | 30,680 |
| Operation and Maintenance of Plant | 1,148,761 | 1,010,435 | 948,417 | 1,001,524 | 1,148,327 |
| Pupil Transportation | 969,397 | 879,380 | 832,991 | 688,329 | 1,018,781 |
| Operation of Non-Instructional Services | 0 | 0 | 4,132 | 0 | 0 |
| Operation of Community Services | 438 | 955 | 7,300 | 0 | 0 |
| Operation of Food Services | 221,849 | 242,935 | 233,496 | 243,726 | 279,864 |
| Extracurricular Activities | 433,111 | 367,952 | 368,545 | 376,503 | 364,396 |
| Capital Outlay | 50,153 | 168,236 | 115,458 | 49,839 | 8,300 |
| Debt Service: | | | | | |
| Principal Retirement | 108,657 | 103,106 | 55,314 | 26,603 | 0 |
| Interest and Fiscal Charges | 7,576 | 5,329 | 2,455 | 447 | 0 |
| <i>Total Expenditures</i> | <u>12,711,364</u> | <u>12,004,612</u> | <u>11,751,437</u> | <u>11,700,764</u> | <u>12,608,608</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>340,255</u> | <u>300,113</u> | <u>(177,947)</u> | <u>(29,245)</u> | <u>(202,426)</u> |
| Other Financing Sources (Uses) | | | | | |
| Sale of Capital Assets | 0 | 0 | 0 | 0 | 0 |
| Inception of Capital Lease | 163,306 | 241,149 | 146,624 | 75,650 | 0 |
| Transfers In | 95,000 | 65,000 | 75,000 | 11,000 | 0 |
| Transfers Out | (370,000) | (340,000) | (350,000) | (286,000) | (250,000) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(111,694)</u> | <u>(33,851)</u> | <u>(128,376)</u> | <u>(199,350)</u> | <u>(250,000)</u> |
| <i>Net Change in Fund Balances</i> | <u>\$228,561</u> | <u>\$266,262</u> | <u>(\$306,323)</u> | <u>(\$228,595)</u> | <u>(\$452,426)</u> |
| Debt Service as a Percentage of Noncapital Expenditures | 0.94% | 0.93% | 0.50% | 0.23% | 0.00% |

| 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------|-------------|-------------|-------------|-------------|
| \$1,544,686 | \$1,680,604 | \$1,605,512 | \$1,501,823 | \$1,329,783 |
| 4,059,441 | 4,560,815 | 4,425,741 | 5,155,342 | 5,026,267 |
| 5,581,373 | 5,125,435 | 4,874,439 | 4,759,998 | 4,644,456 |
| 13,083 | 52,667 | 124,954 | 176,711 | 91,189 |
| 220,598 | 214,059 | 197,099 | 221,754 | 56,244 |
| 183,351 | 197,688 | 246,908 | 309,758 | 290,301 |
| 29,313 | 27,295 | 33,321 | 70,146 | 34,513 |
| 153,133 | 174,681 | 184,756 | 270,045 | 262,790 |
| 2,634 | 4,178 | 5,314 | 7,787 | 10,677 |
| 19,758 | 14,978 | 9,358 | 8,550 | 1,118 |
| 11,807,370 | 12,052,400 | 11,707,402 | 12,481,914 | 11,747,338 |
| 4,598,101 | 4,910,346 | 4,551,570 | 4,359,350 | 4,510,378 |
| 1,560,754 | 1,248,295 | 1,270,129 | 1,329,869 | 1,535,933 |
| 70,925 | 67,117 | 63,351 | 59,507 | 54,762 |
| 339,048 | 12,776 | 0 | 0 | 0 |
| 587,278 | 585,437 | 596,768 | 610,225 | 606,815 |
| 444,152 | 413,989 | 466,354 | 433,541 | 400,096 |
| 41,679 | 87,962 | 54,834 | 36,959 | 46,539 |
| 1,084,482 | 1,103,077 | 1,027,474 | 1,067,488 | 805,231 |
| 376,220 | 403,219 | 332,881 | 371,725 | 313,693 |
| 28,687 | 38,727 | 32,706 | 28,018 | 29,925 |
| 963,066 | 1,103,255 | 958,097 | 967,069 | 973,686 |
| 854,523 | 749,980 | 753,843 | 768,513 | 690,623 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 244,249 | 270,217 | 294,331 | 262,839 | 320,715 |
| 381,611 | 403,839 | 445,806 | 390,948 | 354,006 |
| 622,245 | 921,888 | 223,962 | 369,621 | 334,672 |
| 0 | 0 | 0 | 0 | 68,736 |
| 0 | 0 | 0 | 0 | 994 |
| 12,197,020 | 12,320,124 | 11,072,106 | 11,055,672 | 11,046,804 |
| (389,650) | (267,724) | 635,296 | 1,426,242 | 700,534 |
| 0 | 0 | 0 | 371,254 | 235,008 |
| 0 | 0 | 0 | 0 | 0 |
| 116,600 | 165,444 | 0 | 30,808 | 0 |
| (416,600) | (425,444) | (130,000) | (30,808) | 0 |
| (300,000) | (260,000) | (130,000) | 371,254 | 235,008 |
| (\$689,650) | (\$527,724) | \$505,296 | \$1,797,496 | \$935,542 |
| 0.00% | 0.00% | 0.00% | 0.00% | 0.65% |

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

| Collection Year | Real Estate | | | Tangible Personal | | |
|--------------------|------------------------------|---------------------------|---------------|------------------------------|-------------------|------------------------------|
| | Assessed Value | | | Estimated Actual Value | Assessed Value | Estimated Actual Value |
| | Residential/ Agricultural | Commercial/ Industrial | Total | | | |
| 2015 | \$194,401,510 | \$32,752,300 | \$227,153,810 | \$649,010,886 | \$0 | \$0 |
| 2014 | 188,228,330 | 30,728,180 | 218,956,510 | 625,590,029 | 0 | 0 |
| 2013 | 187,539,730 | 26,214,110 | 213,753,840 | 610,725,257 | 0 | 0 |
| 2012 | 187,328,640 | 25,339,290 | 212,667,930 | 607,622,657 | 0 | 0 |
| 2011 | 189,075,680 | 24,497,110 | 213,572,790 | 610,207,971 | 0 | 0 |
| 2010 | 189,031,680 | 24,417,430 | 213,449,110 | 609,854,600 | 0 | 0 |
| 2009 | 187,824,100 | 23,853,220 | 211,677,320 | 604,792,343 | 0 | 0 |
| 2008 | 185,639,640 | 23,379,720 | 209,019,360 | 597,198,171 | 4,807,680 | 76,922,880 |
| 2007 | 183,710,490 | 22,453,650 | 206,164,140 | 589,040,400 | 9,765,500 | 78,124,000 |
| 2006 | 181,335,230 | 22,365,410 | 203,700,640 | 582,001,829 | 14,712,180 | 78,464,960 |

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

| Public Utility Personal | | Total | | | | |
|-------------------------|------------------------|----------------|------------------------|--------|----------------------|---------------------------|
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Ratio | Total Tax Rate Mills | Weighted Average Tax Rate |
| \$7,110,920 | \$8,080,591 | \$234,264,730 | \$657,091,477 | 35.65% | \$52.30 | \$23.68 |
| 6,777,210 | 7,701,375 | 225,733,720 | 633,291,404 | 35.64 | 52.30 | 23.02 |
| 6,152,350 | 6,991,307 | 219,906,190 | 617,716,564 | 35.60 | 52.30 | 22.31 |
| 5,573,190 | 6,333,170 | 218,241,120 | 613,955,828 | 35.55 | 52.30 | 22.03 |
| 7,110,920 | 8,080,591 | 220,683,710 | 618,288,562 | 35.66 | 52.30 | 22.41 |
| 5,284,160 | 6,004,727 | 218,733,270 | 615,859,327 | 35.52 | 52.30 | 21.93 |
| 4,965,770 | 5,642,920 | 216,643,090 | 610,435,263 | 35.49 | 52.30 | 21.68 |
| 5,279,450 | 5,999,375 | 219,106,490 | 680,120,426 | 32.22 | 52.30 | 22.64 |
| 6,276,010 | 7,131,830 | 222,205,650 | 674,296,230 | 32.95 | 52.30 | 23.45 |
| 6,205,680 | 7,051,909 | 224,618,500 | 667,518,698 | 33.65 | 52.30 | 24.08 |

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

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|----------|----------|----------|----------|----------|
| 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 | 7.7817 | 7.8684 | 7.8567 | 7.8404 | 7.7734 |
| Commercial/Industrial | 7.3641 | 7.3617 | 7.3287 | 7.3184 | 7.5105 |
| Tangible/Public Utility Personal | 26.1000 | 26.1000 | 26.1000 | 26.1000 | 26.1000 |
| 1977 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 1.4907 | 1.5074 | 1.5051 | 1.5020 | 1.4891 |
| Commercial/Industrial | 1.4107 | 1.4103 | 1.4040 | 1.4020 | 1.4388 |
| Tangible/Public Utility Personal | 5.0000 | 5.0000 | 5.0000 | 5.0000 | 5.0000 |
| 1983 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 2.0001 | 2.0372 | 2.0342 | 2.0300 | 2.0126 |
| Commercial/Industrial | 2.5330 | 2.5322 | 2.5208 | 2.5173 | 2.5834 |
| Tangible/Public Utility Personal | 4.7000 | 4.7000 | 4.7000 | 4.7000 | 4.7000 |
| 1985 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 1.9150 | 1.9505 | 1.9476 | 1.9436 | 1.9269 |
| Commercial/Industrial | 2.4252 | 2.4244 | 2.4136 | 2.4102 | 2.4734 |
| Tangible/Public Utility Personal | 4.5000 | 4.5000 | 4.5000 | 4.5000 | 4.5000 |
| 1988 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 2.3126 | 2.3588 | 2.3553 | 2.3504 | 2.3304 |
| Commercial/Industrial | 2.7616 | 2.7607 | 2.7483 | 2.7445 | 2.8165 |
| Tangible/Public Utility Personal | 5.0000 | 5.0000 | 5.0000 | 5.0000 | 5.0000 |
| 2008 Permanent Improvements - 5 years (1) | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 1.0046 | 1.0333 | 1.0318 | 1.0296 | 1.0208 |
| Commercial/Industrial | 1.3966 | 1.3962 | 1.3899 | 1.3880 | 1.4244 |
| Tangible/Public Utility Personal | 2.5000 | 2.5000 | 2.5000 | 2.5000 | 2.5000 |
| Total Effective Voted Millage by type of property | | | | | |
| Residential/Agricultural | 16.5047 | 16.7556 | 16.7307 | 16.6960 | 16.5531 |
| Commercial/Industrial | 17.8912 | 17.8854 | 17.8053 | 17.7804 | 18.2469 |
| Tangible/Public Utility Personal | 47.8000 | 47.8000 | 47.8000 | 47.8000 | 47.8000 |
| Total Effective Millage by type of property | | | | | |
| Residential/Agricultural | 21.0047 | 21.2556 | 21.2307 | 21.1960 | 21.0531 |
| Commercial/Industrial | 22.3912 | 22.3854 | 22.3053 | 22.2804 | 22.7469 |
| Tangible/Public Utility Personal | 52.3000 | 52.3000 | 52.3000 | 52.3000 | 52.3000 |
| Totla Weighted Average Tax Rate | 23.6807 | 23.0172 | 22.3091 | 22.0288 | 22.4081 |

| 2010 | 2009 | 2008 | 2007 | 2006 |
|----------|----------|----------|----------|----------|
| \$4.5000 | \$4.5000 | \$4.5000 | \$4.5000 | \$4.5000 |
| 7.7579 | 7.7572 | 7.7505 | 7.7472 | 7.7462 |
| 7.4948 | 7.5018 | 7.4899 | 7.4844 | 7.3781 |
| 26.1000 | 26.1000 | 26.1000 | 26.1000 | 26.1000 |
| 1.4862 | 1.4861 | 1.4848 | 1.4841 | 1.4840 |
| 1.4358 | 1.4371 | 1.4349 | 1.4338 | 1.4134 |
| 5.0000 | 5.0000 | 5.0000 | 5.0000 | 5.0000 |
| 2.0086 | 2.0095 | 2.0107 | 2.0118 | 2.0121 |
| 2.5780 | 2.5804 | 2.5763 | 2.5744 | 2.5378 |
| 4.7000 | 4.7000 | 4.7000 | 4.7000 | 4.7000 |
| 1.9231 | 1.9229 | 1.9251 | 1.9262 | 1.9265 |
| 2.4683 | 2.4706 | 2.4667 | 2.4648 | 2.4298 |
| 4.5000 | 4.5000 | 4.5000 | 4.5000 | 4.5000 |
| 2.3256 | 2.3254 | 2.3289 | 2.3306 | 2.3312 |
| 2.8106 | 2.8132 | 2.8088 | 2.8067 | 2.7668 |
| 5.0000 | 5.0000 | 5.0000 | 5.0000 | 5.0000 |
| 1.0188 | 1.0187 | 1.0225 | 1.0244 | 1.0249 |
| 1.4214 | 1.4228 | 1.4205 | 1.4195 | 1.3993 |
| 2.5000 | 2.5000 | 2.5000 | 2.5000 | 2.5000 |
| 16.5202 | 16.5187 | 16.5225 | 16.5243 | 16.5249 |
| 18.2088 | 18.2260 | 18.1971 | 18.1836 | 17.9252 |
| 47.8000 | 47.8000 | 47.8000 | 47.8000 | 47.8000 |
| 21.0202 | 21.0187 | 21.0225 | 21.0243 | 21.0249 |
| 22.7088 | 22.7260 | 22.6971 | 22.6836 | 22.4252 |
| 52.3000 | 52.3000 | 52.3000 | 52.3000 | 52.3000 |
| 21.9270 | 21.6772 | 22.6411 | 23.4498 | 24.0769 |

(continued)

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

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|----------|----------|----------|----------|----------|
| 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 | 1.6528 | 1.2000 | 1.2000 | 1.2000 | 1.1980 |
| Commercial/Industrial | 1.7000 | 1.1762 | 1.1710 | 1.1693 | 1.2000 |
| Tangible/Public Utility Personal | 1.7000 | 1.2000 | 1.2000 | 1.2000 | 1.2000 |
| Village of Burton Unvoted Millage | | | | | |
| Residential/Agricultural | 8.2119 | 8.2157 | 8.1969 | 8.1914 | 8.1231 |
| Commercial/Industrial | 9.1217 | 9.1119 | 9.0709 | 9.0348 | 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 | 5.9276 | 5.9921 | 5.1969 | 5.2561 | 5.9389 |
| Commercial/Industrial | 6.3277 | 6.3367 | 6.0709 | 5.5043 | 6.3130 |
| Tangible/Public Utility Personal | 7.2500 | 7.2500 | 6.7500 | 6.3500 | 7.2500 |
| Township of Claridon Voted Millage | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 7.4788 | 7.5704 | 7.5605 | 6.5040 | 6.5222 |
| Commercial/Industrial | 7.3062 | 7.3096 | 7.3061 | 6.2763 | 6.2885 |
| Tangible/Public Utility Personal | 9.1500 | 9.1500 | 9.1500 | 9.4000 | 9.4000 |
| Township of Troy Voted Millage | | | | | |
| Residential/Agricultural | 8.0596 | 8.3376 | 8.3363 | 8.3172 | 9.3918 |
| Commercial/Industrial | 7.2467 | 7.2395 | 7.2395 | 7.2392 | 8.4271 |
| Tangible/Public Utility Personal | 11.0000 | 11.0000 | 11.0000 | 11.0000 | 12.5000 |
| Geauga County Voted Millage | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 11.4711 | 11.8028 | 11.9850 | 11.9674 | 11.6097 |
| Commercial/Industrial | 12.1414 | 12.4790 | 12.7460 | 12.5853 | 12.4348 |
| Tangible/Public Utility Personal | 13.4000 | 14.1000 | 15.1000 | 15.1000 | 15.1000 |

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

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

| 2010 | 2009 | 2008 | 2007 | 2006 |
|----------|----------|----------|----------|----------|
| \$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 |
| 1.1956 | 1.1955 | 0.7926 | 0.7941 | 0.7945 |
| 1.1989 | 1.2000 | 0.8905 | 0.8898 | 0.8772 |
| 1.2000 | 1.2000 | 1.0000 | 1.0000 | 1.0000 |
| 8.1174 | 8.1172 | 8.1326 | 8.1302 | 8.1252 |
| 9.3172 | 9.3172 | 9.3407 | 9.3440 | 9.1220 |
| 9.7500 | 9.7500 | 9.7500 | 9.7500 | 9.7500 |
| 5.9316 | 5.9289 | 5.9351 | 5.9387 | 5.9448 |
| 6.3107 | 6.3099 | 6.3099 | 6.3070 | 6.3072 |
| 7.2500 | 7.2500 | 7.2500 | 7.2500 | 7.2500 |
| 6.5171 | 6.5153 | 6.5245 | 6.5348 | 6.5377 |
| 6.2884 | 6.2874 | 6.2874 | 6.2873 | 6.2914 |
| 9.4000 | 9.4000 | 9.4000 | 9.4000 | 9.4000 |
| 9.3722 | 9.3777 | 9.4210 | 9.4284 | 9.4212 |
| 8.3976 | 8.4153 | 8.3713 | 8.3613 | 8.2919 |
| 12.5000 | 12.5000 | 12.5000 | 12.5000 | 12.5000 |
| 11.2064 | 10.9011 | 10.8584 | 10.8751 | 10.8912 |
| 12.0948 | 11.5893 | 11.4913 | 11.5035 | 11.4143 |
| 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 |
|------------------------|------------------------|----------------------------|--|--------------------------------------|--------------------------|---|
| 2014 | \$5,199,872 | \$5,139,730 | 98.84 | \$142,551 | \$5,282,281 | 101.58% |
| 2013 | 4,895,103 | 4,825,539 | 98.58 | 141,557 | 4,967,096 | 101.47 |
| 2012 | 4,847,757 | 4,729,795 | 97.57 | 117,245 | 4,847,040 | 99.99 |
| 2011 | 4,822,787 | 4,764,641 | 98.79 | 121,788 | 4,886,429 | 101.32 |
| 2010 | 4,805,662 | 4,712,631 | 98.06 | 208,062 | 4,920,693 | 102.39 |
| 2009 | 4,830,649 | 4,729,877 | 97.91 | 205,453 | 4,935,330 | 102.17 |
| 2008 | 5,041,199 | 4,888,884 | 96.98 | 229,328 | 5,118,212 | 101.53 |
| 2007 | 5,329,712 | 5,108,242 | 95.84 | 161,485 | 5,269,727 | 98.87 |
| 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 |

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 2015 information cannot be presented because all collections have not been made by June 30, 2015.

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

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

Berkshire Local School District*Principal Taxpayers**Real Estate Tax**2015 and 2007*

| Name of Taxpayer | 2015 | |
|--|----------------------|---|
| | Assessed Value | Percent of Real Property Assessed Value |
| Great Lakes Cheese Company, Inc | \$5,105,070 | 2.25 % |
| Saint Gobain Ceramics & Plastics Inc | 2,058,490 | 0.91 |
| Thistle Lane Real Properties LLC | 1,580,010 | 0.70 |
| Excel Polymers LLC | 1,292,350 | 0.57 |
| Luxenburg Properties BH | 1,265,450 | 0.56 |
| Troy Oaks Homes and Residential Club | 1,216,990 | 0.54 |
| John & James Masternick Trustees | 1,035,030 | 0.46 |
| Bridge Creek Properties | 818,970 | 0.36 |
| Preston Real Estate | 755,110 | 0.33 |
| Hilltop Holdings LLC | 673,440 | 0.30 |
| Totals | <u>\$15,800,910</u> | <u>6.96 %</u> |
| Total Real Estate Tax Assessed Valuation | <u>\$227,153,810</u> | |

| Name of Taxpayer | 2007 (1) | |
|--|----------------------|---|
| | Assessed Value | Percent of Real Property Assessed Value |
| Great Lakes Cheese Company, Inc | \$4,014,330 | 1.95 % |
| Thistle Lane Real Properties LLC | 1,642,380 | 0.80 |
| City of Akron | 1,560,420 | 0.76 |
| Excel Polymers LLC | 1,237,750 | 0.60 |
| John J. Masternick | 1,089,280 | 0.53 |
| Troy Oaks Homes and Residential Club | 1,071,500 | 0.52 |
| Luxenburg Properties BH | 1,015,020 | 0.49 |
| Preston Real Estate | 623,440 | 0.30 |
| Steven Rajki, Junior | 599,450 | 0.29 |
| Grandview Golf Club | 583,420 | 0.28 |
| Tripak Enterprise | 570,650 | 0.27 |
| Totals | <u>\$14,007,640</u> | <u>6.79 %</u> |
| Total Real Estate Tax Assessed Valuation | <u>\$206,164,140</u> | |

(1) information for 2006 is not available, therefore 2007 data was presented

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

Berkshire Local School District*Principal Taxpayers**Public Utilities Tax**2015 and 2007*

| Name of Taxpayer | 2015 | |
|---|--------------------|--|
| | Assessed Value | Percent of Public Utility Assessed Value |
| Cleveland Electric Illuminating Company | \$5,786,250 | 85.38 % |
| American Transmission Systems Inc | 522,920 | 7.72 |
| East Ohio Gas Company | 405,160 | 5.98 |
| Ohio Edison | 344,920 | 5.09 |
| Orwell Natural Gas Company | 51,670 | 0.76 |
| Total | <u>\$7,110,920</u> | <u>100.00 %</u> |
| Total Public Utilities Assessed Valuation | <u>\$7,110,920</u> | |

| Name of Taxpayer | 2007 (1) | |
|---|--------------------|--|
| | Assessed Value | Percent of Public Utility Assessed Value |
| Cleveland Electric Illuminating Company | \$4,309,740 | 68.27 % |
| Ohio Bell Telephone Company | 645,200 | 10.28 |
| American Transmission Systems Inc | 374,600 | 5.97 |
| East Ohio Gas Company | 320,480 | 5.11 |
| Alltel Ohio | 158,890 | 2.53 |
| Total | <u>\$5,808,910</u> | <u>92.56 %</u> |
| Total Public Utilities Assessed Valuation | <u>\$6,276,010</u> | |

(1) information for 2006 is not available, therefore 2007 data was presented

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

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

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

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

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

(3) Total tax collected is on a full accrual basis.

Source: Ohio Department of Taxation

Berkshire Local School District
Computation of Direct and Overlapping
Governmental Activities Debt
December 31, 2015

| | Governmental Activities Debt Outstanding | Percentage Applicable to School District (1) | Amount of Direct and Overlapping Debt |
|--------------------------|---|--|--|
| Direct: | | | |
| Capital Leases | \$333,049 | 100.00% | \$333,049 |
| Overlapping: | | | |
| Geauga County | | | |
| General Obligation Bonds | 325,000 | 7.52% | 24,440 |
| Special Assessment Bonds | 683,074 | 7.52% | 51,367 |
| General Obligation Notes | 10,152,811 | 7.52% | 763,491 |
| Total Overlapping | 11,160,885 | 7.52% | 839,299 |
| Total | \$11,493,934 | | \$1,172,348 |

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 2014 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 |
| 2015 | 8,647 | \$657,091,477 | \$0 | 0.00 | \$0.00 |
| 2014 | 8,647 | 633,291,404 | 0 | 0.00 | 0.00 |
| 2013 | 8,647 | 617,716,564 | 0 | 0.00 | 0.00 |
| 2012 | 8,647 | 613,955,828 | 0 | 0.00 | 0.00 |
| 2011 | 8,647 | 618,288,562 | 0 | 0.00 | 0.00 |
| 2010 | 8,647 | 615,859,327 | 0 | 0.00 | 0.00 |
| 2009 | 8,647 | 610,435,263 | 0 | 0.00 | 0.00 |
| 2008 | 8,647 | 680,120,426 | 0 | 0.00 | 0.00 |
| 2007 | 8,647 | 674,296,230 | 0 | 0.00 | 0.00 |
| 2006 | 8,647 | 667,518,698 | 0 | 0.00 | 0.00 |

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

(2) Geauga County Auditor

(3) The personal income can be found on S26

| General Debt | | | |
|-------------------|---------------|---|-------------------------------|
| Capital Leases | Total Debt | Ratio of General Debt to Personal Income (3) | General Debt per Capita |
| \$333,049 | \$333,049 | 1.18 | \$38.52 |
| 278,400 | 278,400 | 0.98 | 32.20 |
| 140,357 | 140,357 | 0.50 | 16.23 |
| 49,047 | 49,047 | 0.17 | 5.67 |
| 0 | 0 | 0.00 | 0.00 |
| 0 | 0 | 0.00 | 0.00 |
| 0 | 0 | 0.00 | 0.00 |
| 0 | 0 | 0.00 | 0.00 |
| 0 | 0 | 0.00 | 0.00 |
| 0 | 0 | 0.00 | 0.00 |

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

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Assessed Valuation (1) | <u>\$227,153,810</u> | <u>\$218,956,510</u> | <u>\$213,753,840</u> | <u>\$212,667,930</u> | <u>\$213,572,790</u> |
| Debt Limit - 9% of Assessed Value (2) | \$20,443,843 | \$19,706,086 | \$19,237,846 | \$19,140,114 | \$19,221,551 |
| Amount of Debt Applicable to Debt Limit | | | | | |
| General Obligation Bonds | 0 | 0 | 0 | 0 | 0 |
| Less Amount Available in Debt Service | <u>0</u> | <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> | <u>0</u> |
| Legal Debt Margin | <u>\$20,443,843</u> | <u>\$19,706,086</u> | <u>\$19,237,846</u> | <u>\$19,140,114</u> | <u>\$19,221,551</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Unvoted Debt Limit - .10% of Assessed Value (2) | \$227,154 | \$218,957 | \$213,754 | \$212,668 | \$213,573 |
| Amount of Debt Applicable | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Unvoted Legal Debt Margin | <u>\$227,154</u> | <u>\$218,957</u> | <u>\$213,754</u> | <u>\$212,668</u> | <u>\$213,573</u> |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit | 100.00% | 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.

| 2010 | 2009 | 2008 | 2007 | 2006 |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>\$213,449,110</u> | <u>\$211,677,320</u> | <u>\$209,019,360</u> | <u>\$206,164,140</u> | <u>\$203,700,640</u> |
| \$19,210,420 | \$19,050,959 | \$18,811,742 | \$18,554,773 | \$18,333,058 |
| 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>\$19,210,420</u> | <u>\$19,050,959</u> | <u>\$18,811,742</u> | <u>\$18,554,773</u> | <u>\$18,333,058</u> |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| \$213,449 | \$211,677 | \$209,019 | \$206,164 | \$203,701 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>\$213,449</u> | <u>\$211,677</u> | <u>\$209,019</u> | <u>\$206,164</u> | <u>\$203,701</u> |
| 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) |
|------|----------------|------------------------------|--------------------------------------|-----------------------------------|
| 2015 | 1,450 | \$40,518,800 | \$27,944 | \$60,200 |
| 2014 | 1,450 | \$40,518,800 | 27,944 | 60,200 |
| 2013 | 1,450 | \$40,518,800 | 27,944 | 60,200 |
| 2012 | 1,450 | \$40,518,800 | 27,944 | 60,200 |
| 2011 | 1,450 | \$40,518,800 | 27,944 | 60,200 |
| 2010 | 1,450 | \$40,518,800 | 27,944 | 60,200 |
| 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 |

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 % | \$234,264,730 |
| 37.50 | 135,100 | 5.6 | 225,733,720 |
| 37.50 | 135,100 | 5.6 | 219,906,190 |
| 37.50 | 135,100 | 7.5 | 218,241,120 |
| 37.50 | 135,100 | 7.5 | 220,683,710 |
| 37.50 | 135,100 | 7.5 | 218,733,270 |
| 37.50 | 135,100 | 7.5 | 216,643,090 |
| 37.50 | 135,100 | 5.8 | 219,106,490 |
| 37.50 | 135,100 | 4.9 | 222,205,650 |
| 37.50 | 135,100 | 4.4 | 224,618,500 |

Berkshire Local School District
Principal Employers
December 31, 2014 and December 31, 2006

| December 31, 2014 | | | |
|---|--------|--|-----------|
| Employer | City | Nature of Business or Activity | Employees |
| Great Lakes Cheese Company | Troy | Cheese Packaging and Distribution | 580 |
| Hexpol Compounding/Burton Rubber Processing | Burton | Manufacturing | 233 |
| Berkshire Local School District | Burton | Education | 121 |
| Burton Health Care | Burton | Long-term Health Care and Rehabilitation | 108 |
| Preston Superstore | Burton | Automobile Sales | 130 |
| Duramax | Troy | Manufacturing | 88 |
| ARMS Trucking | Burton | Trucking | n/a |
| BFG Supply, Incorporated | Burton | Wholesale Distributor - Greenhouse | 52 |
| Ronyak Paving | Burton | Paving | 49 |
| Troy Manufacturing | Troy | Manufacturing | 41 |
| Total | | | 1,402 |
| Total Employment within the School District | | | n/a |

| December 31, 2006 | | | |
|---|--------|--|-----------|
| Employer | City | Nature of Business or Activity | Employees |
| Great Lakes Cheese Company | Troy | Cheese Packaging and Distribution | 533 |
| Excel Polymers, LLC | Burton | Manufacturing | 214 |
| Berkshire Local School District | Burton | Education | 137 |
| BFG Supply, Incorporated | Burton | Wholesale Distributor - Greenhouse | 132 |
| Burton Health Care | Burton | Long-term Health Care and Rehabilitation | 132 |
| Duramax | Troy | Manufacturing | 83 |
| ARMS Trucking | Burton | Trucking | 75 |
| Preston Superstore | Burton | Automobile Sales | 62 |
| Ronyak Paving | Burton | Paving | 58 |
| Troy Manufacturing | Troy | Manufacturing | 27 |
| Total | | | 1,453 |
| Total Employment within the School District | | | n/a |

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

n/a - Information not available.

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

| | 2015 | 2014 | 2013 | 2012 |
|---------------------------------|--------|--------|--------|--------|
| Burton Elementary School | | | | |
| Constructed in 1959 | | | | |
| Total Building Square Footage | 41,645 | 41,645 | 41,645 | 41,645 |
| Enrollment Grades PS-6 | 426 | 454 | 474 | 491 |
| Student Capacity | 640 | 640 | 640 | 640 |
| Regular Instruction Classrooms | 23 | 23 | 23 | 23 |
| Regular Instruction Teachers | 30 | 29 | 29 | 29 |
| Special Instruction Classrooms | 4 | 4 | 4 | 4 |
| Special Instruction Teachers | 5 | 5 | 5 | 5 |
| Troy Elementary School | | | | |
| Constructed in 1924 | | | | |
| Total Building Square Footage | 0 | 0 | 0 | 0 |
| Enrollment Grades 1-6 | 0 | 0 | 0 | 0 |
| Student Capacity | 0 | 0 | 0 | 0 |
| Regular Instruction Classrooms | 0 | 0 | 0 | 0 |
| Regular Instruction Teachers | 0 | 0 | 0 | 0 |
| Special Instruction Classrooms | 0 | 0 | 0 | 0 |
| Special Instruction Teachers | 0 | 0 | 0 | 0 |
| Junior High/High School | | | | |
| Constructed in 1936 | | | | |
| Total Building Square Footage | 95,485 | 95,485 | 95,485 | 95,485 |
| Enrollment Grades 7-12 | 480 | 495 | 517 | 548 |
| Student Capacity | 760 | 760 | 760 | 760 |
| Regular Instruction Classrooms | 32 | 32 | 32 | 32 |
| Regular Instruction Teachers | 27 | 27 | 27 | 28 |
| Special Instruction Classrooms | 5 | 5 | 5 | 5 |
| Special Instruction Teachers | 6 | 6 | 6 | 5 |

Source: School District Records

| 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|--------|--------|--------|--------|--------|--------|
| 41,645 | 41,645 | 41,645 | 29,549 | 29,549 | 29,549 |
| 507 | 508 | 495 | 363 | 408 | 421 |
| 640 | 640 | 640 | 450 | 450 | 450 |
| 23 | 23 | 16 | 30 | 23 | 23 |
| 23 | 23 | 21 | 30 | 24 | 26 |
| 4 | 4 | 4 | 3 | 2 | 2 |
| 8 | 8 | 8 | 3 | 2 | 3 |
| 0 | 0 | 18,556 | 18,556 | 18,556 | 18,556 |
| 0 | 0 | 163 | 163 | 149 | 159 |
| 0 | 0 | 190 | 190 | 190 | 190 |
| 0 | 0 | 6 | 6 | 10 | 10 |
| 0 | 0 | 6 | 6 | 11 | 11 |
| 0 | 0 | 1 | 1 | 1 | 1 |
| 0 | 0 | 1 | 1 | 1 | 1 |
| 95,485 | 95,485 | 95,485 | 95,485 | 95,485 | 95,485 |
| 576 | 569 | 629 | 619 | 690 | 702 |
| 760 | 760 | 760 | 760 | 760 | 760 |
| 32 | 32 | 32 | 32 | 32 | 32 |
| 30 | 30 | 30 | 30 | 31 | 32 |
| 5 | 5 | 5 | 5 | 4 | 4 |
| 5 | 5 | 5 | 5 | 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 |
|-------------|--------------|------------|----------------|-------------------|----------------|---------------------|--|--------------------------|
| 2015 | \$12,711,364 | 906 | \$14,030 | 9.84 % | 70 | 12.9 | 212 | 23.4% |
| 2014 | 12,004,612 | 949 | 12,650 | 6.26 | 69 | 13.8 | 212 | 0.2 |
| 2013 | 11,751,437 | 991 | 11,858 | 5.03 | 69 | 14.4 | 220 | 20.7 |
| 2012 | 11,700,764 | 1,039 | 11,262 | (3.38) | 69 | 15.1 | 227 | 21.8 |
| 2011 | 12,608,608 | 1,083 | 11,642 | 0.03 | 72 | 15.0 | 242 | 22.3 |
| 2010 | 12,197,020 | 1,077 | 11,325 | (3.21) | 73 | 14.8 | 155 | 14.4 |
| 2009 | 12,320,124 | 1,124 | 10,961 | 11.78 | 73 | 15.4 | 144 | 12.8 |
| 2008 | 11,072,106 | 1,145 | 9,670 | 8.32 | 75 | 15.3 | 131 | 11.4 |
| 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 |

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 |
|-------------|---------------------------|---------------|---------------------------|---------------|
| 2015 | 95.20% | N/A | 94.10% | 83.00% |
| 2014 | 95.00 | 94.30 | 94.10 | 83.00 |
| 2013 | 95.00 | 94.30 | 93.80 | 83.00 |
| 2012 | 94.40 | 94.30 | 95.90 | 83.00 |
| 2011 | 94.00 | 94.00 | 95.20 | 83.00 |
| 2010 | 94.30 | 94.30 | 95.20 | 83.00 |
| 2009 | 94.40 | 94.30 | 95.20 | 90.00 |
| 2008 | 94.60 | 93.00 | 94.20 | 90.00 |
| 2007 | 94.10 | 93.00 | 94.00 | 90.00 |
| 2006 | 95.20 | 94.10 | 95.30 | 86.20 |

Source: Ohio Department of Education Local Report Cards

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

| Function/Program | 2015 | 2014 | 2013 | 2012 | 2011 |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Regular Instruction | | | | | |
| Elementary Classroom Teachers | 30.50 | 29.50 | 29.00 | 29.00 | 31.00 |
| High School Classroom Teachers | 24.00 | 24.00 | 24.00 | 25.00 | 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 | 5.00 | 5.00 |
| Vocational Instruction | | | | | |
| High School Classroom Teachers | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Pupil Support Services | | | | | |
| Guidance Counselors | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Librarians | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Psychologists | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Speech and Language Pathologists | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 |
| Nurse | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Aides | 5.00 | 5.00 | 4.00 | 5.00 | 5.00 |
| Administration | | | | | |
| Elementary | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 |
| High School | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Central Office | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Secretarial | 6.50 | 6.50 | 7.50 | 7.50 | 7.50 |
| Technology | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Fiscal Services | | | | | |
| Administration | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Clerks | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Operation of Plant | | | | | |
| Custodians | 7.00 | 7.00 | 7.00 | 7.00 | 8.00 |
| Maintenance | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Pupil Transportation | | | | | |
| Administration | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Bus Drivers | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Bus Aides | 3.00 | 3.00 | 3.00 | 3.00 | 5.00 |
| Van Drivers | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Food Service Program | | | | | |
| Elementary Cooks | 3.00 | 3.00 | 4.00 | 4.00 | 4.00 |
| High School Cooks | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Totals | <u>122.00</u> | <u>121.00</u> | <u>122.50</u> | <u>124.50</u> | <u>135.50</u> |

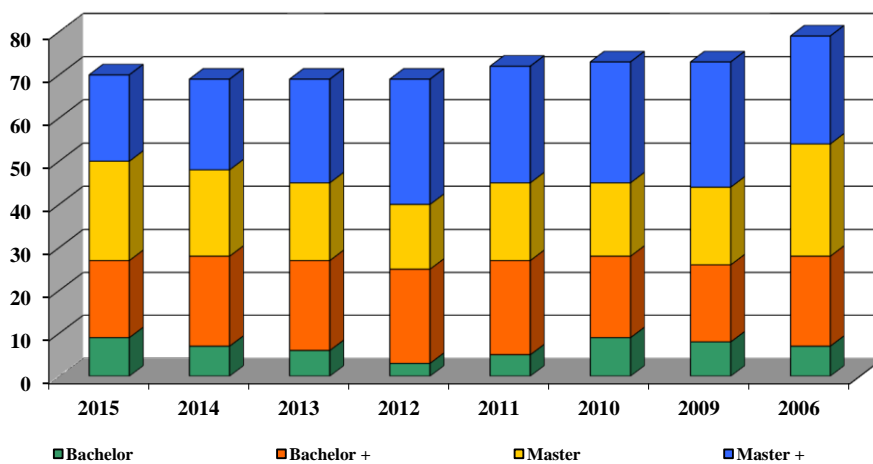
Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at fiscal year end.

Source: School District Records

| 2010 | 2009 | 2008 | 2007 | 2006 |
|--------|--------|--------|--------|--------|
| 31.00 | 30.00 | 30.00 | 35.00 | 33.00 |
| 29.00 | 30.00 | 30.00 | 31.00 | 31.00 |
| 4.00 | 4.00 | 4.00 | 3.00 | 4.00 |
| 1.00 | 1.00 | 1.00 | 0.50 | 0.50 |
| 4.00 | 3.00 | 5.00 | 4.00 | 3.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 2.00 | 2.00 | 2.00 | 2.00 | 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 | 2.00 | 2.00 | 1.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 5.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| 2.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| 2.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 7.50 | 8.00 | 3.00 | 3.00 | 3.00 |
| 1.00 | 1.50 | 1.50 | 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 | 7.50 | 7.50 | 9.00 | 9.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 2.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 10.00 | 10.00 | 10.00 | 9.00 | 13.00 |
| 5.00 | 6.00 | 5.00 | 2.00 | 1.00 |
| 2.00 | 2.00 | 2.00 | 1.00 | 1.00 |
| 4.00 | 4.00 | 6.00 | 5.00 | 5.00 |
| 3.00 | 3.00 | 4.00 | 4.00 | 4.00 |
| 134.00 | 139.00 | 138.00 | 136.50 | 138.50 |

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

| Degree | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|-------------------|------|------|------|------|------|------|------|------|------|------|
| Bachelor's Degree | 9 | 7 | 6 | 3 | 5 | 9 | 8 | 8 | 5 | 7 |
| Bachelor + 15 | 1 | 4 | 4 | 4 | 7 | 4 | 3 | 3 | 2 | 0 |
| Bachelor + 150 | 17 | 17 | 17 | 18 | 15 | 15 | 15 | 15 | 19 | 21 |
| Master's Degree | 23 | 20 | 18 | 15 | 18 | 17 | 18 | 20 | 22 | 26 |
| Master + 15 | 13 | 10 | 10 | 12 | 13 | 12 | 11 | 11 | 13 | 11 |
| Master + 30 | 7 | 11 | 14 | 17 | 14 | 16 | 18 | 18 | 14 | 14 |
| Total | 70 | 69 | 69 | 69 | 72 | 73 | 73 | 75 | 75 | 79 |



Source: School District Records

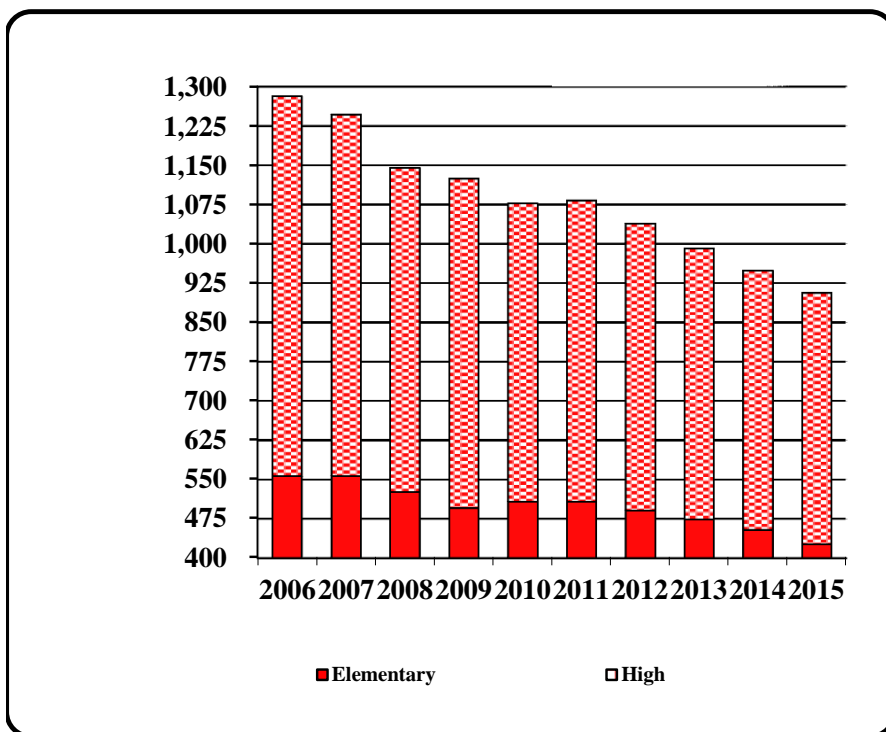
Berkshire Local School District

Enrollment Statistics

Last Ten Fiscal Years

| Fiscal Year | Elementary Schools | Junior/High School | Total |
|-------------|--------------------|--------------------|-------|
| 2015 | 426 | 480 | 906 |
| 2014 | 454 | 495 | 949 |
| 2013 | 474 | 517 | 991 |
| 2012 | 491 | 548 | 1,039 |
| 2011 | 507 | 576 | 1,083 |
| 2010 | 508 | 569 | 1,077 |
| 2009 | 495 | 629 | 1,124 |
| 2008 | 526 | 619 | 1,145 |
| 2007 | 557 | 690 | 1,247 |
| 2006 | 556 | 726 | 1,282 |

Source: School District Records



Source: Berkshire Local School Districts Records

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

| School Year | Number of Senior Test Takers | Berkshire Verbal | Ohio Verbal | National Verbal |
|----------------|---------------------------------------|---------------------|----------------|--------------------|
| 2015 | 7 | 602 | 555 | 498 |
| 2014 | 13 | 570 | 496 | 496 |
| 2013 | 6 | 722 | 543 | 496 |
| 2012 | 6 | 560 | 489 | 489 |
| 2011 | 4 | 480 | 501 | 501 |
| 2010 | 4 | 510 | 537 | 502 |
| 2009 | 6 | 560 | 526 | 502 |
| 2008 | n/a | n/a | 534 | 502 |
| 2007 | 119 | 573 | 536 | 502 |
| 2006 | 118 | 570 | 535 | 503 |

Source: High School Guidance Office, Berkshire Local School District

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

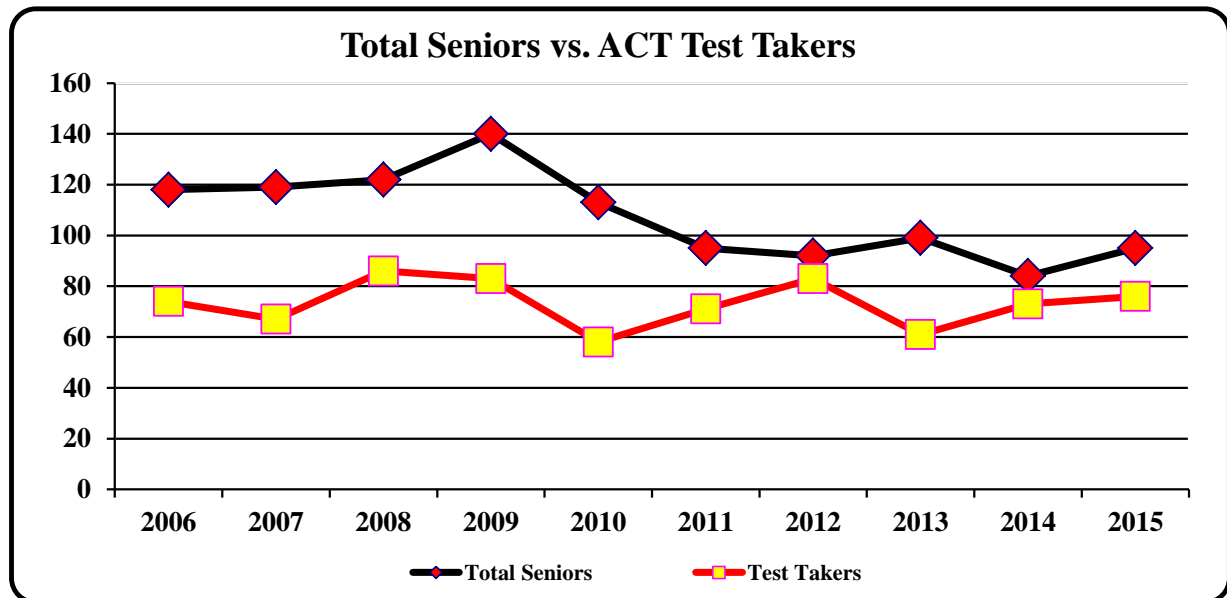
| Berkshire Math | Ohio Math | National Math |
|-------------------|--------------|------------------|
| 622 | 562 | 513 |
| 565 | 514 | 514 |
| 763 | 552 | 514 |
| 528 | 514 | 514 |
| 520 | 516 | 516 |
| 520 | 546 | 515 |
| 530 | 533 | 515 |
| n/a | 544 | 515 |
| 568 | 542 | 515 |
| 560 | 544 | 518 |

Berkshire Local School District

ACT Composite Scores

Last Ten School Years

| School Year | Number of Test Takers | Number of Seniors | Percent of Seniors | Berkshire Composite | Ohio Composite | National Composite |
|-------------|-----------------------|-------------------|--------------------|---------------------|----------------|--------------------|
| 2015 | 76 | 95 | 80.00 % | 23.6 | 22.0 | 21.0 |
| 2014 | 73 | 84 | 86.90 | 21.9 | 22.0 | 21.0 |
| 2013 | 61 | 99 | 61.62 | 21.3 | 21.8 | 21.1 |
| 2012 | 83 | 92 | 90.22 | 22.5 | 21.8 | 21.1 |
| 2011 | 71 | 95 | 74.74 | 22.0 | 21.8 | 21.0 |
| 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 |



Source: High School Guidance Office,
Berkshire Local School District

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

| Fiscal Year | Berkshire Average | State Average |
|----------------|----------------------|------------------|
| 2015 | 12.9 | N/A |
| 2014 | 13.8 | 18.47 |
| 2013 | 14.4 | 18.47 |
| 2012 | 14.4 | 19.1 |
| 2011 | 15.0 | 19.1 |
| 2010 | 14.8 | 19.1 |
| 2009 | 15.4 | 19.1 |
| 2008 | 15.3 | 18.6 |
| 2007 | 16.6 | 19.6 |
| 2006 | 16.2 | 18.6 |

Source: Ohio Department of Education, EMIS Reports

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