

**BERKSHIRE LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



BERKSHIRE LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of Berkshire Local School District, Geauga County, Ohio (the District) as of and for the year ended June 30, 2001, and have issued our report thereon dated September 28, 2001, wherein we noted the District restated the Enterprise Fund and the General Long-Term Obligations Account Group. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated September 28, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Berkshire Local School District  
Geauga County  
Report on Compliance and on Internal Control Required by  
*Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

September 28, 2001

**Berkshire Local School District**  
*Burton, Ohio*

**Comprehensive Annual Financial Report**  
*For the Fiscal Year Ended June 30, 2001*

Prepared by

Treasurer's Office  
Julie Kirby  
Treasurer





**Berkshire Local School District**  
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*For the Fiscal Year Ended June 30, 2001*  
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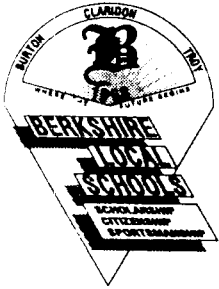
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# Berkshire Local School District

## BOARD OF EDUCATION

14259 Claridon-Troy Road, Burton, OH 44021-0364



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September 28, 2001

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 for the fiscal year ended June 30, 2001. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. This report will provide the taxpayers of the Berkshire Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Geauga County Public Library, major taxpayers, financial rating services and other interested parties.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, Organizational Chart of the School District and the GFOA Certificate of Achievement.
2. The Financial Section which begins with the Report of Independent Accountants and includes the General Purpose Financial Statements and Notes that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed information relative to the General Purpose Financial Statements.
3. The Statistical Section which presents social and economic data, financial trends and the fiscal capacity of the Berkshire Local School District.

### The School District

The Berkshire Local School District is located in eastern Geauga County. The School District encompasses 70 square miles and includes the townships of Burton, Troy, Claridon and the Village of Burton.

The School District was established June 1967, through the consolidation of existing land areas and school districts 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.

Serving the Communities of Burton, Claridon, Troy

*The mission of the Berkshire School Community is to maximize each student's potential as an individual and as a responsible citizen.*

An Equal Opportunity Employer

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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 education services mandated by State and Federal agencies.

## **The Reporting Entity and Services Provided**

The Berkshire Local School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14 "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Berkshire Local School District (the primary government) and its potential component units.

Excluded from the reporting entity because they are fiscally independent of the School District are the Village of Burton, the Burton, Claridon and Troy Parent Teacher Organizations, the Burton Athletic and Music Booster Organizations and the Burton Community Scholarship Foundation.

The School District is associated with five jointly governed organizations, one related organization and one insurance purchasing pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the East Shore Regional Transportation System, the East Shore Center, the Ohio Schools Council, the Burton Public Library and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Notes 18, 19, and 20 to the general purpose financial statements.

A complete discussion of the School District's reporting entity is provided in Note 1 to the general purpose financial statements.

## **Economic Condition And Outlook**

The economic condition of the Berkshire Local School District is sound. An expanded industrial base, new up-scale housing and a personal income tax add up to an adequate level of revenue.

The Berkshire Local School District is primarily rural, yet it enjoys proximity to the greater Cleveland metropolitan area. The expansion of Route 422 east from Cleveland has resulted in an influx of residents and business opportunities for Berkshire.

The desire to preserve the rural atmosphere in Berkshire is bolstered by fairly stringent zoning requirements and correspondingly high land values. Developments may offer lots as small as three acres, but outside of the Village of Burton, many areas have a minimal five-acre building lot requirement. A large Amish population helps to preserve the rural landscape. Farming is still a major economic activity, with horse-related enterprises assuming a prominent role.

Business also contribute to the School District's fiscal well being. The recent arrival of Great Lakes Cheese to Berkshire has been a welcome source of revenue. Other significant companies include M. A. Hanna Company, Troy Manufacturing, Burton Floral and Garden, Preston Chevrolet, TRC Manufacturing, and Farmore Farms. A host of smaller businesses also contribute to the School District's tax base.

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 reappraised property increases results in an approximately equal value decrease in millage. As a result, school districts throughout Ohio must place operating funding issues on the ballot at regular intervals to keep pace with inflation and added programming.

The School District passed an income tax levy in November 1992. The financial plan of the School District was that the .75 percent income tax would reduce the need for going back to the voters for additional millage on real estate approximately every five years. The estimated revenue in 1992, as projected by the State Department of

Taxation, was approximately \$525,000. Due to growth, the income tax levy is currently providing the School District with approximately \$1,200,000, annually.

Of the School District's general fund operations, 12.66 percent of the general fund revenue is received from income tax and 43.39 percent is received from real estate taxes on residential, commercial and industrial properties and tangible personal property taxpayers with 40.04 percent being received from various forms of State aid including reimbursement of homestead and rollback reductions on property taxes. Investment earnings are 2.46 percent and other revenue are 1.05 percent.

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the State's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program. The Court decided to maintain jurisdiction over these issues and continued the case.

## **Major Initiatives**

### *Strong Leadership Continues*

The School Superintendent, Richard Markwardt, has been with Berkshire Local School District for two and a half years.

School Treasurer, Julie A. Kirby, is in her fifteenth year at Berkshire Local School District. Mrs. Kirby came to Berkshire with ten years prior experience. The Treasurer's office benefits from Mrs. Kirby's expectations for strong service to the School District and community.

### *Strategic Plan*

The Berkshire Local School District's Strategic Plan was adopted by the Board of Education on July 15, 1996. A mission statement, objectives, strategies and action plans were developed during the process. A Continuous Improvement Plan is required by the State of Ohio. Berkshire Local School District, like over 300 other school districts in Ohio, has experienced great success in many measures of student achievement. At the same time, there are measures of student achievement needing improvement. The plan is aimed at improving learning for all students.

### *Site Based Management*

School management is directed by the principal at each building. Building teams are formed to respond to the School District's Strategic Plan and pertinent issues identified by the staff, parents or students. Teams of teachers exist to deliver instruction at certain grade levels and for the purpose of curriculum development within each discipline. Teams often include parents, students and other community members. Each building has an annual budget for instructional support and office operation.

## *Berkshire High School Graduates*

A typical recent graduating class is well prepared for post-secondary education. The high school curriculum offers six advanced/accelerated courses and a full complement of other college preparatory courses. Over 57 percent of graduates continue their education at a college, university, or technical school. As many as 25 percent of a graduating class complete a vocational program at the Auburn Career Center (a joint vocational school). Job placement rate in the field of choice is very high for career center graduates.

## *The Data Accountability and Report Card Legislation*

Amended Substitute House Bill 215, the biennial budget bill, commencing in October 1997, added data accountability provisions to Section 3301.0714 of the Ohio Revised Code. These provisions authorize the Department of Education to withhold 10 to 20 percent of a School District's funds if the School District does not submit timely and accurate Electronic Management Information Systems (EMIS) data (aggregated demographics on students and staff). Additionally, the Bill allows the State Board of Education to suspend/revoke the license of a School District employee found to have willfully reported erroneous, inaccurate, or incomplete data through the information system. The Superintendent and Treasurer must certify the accuracy of all data collected through the EMIS system at the opening of school (October) and close (June/July). Berkshire Local School District has complied with the requirements of this legislation.

Senate Bill 55, the academic accountability legislation passed in the summer of 1997, resulted in the extraction of data from the EMIS database and the publication of a School District "Report Card". School Districts with similar demographics were grouped and compared via the report card vehicle. Below are some pertinent excerpts from the Berkshire Local School District "Report Card".

1. Student Attendance Rate: 96.2 percent
2. Berkshire's results exceeded the State minimum standards in 19 performance indicators.
3. Of the 20 similar districts used for comparison, Berkshire students had a higher passage rate than the group average in 17 of 27 indicators.
4. Compared to all Ohio school districts, Berkshire students had a higher passage rate than the group average in 25 of 27 indicators.

## **Financial Information**

### *Internal Accounting and Budgetary Control*

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

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

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



At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a fund and function. All purchase order requests must be approved by either the Superintendent or the Assistant Superintendent and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on line inquiry system is available at each cost center site. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

The basis of accounting and the various funds and account groups utilized by Berkshire Local Schools are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

**General Governmental Functions**

The following schedule presents a summary of governmental funds' revenues for the fiscal years ended June 30, 2000 and 2001, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	2000 Amount	2001 Amount	Percent of Total	Change	Percent Change
<b>Revenues</b>					
Income Taxes	\$1,072,636	\$1,166,466	11.71%	\$93,830	8.75%
Property and Other Local Taxes	3,706,344	4,237,312	42.54	530,968	14.33
Intergovernmental	3,773,548	4,040,140	40.56	266,592	7.06
Interest	206,786	227,269	2.28	20,483	9.91
Tuition and Fees	24,690	16,524	0.17	(8,166)	(33.07)
Extracurricular Activities	111,551	110,065	1.11	(1,486)	(1.33)
Gifts and Donations	74,931	92,922	0.93	17,991	24.01
Charges for Services	7,685	6,750	0.07	(935)	(12.17)
Rentals	11,429	12,363	0.12	934	8.17
Miscellaneous	88,920	50,347	0.51	(38,573)	(43.38)
<i>Total Revenues</i>	<u>\$9,078,520</u>	<u>\$9,960,158</u>	<u>100.00%</u>	<u>\$881,638</u>	

Income tax revenue increased \$93,830 or 8.75 percent due to the strong economy in the Berkshire Local School District.

The most significant continuing resource is taxes. During fiscal year 2001, there was a \$530,968 or 14.33 percent increase due to residential, commercial and industrial construction.

Tuition and Fees revenue decreased \$8,166 or 33.07 percent due to less tuition students enrolled in fiscal year 2001.

Miscellaneous revenue decreased by \$38,573 or 43.38 percent due to the one time refund from the Ohio Bureau of Workers' Compensation in fiscal year 2000.

The following schedule presents a summary of governmental funds' expenditures for the fiscal years ended June 30, 2000 and 2001, and the amount and percentage of increases and decreases in relation to the prior year's expenditures.

<b>Expenditures</b>	<u>2000</u> Amount	<u>2001</u> Amount	<u>Percent</u> of <u>Total</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
<i>Current:</i>					
Instruction:					
Regular	\$3,918,104	\$4,648,944	46.72%	\$730,840	18.65%
Special	786,815	822,642	8.27	35,827	4.55
Vocational	48,245	49,833	0.50	1,588	3.29
Support Services:					
Pupils	465,117	500,736	5.03	35,619	7.66
Instructional Staff	255,052	313,565	3.15	58,513	22.94
Board of Education	28,512	71,719	0.72	43,207	151.54
Administration	721,396	834,443	8.39	113,047	15.67
Fiscal	263,964	245,493	2.47	(18,471)	(7.00)
Business	20,287	20,783	0.21	496	2.44
Operation and					
Maintenance Of Plant	986,513	1,041,022	10.46	54,509	5.53
Pupil Transportation	657,231	649,639	6.53	(7,592)	(1.16)
Operation of Non-					
Instructional Services	12,808	29,428	0.30	16,620	129.76
Extracurricular Activities	301,143	325,269	3.27	24,126	8.01
<i>Capital Outlay</i>	36,170	361,586	3.63	325,416	899.68
<i>Debt Service:</i>					
Principal Retirement	116,822	30,000	0.30	(86,822)	(74.32)
Interest and Fiscal Charges	10,456	4,669	0.05	(5,787)	(55.35)
<i>Total Expenditures</i>	<u>\$8,628,635</u>	<u>\$9,949,771</u>	<u>100.00%</u>	<u>\$1,321,136</u>	

Regular instruction expenditures reflect a \$730,840 or 18.65 percent increase due to the additional staff employed relating to the restructuring of the kindergarten program to serve the student needs. This increase is also due to the increase in salaries and benefits for teachers.

Board of Education support services increased \$43,207 or 151.54 percent due to more professional development usage in the area of technology. Legal fees increased due to union agreement issues.

Operation of Non-Instructional Support Services increased \$16,620 or 129.76 percent due to the additional employment of coaches to better serve the needs of the students participating in extracurricular activities.

Capital Outlay increased \$325,416 or 899.68 percent due to the renovation of the High School, Burton Elementary and Troy Elementary.

Debt Service Principal Retirement decreased \$86,822 or 74.32 percent and Interest and Fiscal Charges decreased \$5,787 or 55.35 percent due to the School District reducing the debt outstanding in fiscal year 2000.

### ***General Fund Balance***

The fund balance of the general fund increased from \$2,445,826 at June 30, 2000 to \$2,473,072 at June 30, 2001. The increase is due to an increase in real property taxes as well as an increase in intergovernmental revenue.

### ***Financial Highlights - Enterprise Funds***

Food service and uniform school supplies are classified as enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of profit/loss resulting from these operations that are significantly financed from user fees. In total, the enterprise funds had a net loss of \$5,121 for the fiscal year ended June 30, 2001. Of the proprietary funds, the food service enterprise fund had deficit retained earnings at June 30, 2001 of \$34,382. Management is analyzing the food service operations to determine appropriate action to alleviate the deficit.

### ***Financial Highlights - Internal Service Fund***

The only internal service fund carried on the financial records related to self-insurance. This fund accounts for the revenues and expenses related to the provision of dental and prescription drug benefits to the School District employees. The internal service fund had retained earnings of \$40,257 at June 30, 2001 compared with retained earnings of \$42,464 at June 30, 2000, reflecting a net loss of \$2,207.

### **Debt Administration**

At June 30, 2001, general obligation bonds outstanding totaled \$30,000. During fiscal year 2001, \$30,000 of voted general obligation bonds were retired. All existing bond obligations are general obligation debt backed by the full faith and credit of the School District and will be retired fully by fiscal year 2001.

### **Cash Management**

The Board has established a cash management program that expedites the collection of local and state funds through electronic fund transfers and daily deposits. Funds deposited in local financial institutions are insured by the Federal Deposit Insurance Corporation as well as collateralized by investments in instruments issued by the United States Government or the State of Ohio. The total amount of interest earned for the year ended June 30, 2001, was \$227,269 all of which was credited to the general fund.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Board and designated third party trustees of the financial institutions.

### **Risk Management**

The School District established a self insurance internal service fund to account for and finance its prescriptions coverage with MIM Health Plans as the third party administrator and to account for dental coverage with Medical Benefits as the third party administrator.

Property, inland marine, crime and fleet insurance are bid and purchased through the Ohio Schools Council which contracted with Crum and Forester Insurance Company, Nationwide Insurance Company and Travelers Insurance Company. Property insurance is carried through Crum and Forster Insurance Company with a \$250,000 limit for crime with a \$1,000 deductible and a \$17,929,410 limit for building and contents with a \$1,000 deductible and for inland marine with a \$250 deductible and a \$99,535 limit.

The Nationwide Insurance Company acts as the carrier for the School District's fleet insurance with liability at \$2,000,000 each accident, auto medical with \$7,500 each person, uninsured/underinsured motorist with \$2,000,000 each accident, comprehensive with a \$1,000 deductible and collision with a \$1,000 deductible.

The Travelers Insurance Company acts as the carrier for the School District's boiler and machinery insurance with a \$1,000 deductible and a \$30,000,000 limit.

The General Liability Policy is not contracted through the Ohio Schools Council; however, the Nationwide Insurance Company act as the carrier, with a general aggregate limit of \$5,000,000, a limit of \$2,000,000 for each occurrence, a fire damage limit of \$100,000 and a medical expense limit of \$5,000 per person.

The School District is in the a Workers' Compensation Rating Pool with the members of the Ohio School Boards Association. Participation provides a lower premium rate per \$100 of salary than if the School District were rated individually.

### **Pension Plans**

All School District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS) with the exception of Board of Education members who have chosen to participate in Social Security. The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 11 to the general purpose financial statements for complete details.

### **General Fixed Assets**

The general fixed assets of the Berkshire School District are used to carry on the main education and support function of the system and are not financial resources available for expenditure. The total general fixed assets at June 30, 2001 was \$6,697,495. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

### **Independent Audit**

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2001. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1981 fiscal year.

## 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, 2000. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

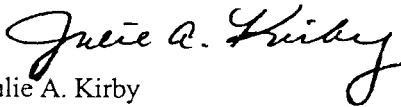
## Acknowledgments

The publication of this report is a significant step toward elevating the professional standard for the Berkshire Local School District's financial reporting. 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. Assistance from the County Auditor's staff and outside agencies made possible the fair presentation of statistical data.

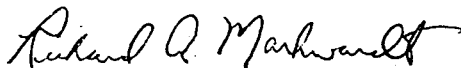
Special appreciation is expressed to the Local Government Services Division of State Auditor Jim Petro's office for assistance in planning, designing and reviewing this financial report.

Finally, sincere appreciation is extended to the Board of Education for their support for this project.

Respectfully submitted,



Julie A. Kirby  
Treasurer



Richard Markwardt  
Superintendent

**Berkshire Local School District**

*Principal Officials*

*June 30, 2001*

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***Board of Education***

Mr. Lee Imhof ..... President  
Mr. Bob Johnson, Jr. .... Vice-President  
Mr. Allen Tolchinsky ..... Member  
Mr. Brian Brockway ..... Member  
Mr. Michael Stone ..... Member

***Treasurer***

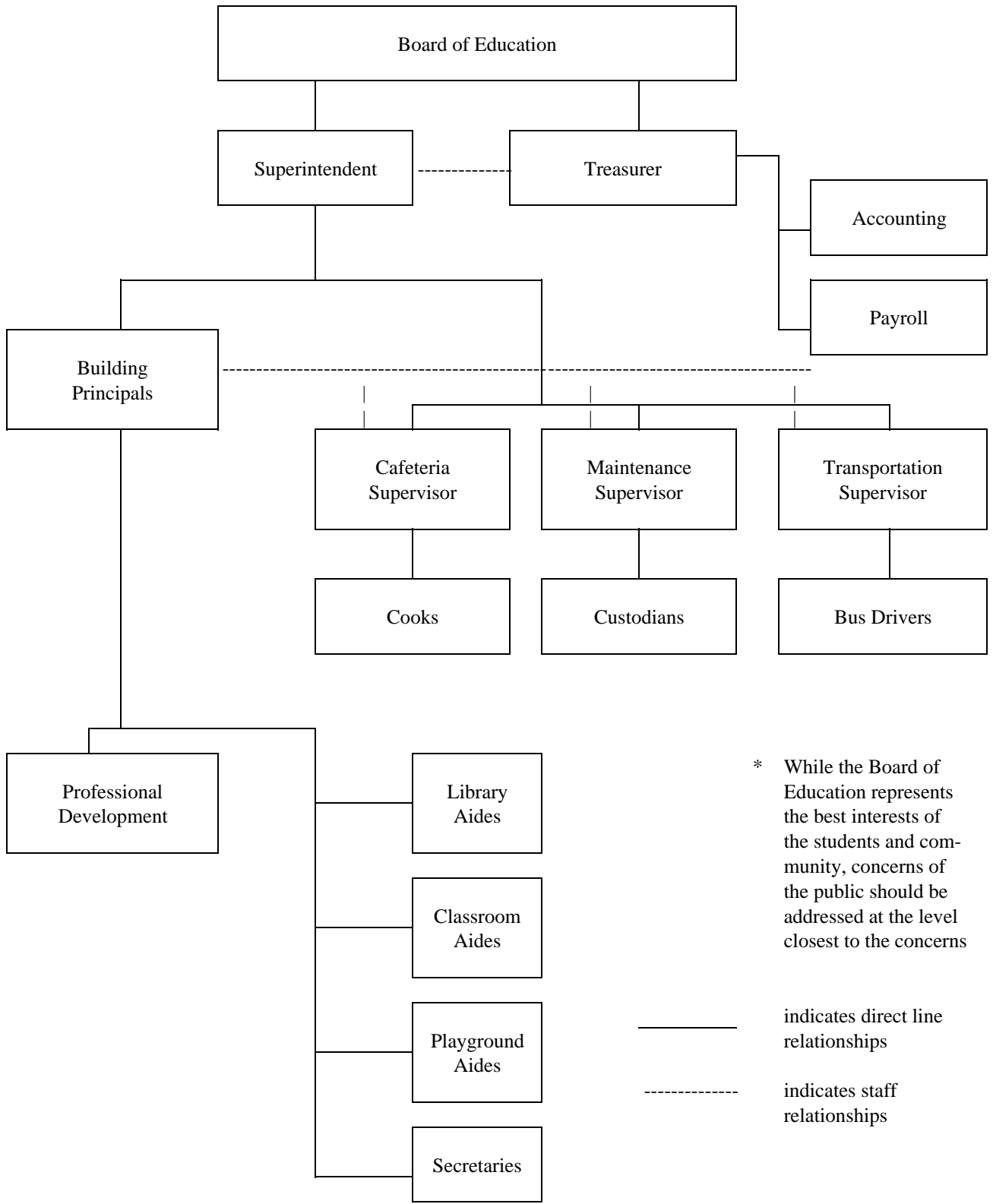
Ms. Julie A. Kirby

***Superintendent***

Mr. Richard Markwardt

# Berkshire Local School District

## Organizational Chart



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

———— indicates direct line relationships  
 - - - - - indicates staff relationships

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Bldg  
615 W Superior Ave  
Floor 12  
Cleveland OH 44113 - 1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Board of Education  
Berkshire Local School District  
Geauga County  
14259 Claridon-Troy Road  
Burton, Ohio 44021-0364

We have audited the accompanying general-purpose financial statements of the Berkshire Local School District, Geauga County, (the District) as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Berkshire Local School District, Geauga County, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the financial statements, the District restated the Enterprise Fund and the General Long-Term Obligations Account Group as of June 30, 2000.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general-purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

September 28, 2001

## **General Purpose Financial Statements**

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The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the School District's financial position at June 30, 2001, and the results of operations and changes in cash flows of its proprietary funds for the fiscal year then ended.

**Berkshire Local School District**  
*Combined Balance Sheet*  
*All Fund Types and Account Groups*  
*June 30, 2001*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,500,060	\$101,956	\$85,137	\$277,551
Receivables:				
Taxes	4,429,510	0	0	236,814
Accounts	1,537	0	0	0
Intergovernmental	36,625	1,656	0	0
Interfund Receivable	28,196	0	0	0
Prepaid Items	5,776	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	25,989	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	39,468	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits</b>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$7,067,161</b>	<b>\$103,612</b>	<b>\$85,137</b>	<b>\$514,365</b>

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$8,321	\$43,705	\$34,351	\$0	\$0	\$3,051,081
0	0	0	0	0	4,666,324
0	0	0	0	0	1,537
6,391	0	0	0	0	44,672
0	0	0	0	0	28,196
0	0	0	0	0	5,776
4,122	0	0	0	0	4,122
1,320	0	0	0	0	27,309
0	0	0	0	0	39,468
55,831	0	0	6,697,495	0	6,753,326
0	0	0	0	30,000	30,000
0	0	0	0	898,758	898,758
<u>\$75,985</u>	<u>\$43,705</u>	<u>\$34,351</u>	<u>\$6,697,495</u>	<u>\$928,758</u>	<u>\$15,550,569</u>

(continued)

**Berkshire Local School District**  
*Combined Balance Sheet*  
*All Fund Types and Account Groups (continued)*  
*June 30, 2001*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Liabilities,</b>				
<b>Fund Equity and Other Credits</b>				
<b>Liabilities</b>				
Accounts Payable	\$32,573	\$3,011	\$0	\$15,615
Accrued Wages and Benefits	745,162	12,414	0	0
Compensated Absences Payable	5,677	0	0	0
Interfund Payable	0	1,196	0	0
Intergovernmental Payable	226,566	432	0	0
Deferred Revenue	3,584,111	455	0	215,914
Undistributed Monies	0	0	0	0
Due to Students	0	0	0	0
Claims Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>4,594,089</u>	<u>17,508</u>	<u>0</u>	<u>231,529</u>
<b>Fund Equity and Other Credits</b>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	310,467	4,071	0	242,988
Reserved for Inventory	25,989	0	0	0
Reserved for Debt Service:				
Principal	0	0	30,000	0
Interest	0	0	3,113	0
Reserved for Property Taxes	324,000	0	0	20,900
Reserved for Budget Stabilization	39,468	0	0	0
Unreserved:				
Undesignated	1,773,148	82,033	52,024	18,948
	<u>1,773,148</u>	<u>82,033</u>	<u>52,024</u>	<u>18,948</u>
<i>Total Fund Equity and Other Credits</i>	<u>2,473,072</u>	<u>86,104</u>	<u>85,137</u>	<u>282,836</u>
<i>Total Liabilities, Fund Equity and Other Credits</i>	<u>\$7,067,161</u>	<u>\$103,612</u>	<u>\$85,137</u>	<u>\$514,365</u>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$0	\$0	\$0	\$0	\$0	\$51,199
17,714	0	0	0	0	775,290
14,476	0	0	0	815,127	835,280
27,000	0	0	0	0	28,196
9,305	0	0	0	83,631	319,934
2,432	0	0	0	0	3,802,912
0	0	5,903	0	0	5,903
0	0	28,448	0	0	28,448
0	3,448	0	0	0	3,448
0	0	0	0	30,000	30,000
<u>70,927</u>	<u>3,448</u>	<u>34,351</u>	<u>0</u>	<u>928,758</u>	<u>5,880,610</u>
0	0	0	6,697,495	0	6,697,495
33,688	0	0	0	0	33,688
(28,630)	40,257	0	0	0	11,627
0	0	0	0	0	557,526
0	0	0	0	0	25,989
0	0	0	0	0	30,000
0	0	0	0	0	3,113
0	0	0	0	0	344,900
0	0	0	0	0	39,468
0	0	0	0	0	1,926,153
<u>5,058</u>	<u>40,257</u>	<u>0</u>	<u>6,697,495</u>	<u>0</u>	<u>9,669,959</u>
<u>\$75,985</u>	<u>\$43,705</u>	<u>\$34,351</u>	<u>\$6,697,495</u>	<u>\$928,758</u>	<u>\$15,550,569</u>

**Berkshire Local School District**  
*Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Governmental Fund Types  
For the Fiscal Year Ended June 30, 2001*

	General	Special Revenue	Debt Service
<b>Revenues</b>			
Income Tax	\$1,166,466	\$0	\$0
Property and Other Local Taxes	3,996,772	0	0
Intergovernmental	3,687,530	267,339	0
Interest	227,269	0	0
Tuition and Fees	16,524	0	0
Extracurricular Activities	42,875	67,190	0
Gifts and Donations	3,200	89,722	0
Charges for Services	6,750	0	0
Rentals	12,363	0	0
Miscellaneous	50,347	0	0
<i>Total Revenues</i>	<u>9,210,096</u>	<u>424,251</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	4,597,473	51,471	0
Special	735,228	87,414	0
Vocational	49,833	0	0
Support Services:			
Pupils	449,097	51,639	0
Instructional Staff	301,404	12,161	0
Board of Education	71,719	0	0
Administration	799,723	34,720	0
Fiscal	245,493	0	0
Business	20,483	300	0
Operation and Maintenance of Plant	1,041,022	0	0
Pupil Transportation	649,639	0	0
Operation of Non-Instructional Services	29,428	0	0
Extracurricular Activities	161,763	163,506	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	30,000
Interest and Fiscal Charges	0	0	4,669
<i>Total Expenditures</i>	<u>9,152,305</u>	<u>401,211</u>	<u>34,669</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>57,791</u>	<u>23,040</u>	<u>(34,669)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	62	0	0
Operating Transfers Out	(25,000)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(24,938)</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	32,853	23,040	(34,669)
<i>Fund Balances Beginning of Year</i>	2,445,826	63,064	119,806
Decrease in Reserve for Inventory	(5,607)	0	0
<i>Fund Balances End of Year</i>	<u>\$2,473,072</u>	<u>\$86,104</u>	<u>\$85,137</u>

See accompanying notes to the general purpose financial statements



<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
\$0	\$1,166,466
240,540	4,237,312
85,271	4,040,140
0	227,269
0	16,524
0	110,065
0	92,922
0	6,750
0	12,363
0	50,347
<u>325,811</u>	<u>9,960,158</u>
0	4,648,944
0	822,642
0	49,833
0	500,736
0	313,565
0	71,719
0	834,443
0	245,493
0	20,783
0	1,041,022
0	649,639
0	29,428
0	325,269
361,586	361,586
0	30,000
0	4,669
<u>361,586</u>	<u>9,949,771</u>
<u>(35,775)</u>	<u>10,387</u>
0	62
0	(25,000)
0	(24,938)
(35,775)	(14,551)
318,611	2,947,307
0	(5,607)
<u>\$282,836</u>	<u>\$2,927,149</u>

**Berkshire Local School District**  
*Combined Statement of Revenues, Expenditures and Changes In  
Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Governmental Fund Types  
For the Fiscal Year Ended June 30, 2001*

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues</b>			
Income Taxes	\$1,104,232	\$1,104,232	\$0
Property and Other Local Taxes	3,891,572	3,891,572	0
Intergovernmental	3,649,379	3,650,904	1,525
Interest	209,332	215,610	6,278
Tuition and Fees	16,452	16,524	72
Extracurricular Activities	42,884	42,875	(9)
Gifts and Donations	3,200	3,200	0
Charges for Services	8,500	8,100	(400)
Rentals	12,894	12,363	(531)
Miscellaneous	85,000	56,098	(28,902)
<i>Total Revenues</i>	<u>9,023,445</u>	<u>9,001,478</u>	<u>(21,967)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	4,951,349	4,530,534	420,815
Special	804,804	778,403	26,401
Vocational	54,631	49,388	5,243
Support Services:			
Pupils	502,592	451,897	50,695
Instructional Staff	443,773	350,805	92,968
Board of Education	98,021	73,525	24,496
Administration	849,545	792,287	57,258
Fiscal	288,661	273,291	15,370
Business	20,499	20,483	16
Operation and Maintenance of Plant	1,362,100	1,099,294	262,806
Pupil Transportaton	875,689	757,817	117,872
Operation of Non-Instructional Services	31,350	29,255	2,095
Extracurricular Activities	188,596	167,435	21,161
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>10,471,610</u>	<u>9,374,414</u>	<u>1,097,196</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,448,165)</u>	<u>(372,936)</u>	<u>1,075,229</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	25	62	37
Advances In	74,231	67,237	(6,994)
Advances Out	(65,427)	(65,427)	0
Operating Transfers In	1,839	0	(1,839)
Operating Transfers Out	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(14,332)</u>	<u>(23,128)</u>	<u>(8,796)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(1,462,497)</u>	<u>(396,064)</u>	<u>1,066,433</u>
<i>Fund Balances Beginning of Year</i>	2,364,515	2,364,515	0
Prior Year Encumbrances Appropriated	<u>212,574</u>	<u>212,574</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,114,592</u></u>	<u><u>\$2,181,025</u></u>	<u><u>\$1,066,433</u></u>

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
266,138	266,138	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
68,882	67,190	(1,692)	0	0	0
89,722	89,722	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>424,742</u>	<u>423,050</u>	<u>(1,692)</u>	<u>0</u>	<u>0</u>	<u>0</u>
62,808	49,365	13,443	0	0	0
91,663	91,663	0	0	0	0
0	0	0	0	0	0
51,712	51,708	4	0	0	0
15,170	12,161	3,009	0	0	0
0	0	0	0	0	0
34,808	34,808	0	0	0	0
0	0	0	0	0	0
300	300	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
176,812	164,826	11,986	0	0	0
0	0	0	30,000	30,000	0
0	0	0	<u>4,669</u>	<u>4,669</u>	<u>0</u>
<u>433,273</u>	<u>404,831</u>	<u>28,442</u>	<u>34,669</u>	<u>34,669</u>	<u>0</u>
<u>(8,531)</u>	<u>18,219</u>	<u>26,750</u>	<u>(34,669)</u>	<u>(34,669)</u>	<u>0</u>
0	0	0	0	0	0
15,927	15,927	0	0	0	0
(17,737)	(17,737)	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>(1,810)</u>	<u>(1,810)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(10,341)	16,409	26,750	(34,669)	(34,669)	0
63,210	63,210	0	119,806	119,806	0
<u>15,257</u>	<u>15,257</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$68,126</u>	<u>\$94,876</u>	<u>\$26,750</u>	<u>\$85,137</u>	<u>\$85,137</u>	<u>\$0</u>

(continued)

**Berkshire Local School District**  
*Combined Statement of Revenues, Expenditures and Changes In  
Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Governmental Fund Types (continued)  
For the Fiscal Year Ended June 30, 2001*

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Income Taxes	\$0	\$0	\$0
Property and Other Local Taxes	234,040	234,040	0
Intergovernmental	85,271	85,271	0
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Charges for Services	0	0	0
Rentals	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>319,311</u>	<u>319,311</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	91,453	79,434	12,019
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	3,746	3,746	0
Business	0	0	0
Operation and Maintenance of Plant	526,165	524,165	2,000
Pupil Transportaton	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>621,364</u>	<u>607,345</u>	<u>14,019</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(302,053)</u>	<u>(288,034)</u>	<u>14,019</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	0	0	0
Advances In	49,500	49,500	0
Advances Out	(49,500)	(49,500)	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(302,053)</u>	<u>(288,034)</u>	<u>14,019</u>
<i>Fund Balances Beginning of Year</i>	293,388	293,388	0
Prior Year Encumbrances Appropriated	<u>13,593</u>	<u>13,593</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$4,928</u>	<u>\$18,947</u>	<u>\$14,019</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,104,232	\$1,104,232	\$0
4,125,612	4,125,612	0
4,000,788	4,002,313	1,525
209,332	215,610	6,278
16,452	16,524	72
111,766	110,065	(1,701)
92,922	92,922	0
8,500	8,100	(400)
12,894	12,363	(531)
85,000	56,098	(28,902)
<u>9,767,498</u>	<u>9,743,839</u>	<u>(23,659)</u>
5,105,610	4,659,333	446,277
896,467	870,066	26,401
54,631	49,388	5,243
554,304	503,605	50,699
458,943	362,966	95,977
98,021	73,525	24,496
884,353	827,095	57,258
292,407	277,037	15,370
20,799	20,783	16
1,888,265	1,623,459	264,806
875,689	757,817	117,872
31,350	29,255	2,095
365,408	332,261	33,147
30,000	30,000	0
4,669	4,669	0
<u>11,560,916</u>	<u>10,421,259</u>	<u>1,139,657</u>
<u>(1,793,418)</u>	<u>(677,420)</u>	<u>1,115,998</u>
25	62	37
139,658	132,664	(6,994)
(132,664)	(132,664)	0
1,839	0	(1,839)
<u>(25,000)</u>	<u>(25,000)</u>	<u>0</u>
<u>(16,142)</u>	<u>(24,938)</u>	<u>(8,796)</u>
(1,809,560)	(702,358)	1,107,202
2,840,919	2,840,919	0
<u>241,424</u>	<u>241,424</u>	<u>0</u>
<u>\$1,272,783</u>	<u>\$2,379,985</u>	<u>\$1,107,202</u>

**Berkshire Local School District**  
*Combined Statement of Revenues,  
Expenses and Changes in Fund Equity  
All Proprietary Fund Types  
For the Fiscal Year Ended June 30, 2001*

	Enterprise	Internal Service	Totals (Memorandum Only)
<b>Operating Revenues</b>			
Sales	\$262,114	\$0	\$262,114
Charges for Services	0	194,651	194,651
<i>Total Operating Revenues</i>	<u>262,114</u>	<u>194,651</u>	<u>456,765</u>
<b>Operating Expenses</b>			
Salaries	123,000	0	123,000
Fringe Benefits	42,667	0	42,667
Purchased Services	0	10,275	10,275
Materials and Supplies	31,492	0	31,492
Cost of Sales	168,301	0	168,301
Depreciation	9,103	0	9,103
Claims	0	186,583	186,583
<i>Total Operating Expenses</i>	<u>374,563</u>	<u>196,858</u>	<u>571,421</u>
<i>Operating Loss</i>	<u>(112,449)</u>	<u>(2,207)</u>	<u>(114,656)</u>
<b>Non-Operating Revenues</b>			
Federal Donated Commodities	39,219	0	39,219
Operating Grants	43,109	0	43,109
<i>Total Non-Operating Revenues</i>	<u>82,328</u>	<u>0</u>	<u>82,328</u>
Loss Before Operating Transfers	(30,121)	(2,207)	(32,328)
Operating Transfers In	25,000	0	25,000
<i>Net Loss</i>	(5,121)	(2,207)	(7,328)
<i>Retained Earnings (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>(23,509)</u>	<u>42,464</u>	<u>18,955</u>
<i>Retained Earnings (Deficit) End of Year</i>	(28,630)	40,257	11,627
<i>Contributed Capital Beginning and End of Year</i>	<u>33,688</u>	<u>0</u>	<u>33,688</u>
<i>Total Fund Equity End of Year</i>	<u><u>\$5,058</u></u>	<u><u>\$40,257</u></u>	<u><u>\$45,315</u></u>

See accompanying notes to the general purpose financial statements

**Berkshire Local School District**  
*Combined Statement of Cash Flows*  
*All Proprietary Fund Types*  
*For the Fiscal Year Ended June 30, 2001*

	Enterprise	Internal Service	Totals (Memorandum Only)
<i><b>Increase (Decrease) in Cash and Cash Equivalents</b></i>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$262,114	\$0	\$262,114
Cash Received from Quasi-External Transactions with Other Funds	0	194,651	194,651
Cash Payments to Suppliers for Goods and Services	(159,885)	(10,275)	(170,160)
Cash Payments to Employees for Services	(122,443)	0	(122,443)
Cash Payments for Employee Benefits	(39,271)	0	(39,271)
Cash Payments for Claims	0	(188,952)	(188,952)
<i>Net Cash Used for Operating Activities</i>	<i>(59,485)</i>	<i>(4,576)</i>	<i>(64,061)</i>
<b>Cash Flows from Noncapital Financing Activities</b>			
Operating Grants Received	40,418	0	40,418
Transfers In	25,000	0	25,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	<i>65,418</i>	<i>0</i>	<i>65,418</i>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<i>5,933</i>	<i>(4,576)</i>	<i>1,357</i>
<i>Cash and Cash Equivalents Beginning of Year</i>	<i>2,388</i>	<i>48,281</i>	<i>50,669</i>
<i>Cash and Cash Equivalents End of Year</i>	<i>\$8,321</i>	<i>\$43,705</i>	<i>\$52,026</i>

(continued)

**Berkshire Local School District**  
*Combined Statement of Cash Flows*  
*All Proprietary Fund Types (continued)*  
*For the Fiscal Year Ended June 30, 2001*

	Enterprise	Internal Service		Totals (Memorandum Only)
<i>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</i>				
<i>Operating Loss</i>	(\$112,449)	(\$2,207)		(\$114,656)
<i>Adjustments:</i>				
Depreciation	9,103	0		9,103
Donated Commodities Used During Year	39,219	0		39,219
<i>(Increase) Decrease in Assets:</i>				
Inventory Held for Resale	663	0		663
Materials and Supplies Inventory	156	0		156
<i>Increase (Decrease) in Liabilities:</i>				
Accounts Payable	(131)	0		(131)
Accrued Wages and Benefits	558	0		558
Compensated Absences Payable	3,204	0		3,204
Intergovernmental Payable	192	0		192
Claims Payable	0	(2,369)		(2,369)
<i>Total Adjustments</i>	52,964	(2,369)		50,595
<i>Net Cash Used for Operating Activities</i>	(\$59,485)	(\$4,576)		(\$64,061)

See accompanying notes to the general purpose financial statements



**Berkshire Local School District**  
*Combined Statement of Revenues, Expenses and  
Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual  
All Proprietary Fund Types  
For the Fiscal Year Ended June 30, 2001*

	Enterprise Funds		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues</b>			
Sales	\$262,122	\$262,114	(\$8)
Charges for Services	0	0	0
Operating Grants	40,418	40,418	0
<i>Total Revenues</i>	<u>302,540</u>	<u>302,532</u>	<u>(8)</u>
<b>Expenses</b>			
Salaries	122,443	122,443	0
Fringe Benefits	39,346	39,271	75
Purchased Services	0	0	0
Materials and Supplies	164,126	159,885	4,241
Claims	0	0	0
<i>Total Expenses</i>	<u>325,915</u>	<u>321,599</u>	<u>4,316</u>
<i>Excess of Revenues Under Expenses</i>	(23,375)	(19,067)	4,308
Operating Transfers In	25,000	25,000	0
<i>Excess of Revenues Over (Under) Expenses and Transfers</i>	1,625	5,933	4,308
<i>Fund Equity Beginning of Year</i>	1,703	1,703	0
Prior Year Encumbrances Appropriated	685	685	0
<i>Fund Equity End of Year</i>	<u>\$4,013</u>	<u>\$8,321</u>	<u>\$4,308</u>

(continued)

**Berkshire Local School District**  
*Combined Statement of Revenues, Expenses and  
Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual  
All Proprietary Fund Types (continued)  
For the Fiscal Year Ended June 30, 2001*

	Internal Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$0	\$0	\$0
Charges for Services	194,638	194,651	13
Operating Grants	0	0	0
<i>Total Revenues</i>	<u>194,638</u>	<u>194,651</u>	<u>13</u>
<b>Expenses</b>			
Salaries	0	0	0
Fringe Benefits	0	0	0
Purchased Services	10,275	10,275	0
Materials and Supplies	0	0	0
Claims	188,952	188,952	0
<i>Total Expenses</i>	<u>199,227</u>	<u>199,227</u>	<u>0</u>
<i>Excess of Revenues Under Expenses</i>	(4,589)	(4,576)	13
Operating Transfers In	0	0	0
<i>Excess of Revenues Over (Under) Expenses and Transfers</i>	(4,589)	(4,576)	13
<i>Fund Equity Beginning of Year</i>	48,210	48,210	0
Prior Year Encumbrances Appropriated	71	71	0
<i>Fund Equity End of Year</i>	<u>\$43,692</u>	<u>\$43,705</u>	<u>\$13</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$262,122	\$262,114	(\$8)
194,638	194,651	13
40,418	40,418	0
497,178	497,183	5
122,443	122,443	0
39,346	39,271	75
10,275	10,275	0
164,126	159,885	4,241
188,952	188,952	0
525,142	520,826	4,316
(27,964)	(23,643)	4,321
25,000	25,000	0
(2,964)	1,357	4,321
49,913	49,913	0
756	756	0
<u>\$47,705</u>	<u>\$52,026</u>	<u>\$4,321</u>

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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

Berkshire Local School District (the "School District") operates under a locally elected Board form of government and provides educational services as authorized by state and/or federal agencies. This Board controls the School District's five instructional/support facilities by 62 non-certified employees, 87 certified full time teaching personnel and five administrative employees to provide services to 1,360 students and other community members.

The School District was established in 1967 through the consolidation of existing land areas and school districts 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, Claridon, and Troy Townships, Ohio. The School District is the 412<sup>th</sup> largest in the State of Ohio (among 612 school districts) in terms of enrollment. It currently operates four instructional buildings and one administrative building.

*Reporting Entity*

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government of the School District consists of all funds, agencies, departments and offices that are not legally separate from the School District. For Berkshire Local School District this includes general operation, 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 which are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District currently has no component units.

The School District is associated with five jointly governed organizations, one related organization and one insurance purchasing pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the East Shore Regional Transportation System, the East Shore Center, the Ohio Schools Council, the Burton Public Library and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Notes 18, 19, and 20 to the general purpose financial statements.

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

The financial statements of the Berkshire Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

***A. Basis of Presentation - Fund Accounting***

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

***Governmental Fund Types*** Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

***General Fund*** This fund is the operating fund of the School District and is used to account for 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.

***Special Revenue Funds*** These funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

***Debt Service Fund*** This fund is used to account for the accumulation of resources for, and the payment of, general long-term obligations principal, interest, and related costs.

***Capital Projects Funds*** The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

***Proprietary Fund Types*** Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

***Enterprise Funds*** These funds are used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

***Internal Service Fund*** This fund is used to account 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.

***Fiduciary Fund Type*** Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The School District's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

***Account Groups*** To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

***General Fixed Assets Account Group*** This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

***General Long-Term Obligations Account Group*** This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

***B. Measurement Focus and Basis of Accounting***

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund types operating statement presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary funds.

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

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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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 year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include income tax, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income tax is recognized in the fiscal year in which the exchange on which the tax is imposed takes place and revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7.) 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 fiscal 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 non-exchange 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: income tax, property taxes available as an advance, interest, tuition, grants, student fees and rentals.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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.

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

***C. Budgetary Process***

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year, with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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**Tax Budget** Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Geauga County Budget Commission for rate determination.

**Estimated Resources** Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2001.

**Appropriations** Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations, within a fund, or alter object appropriations within functions must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

**Encumbrances** As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

**Lapsing of Appropriations** At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.



**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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***D. Cash And Cash Equivalents***

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

During fiscal year 2001, investments were limited to repurchase agreements, bankers' acceptances, freddie MAC bonds, federal home loan bank notes and STAROhio.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

Berkshire Local School District has invested funds in STAROhio (the State Treasury Asset Reserve of Ohio). STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2001.

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 2000 amounted to \$227,269, which includes \$40,520 assigned from other School District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

***E. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2001, 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 which services are consumed.

***F. Restricted Assets***

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 22 for additional information regarding set-asides.

***G. Inventory***

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure

**Berkshire Local School District**  
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in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

***H. Fixed Assets and Depreciation***

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not have any infrastructure.

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 capitalized. Interest incurred during the construction of general fixed assets is also not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of fund fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of five to twenty years.

***I. Interfund Assets and Liabilities***

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables."

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

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 payment in the future. The amount is based on accumulated sick leave and employees' wage rate 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 classified and certified employees and administrators after five years of service.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder

**Berkshire Local School District**  
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is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

***K. Accrued Liabilities And Long-Term Obligations***

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, contractually required pension obligations, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year end are generally considered not to have been paid with current available financial resources. Bonds are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

***L. Interfund Transactions***

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

***M. Fund Balance Reserves***

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, debt service principal and interest, property taxes and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

***N. Contributed Capital***

Contributed capital represents resources from other funds, other governments, and private sources provided to enterprise funds that is not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

All of the contributed capital are proprietary funds' fixed assets. At June 30, 2001, the School District had contributed capital of \$33,688. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

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***O. 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.

***P. Total Columns On General Purpose Financial Statements***

Total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Note 3 - Change in Accounting Principles and Restatement of Balances**

For fiscal year 2001, the School District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No 36, "Recipient Reporting for Certain Shared Nonexchange Transactions." The implementation of this statement did not result in any change in fund balance from the prior year.

Due to an overstatement of contributed capital in the food service enterprise fund, retained earnings increased \$183,678 from (\$207,187) to (\$23,509) as of June 30 2000.

Due to an understatement of general obligation bonds payable in the general long-term obligations account group assets and liabilities increased \$30,000 from \$807,762 to \$837,762 as of June 30, 2000.

**Note 4 - Fund Deficits**

The following funds had deficit fund balances/retained earnings at June 30, 2001:

<b>Special Revenue Funds</b>	
Title I	\$7,641
Class Size Reduction	2,869
<b>Enterprise Fund</b>	
Food Service	694

The special revenue funds deficits are due to an adjustment for accrued liabilities. The general fund is liable for any deficit in this fund and provides operating transfers when cash is required, not when accruals occur.

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The food service enterprise fund had a deficit retained earnings which is due to adjustments for accrued liabilities. Management is analyzing the operation of the food service to determine the appropriate action to alleviate the deficit.

**Note 5 - Budgetary Basis of Accounting**

While the School District is reporting its financial position, results of operations, and changes in fund balance/retained earnings 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual - All Proprietary Fund Types are 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 that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balances for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$32,853	\$23,040	(\$34,669)	(\$35,775)
Revenue Accruals	(196,959)	(1,201)	0	(6,500)
Expenditure Accruals	124,735	3,460	0	12,845
Fair Value Adjustment for Investments	(11,659)	0	0	0
Advances In	67,237	15,927	0	49,500
Advances Out	(65,427)	(17,737)	0	(49,500)
Encumbrances	(346,844)	(7,080)	0	(258,604)
Budget Basis	<u>(\$396,064)</u>	<u>\$16,409</u>	<u>(\$34,669)</u>	<u>(\$288,034)</u>

**Berkshire Local School District**  
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Net Loss/Excess of Revenues Over  
(Under) Expenses and Operating Transfers  
All Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	(\$5,121)	(\$2,207)
Revenue Accrual	(2,691)	0
Expense Accrual	4,642	(2,369)
Depreciation	9,103	0
Budget Basis	\$5,933	(\$4,576)

**Note 6 - Deposits and Investments**

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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 the Board of Education has identified as not required for use within the current two 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 accounts, including passbook accounts.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, 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 obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Cash on Hand** At fiscal year end, the School District had \$25 in undeposited cash on hand which is included on the balance sheet of the School District as part of equity in pooled cash and cash equivalents.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

**Deposits** At year end, the carrying amount of the School District's deposits was \$40,632 and the bank balance was \$81,421. The entire bank balance was covered by federal depository insurance.

**Investments** GASB Statement 3 requires investments to be categorized to give an indication of the level of risk assumed by the School District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAROhio is an unclassified investments since it is not evidenced by securities that exist in physical or book entry form.

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	Category 3	Carrying Value	Fair Value
Repurchase Agreement	\$219,551	\$219,551	\$219,551
Bankers' Acceptances	900,964	900,964	900,964
Freddie MAC Bonds	185,315	185,315	185,315
Federal Home Loan Bank Notes	500,450	500,450	500,450
STAROhio		1,243,612	1,243,612
<b>Total</b>	<b>\$1,806,280</b>	<b>\$3,049,892</b>	<b>\$3,049,892</b>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$3,090,549	\$0
Investments Which are Part of a Cash Management Pool		
Repurchase Agreement	(219,551)	219,551
Bankers' Acceptances	(900,964)	900,964
Freddie MAC Bonds	(185,315)	185,315
Federal Home Loan Bank Notes	(500,450)	500,450
STAROhio	(1,243,612)	1,243,612
Cash on hand	(25)	0
<b>GASB Statement 3</b>	<b>\$40,632</b>	<b>\$3,049,892</b>

**Note 7 - Property Taxes**

Property taxes are levied and assessed on a calendar year basis while the School District 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, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2001 for real and public utility property taxes represents collections of calendar 2000 taxes. Property tax payments received during calendar 2001 for tangible personal property (other than public utility property) is for calendar 2001 taxes.

2001 real property taxes are levied after April 1, 2001, on the assessed value listed as of January 1, 2001, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.



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Public utility tangible personal property currently is assessed at varying percentages of true value: public utility real property is assessed at thirty-five percent of true value. 2001 public utility property taxes became a lien December 31, 2000, are levied after April 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which fiscal year 2001 taxes were collected are:

	2000 Second Half Collections		2001 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$142,245,480	87.30%	\$147,965,940	86.21%
Public Utility	8,150,600	5.00	8,186,330	4.77
Tangible Personal Property	12,547,070	7.70	15,483,450	9.02
Total Assessed Value	<u>\$162,943,150</u>	<u>100.00%</u>	<u>\$171,635,720</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$52.30		\$52.30	

Real property taxes 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 later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including Berkshire Local School District. The County Auditor periodically remits to the School District its portion of taxes. Second-half real property tax payments collected by the County by June 30, 2001, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2001 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 were levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

The amount available as an advance at June 30, 2001, was \$344,900. \$324,000 was available to the general fund and \$20,900 to the permanent improvement fund.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 8 - Income Tax**

The School District levies a voted tax of 3/4 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1993, 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 - Receivables**

Receivables at June 30, 2001, consisted of income and property tax, accounts (rent, billings for user charged services, and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full.

Intergovernmental Receivable	Amount
General Fund	
Excess Costs	\$36,625
Special Revenue Funds	
Eisenhower Math and Science	455
Title VI-B	1,196
Class Size Reduction	5
Total Special Revenue	1,656
Enterprise Fund	
Food Service	6,391
Total	\$44,672

**Note 10 - Fixed Assets**

A summary of the enterprise funds' fixed assets at June 30, 2001, follows:

Furniture and Equipment	\$182,104
Less Accumulated Depreciation	(126,273)
Net Fixed Assets	\$55,831

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A summary of the changes in general fixed assets during fiscal year 2001 follows:

Asset Category	Balance at 6/30/00	Additions	Deletions	Balance at 6/30/01
Land and Improvements	\$305,036	\$0	\$0	\$305,036
Buildings	3,588,790	0	0	3,588,790
Furniture and Equipment	1,776,343	196,360	27,016	1,945,687
Vehicles	829,512	105,010	76,540	857,982
Totals	<u>\$6,499,681</u>	<u>\$301,370</u>	<u>\$103,556</u>	<u>\$6,697,495</u>

**Note 11 - Defined Benefit Pension Plans**

**A. School Employees Retirement System**

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension system. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contributions is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$54,452, \$65,616 and \$75,481 respectively; 50.71 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$26,841 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. State Teachers Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides basic retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

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For the fiscal year ended June 30, 2001, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion used to fund pension obligations was 6 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$437,572, \$241,906, \$214,007 respectively; 74.92 percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999. \$109,737 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement/State Teachers Retirement System. As of June 30, 2001, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**Note 12 - Postemployment Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$207,271 for fiscal year 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3.419 billion. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.80 percent of covered payroll, an increase of 1.3 percent from fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum

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pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$152,021.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2000 (the latest information available), were \$140,696,340 and the target level was \$211 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**Note 13 - Other Employee Benefits**

**A. Compensated Absences**

The criteria for determining vacation and sick leave components 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 290 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 65 days.

**B. Life / Medical Insurance**

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Anthem. The School District has elected to provide employee medical/surgical benefits through Medical Mutual of Ohio. The cost of the monthly premium is paid by the board. The premium varies with employee depending on coverage. Dental insurance is provided by the School District to most employees through Medical Benefits Companies.

**Note 14 - Interfund Transactions**

Interfund balances at June 30, 2001 consist of the following individual fund receivables and payables:

Fund Type/Fund	Interfund Receivable	Interfund Payable
<b>General Fund</b>	\$28,196	\$0
<b>Special Revenue Fund</b>		
Title VI-B	0	1,196
<b>Enterprise Fund</b>		
Food Service	0	27,000
<i>Total</i>	<u>\$28,196</u>	<u>\$28,196</u>

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

**Note 15 - 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 2001, the School District participated with in the Ohio Schools Council insurance program which contracted with Crum and Forester, Nationwide Insurance and Travelers Insurance. The general liability policy is not contracted through the Ohio Schools Council; however, the Nationwide Insurance Company act as the carrier. Coverage provided is as follows:

Company	Type of Coverage	Coverage
Crum and Forester Insurance	Building and Contents - replacement cost	\$17,929,410
	Inland Marine Coverage	99,535
	Crime Insurance	250,000
	Extra Expense	1,000,000
Nationwide Insurance	Automobile Liability	2,000,000
	Uninsured Motorists	2,000,000
	General Liability	
	Per occurrence	2,000,000
	Total per year	5,000,000
Travelers Insurance	Boiler and Machinery	30,000,000
	Consequential Loss	100,000
	Expediting Expense	100,000
	Hazardous Substance	100,000
	Ammonia Contamination	100,000
	Water Damage	100,000

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***

The School District participates in the Ohio Schools Board's Association Workers' Compensation Group Rating Program (the Plan), 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. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". The "equity pooling" arrangement insures that each participant shares equally in the

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

**C. Employee Medical Benefits**

The School District has elected to provide prescription and dental 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. This plan provides a dental plan with a \$75 family and \$25 single deductible and a prescription plan with a ten percent generic and twenty percent brand-name co-pay. A third party administrator, Medical Benefits, located in Newark, Ohio, reviews all dental claims which are then paid by the School District. Another third party administrator, MIM Health Plans, Inc. located in Cleveland, Ohio reviews all prescription claims which are then paid by the School District. The School District pays into the self-insurance internal service fund \$51.70 per family coverage or \$17.73 per single coverage per month for the dental plan and \$94.93 per family or \$35.94 per single coverage per month for the prescription plan. The premiums are paid by the fund that pays the salary for the employee and are based on historical cost information.

The claims liability of \$3,448 reported in the internal service fund at June 30, 2001 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 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. Changes in the fund's claims liability amount for 1999, 2000 and 2001 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
1999	\$8,174	\$96,985	\$92,790	\$12,369
2000	12,369	165,163	171,715	5,817
2001	5,817	186,583	188,952	3,448

**Note 16 -Long Term Obligations**

The changes in the School District's long-term obligations during fiscal year 2001 were as follows:

	<u>Principal Outstanding 6/30/00</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding 6/30/01</u>
1980 10.375% - Vocational Building General Obligation Bonds	\$60,000	\$0	(\$30,000)	\$30,000
Pension Obligation	67,196	83,631	(67,196)	83,631
Compensated Absences	710,566	123,242	(18,681)	815,127
<i>Total General Long-Term Obligations</i>	<u>\$837,762</u>	<u>\$206,873</u>	<u>(\$115,877)</u>	<u>\$928,758</u>

**Vocational Building General Obligation Bonds** On December 1, 1980, Berkshire School District issued \$610,000 in voted general obligation bonds for the purpose of purchasing a vocational building. The bonds were issued for a twenty year period with final maturity at December 1, 2001. The bonds will be paid from the debt

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

service fund. Sufficient funds have been reserved to meet all future principal and interest debt service requirements. The remaining fund balance cannot be transferred to another fund until the debt is paid or will be used to pay future debt.

The intergovernmental payable represents pension obligations paid outside the available period. This liability will be paid from the fund which the employees' salaries are paid. The compensated absences will be paid from the fund which the employees' salaries are paid.

The School District's overall legal debt margin at June 30, 2001, was \$15,502,352 with an unvoted debt margin of \$171,636. The remaining general obligation bonds outstanding at June 30, 2001 will be retired in fiscal year 2002 with a payment of \$30,000 of principal and \$3,113 of interest.

**Note 17 - Segment Information for Enterprise Funds**

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Berkshire Local School District as of and for the fiscal year ended June 30, 2001.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$238,537	\$23,577	\$262,114
Depreciation Expense	9,103	0	9,103
Operating Income (Loss)	(116,205)	3,756	(112,449)
Donated Commodities	39,219	0	39,219
Operating Grants	43,109	0	43,109
Transfers In	25,000	0	25,000
Net Income (Loss)	(8,877)	3,756	(5,121)
Net Working Capital	(42,049)	5,752	(36,297)
Total Assets	70,233	5,752	75,985
Total Equity	(694)	5,752	5,058

**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 8140 Auburn Road, Painesville, Ohio 44077.



**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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

The Lake Geauga Computer Association (the "LGCA") is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its 18 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. Financial information can be obtained from the Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

***C. East Shore Regional Transportation System***

The East Shore Regional Transportation System (the "ESRTA") is a jointly governed organization was formed for the purpose of providing a transportation system for the handicapped children in the 16 member school districts. The transportation committee (governing board) consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. ESRTA's continued existence is not dependent on the School District's continued participation. ESRTA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the School District. Financial information can be obtained from the Kirtland Board of Education, 9252 Chillicothe Road, Kirtland, Ohio 44094.

***D. East Shore Center***

The East Shore Center is a jointly governed organization that was formed for the purpose of providing special education for the handicapped children in the sixteen member school districts. The governing board consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation of the governing board. East Shore Center is not accumulating significant resources or experiencing fiscal distress, which would cause additional financial benefit or burden on the School District. Financial information can be obtained by writing the fiscal agent, Mentor Exempted Village School District, 6451 Center Street, Mentor, OH 44060.

***E. Ohio Schools Council***

The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-two school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. During fiscal year 2001, the School District paid \$750 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

**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, Linda Baker Clerk/Treasurer, PO Box 427, Burton, Ohio 44021.

**Note 20 - Insurance Purchasing Pool**

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

**Note 21 - Contingencies**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2001.

**Note 22 - 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 purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbooks Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2000	\$119,339	\$0	(\$64,921)
Current Year Set-aside Requirement	0	192,479	192,479
Reduction in Requirement based on revised Legislation	(79,871)	0	0
Qualifying Disbursements	0	(678,948)	(424,857)
<b>Totals</b>	<b>\$39,468</b>	<b>(\$486,469)</b>	<b>(\$297,299)</b>
Set-aside Balance Carried Forward to Future Fiscal Years	\$0	\$0	(\$297,299)
Set-aside Reserve Balance as of June 30, 2001	\$39,468	\$0	\$0

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

**Note 23 - State School Funding Decision**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2001, the School District received \$3,240,960 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the State's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2001*

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As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

**Note 24 - Subsequent Event**

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- ▶ A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- ▶ Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of September 28, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

**Combining, Individual Fund  
and Account Group Statements and Schedules**

## **General Fund**

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The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in other funds.

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Income Taxes	\$1,104,232	\$1,104,232	\$0
Property and Other Local Taxes	3,891,572	3,891,572	0
Intergovernmental	3,649,379	3,650,904	1,525
Interest	209,332	215,610	6,278
Tuition and Fees	16,452	16,524	72
Extracurricular Activities	42,884	42,875	(9)
Gifts and Donations	3,200	3,200	0
Charges for Services	8,500	8,100	(400)
Rentals	12,894	12,363	(531)
Miscellaneous	85,000	56,098	(28,902)
<i>Total Revenues</i>	<u>9,023,445</u>	<u>9,001,478</u>	<u>(21,967)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	3,126,356	3,125,940	416
Fringe Benefits	910,966	899,285	11,681
Purchased Services	135,870	118,441	17,429
Materials and Supplies	707,877	320,185	387,692
Capital Outlay - New	37,594	34,285	3,309
Capital Outlay - Replacement	32,686	32,398	288
Total Regular	<u>4,951,349</u>	<u>4,530,534</u>	<u>420,815</u>
Special:			
Salaries and Wages	351,283	342,653	8,630
Fringe Benefits	129,310	125,789	3,521
Purchased Services	304,294	300,783	3,511
Materials and Supplies	19,917	9,178	10,739
Total Special	<u>804,804</u>	<u>778,403</u>	<u>26,401</u>
Vocational:			
Salaries and Wages	36,544	36,434	110
Fringe Benefits	11,709	10,043	1,666
Purchased Services	200	0	200
Materials and Supplies	6,178	2,911	3,267
Total Vocational	<u>54,631</u>	<u>49,388</u>	<u>5,243</u>
Total Instruction	<u>\$5,810,784</u>	<u>\$5,358,325</u>	<u>\$452,459</u>

(continued)

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Support Services:</b>			
<b>Pupils:</b>			
Salaries and Wages	\$291,055	\$289,429	\$1,626
Fringe Benefits	96,776	85,589	11,187
Purchased Services	57,904	49,054	8,850
Materials and Supplies	29,667	10,902	18,765
Capital Outlay - New	2,090	1,378	712
Capital Outlay - Replacement	25,100	15,545	9,555
<b>Total Pupils</b>	<b>502,592</b>	<b>451,897</b>	<b>50,695</b>
<b>Instructional Staff:</b>			
Salaries and Wages	154,499	143,515	10,984
Fringe Benefits	44,648	27,527	17,121
Purchased Services	62,700	53,060	9,640
Materials and Supplies	108,683	59,111	49,572
Capital Outlay - New	72,448	66,797	5,651
Capital Outlay - Replacement	795	795	0
<b>Total Instructional Staff</b>	<b>443,773</b>	<b>350,805</b>	<b>92,968</b>
<b>Board of Education:</b>			
Salaries and Wages	4,640	4,640	0
Fringe Benefits	615	611	4
Purchased Services	74,706	61,209	13,497
Materials and Supplies	8,060	2,659	5,401
Other	10,000	4,406	5,594
<b>Total Board of Education</b>	<b>98,021</b>	<b>73,525</b>	<b>24,496</b>
<b>Administration:</b>			
Salaries and Wages	565,034	541,000	24,034
Fringe Benefits	155,888	137,904	17,984
Purchased Services	41,398	33,843	7,555
Materials and Supplies	11,219	4,736	6,483
Capital Outlay - New	4,144	3,606	538
Capital Outlay - Replacement	8,865	8,508	357
Other	62,997	62,690	307
<b>Total Administration</b>	<b>\$849,545</b>	<b>\$792,287</b>	<b>\$57,258</b>

(continued)



**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fiscal:			
Salaries and Wages	\$115,530	\$109,683	\$5,847
Fringe Benefits	37,462	35,857	1,605
Purchased Services	15,350	12,965	2,385
Materials and Supplies	7,219	2,905	4,314
Other	113,100	111,881	1,219
<b>Total Fiscal</b>	<b>288,661</b>	<b>273,291</b>	<b>15,370</b>
Business:			
Other	20,499	20,483	16
Operation and Maintenance of Plant:			
Salaries and Wages	375,305	351,249	24,056
Fringe Benefits	119,996	118,953	1,043
Purchased Services	597,208	498,329	98,879
Materials and Supplies	257,591	124,865	132,726
Capital Outlay - New	7,000	3,160	3,840
Capital Outlay - Replacement	5,000	2,738	2,262
<b>Total Operation and Maintenance of Plant</b>	<b>1,362,100</b>	<b>1,099,294</b>	<b>262,806</b>
Pupil Transportation:			
Salaries and Wages	320,551	309,121	11,430
Fringe Benefits	135,870	134,076	1,794
Purchased Services	117,319	102,986	14,333
Materials and Supplies	159,789	70,369	89,420
Capital Outlay - New	1,500	605	895
Capital Outlay - Replacement	140,660	140,660	0
<b>Total Pupil Transportation</b>	<b>875,689</b>	<b>757,817</b>	<b>117,872</b>
<b>Total Support Services</b>	<b>4,440,880</b>	<b>3,819,399</b>	<b>621,481</b>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	450	0	450
Fringe Benefits	25,200	23,818	1,382
Materials and Supplies	5,700	5,437	263
<b>Total Operation of Non-Instructional Services</b>	<b>\$31,350</b>	<b>\$29,255</b>	<b>\$2,095</b>

(continued)

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	\$17,200	\$14,575	\$2,625
Fringe Benefits	7,875	6,846	1,029
Total Academic and Subject Oriented Activities	25,075	21,421	3,654
Sports Oriented Activities:			
Salaries and Wages	137,921	124,897	13,024
Fringe Benefits	17,360	14,075	3,285
Total Sports Oriented Activities	155,281	138,972	16,309
School and Public Service Co-Curricular Activities:			
Salaries and Wages	7,240	6,150	1,090
Fringe Benefits	1,000	892	108
Total School and Public Service Co-Curricular Activities	8,240	7,042	1,198
Total Extracurricular Activities	188,596	167,435	21,161
<i>Total Expenditures</i>	10,471,610	9,374,414	1,097,196
<i>Excess of Revenues Under Expenditures</i>	(1,448,165)	(372,936)	1,075,229
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	25	62	37
Advances In	74,231	67,237	(6,994)
Advances Out	(65,427)	(65,427)	0
Operating Transfers In	1,839	0	(1,839)
Operating Transfers Out	(25,000)	(25,000)	0
<i>Total Other Financing Sources (Uses)</i>	(14,332)	(23,128)	(8,796)
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(1,462,497)	(396,064)	1,066,433
<i>Fund Balance Beginning of Year</i>	2,364,515	2,364,515	0
Prior Year Encumbrances Appropriated	212,574	212,574	0
<i>Fund Balance End of Year</i>	\$1,114,592	\$2,181,025	\$1,066,433

## Special Revenue Funds

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Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the School District's special revenue funds follows:

***Public School Support Fund*** This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs.

***Martha Holden Jennings Grant Fund*** This fund accounts for monies received for library services including book purchases, distribution and shelves for storage.

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

***Teacher Development Fund*** This fund accounts for State monies used to assist teachers in gaining new skills and becoming familiar with new teaching methodologies.

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

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

***SchoolNet Professional Development Fund*** This fund accounts for State monies to assist staff in gaining knowledge of technology.

***Textbook Subsidy Fund*** This fund accounts for State monies used to provide textbooks for the students.

***Ohio Reads Grant Fund*** This fund accounts for State monies to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public schools and costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

***Summer Intervention Fund*** This fund accounts for State monies used for the Summer School program.

***School Improvement Model Fund*** This fund accounts for State monies used for improving student achievement on proficiency tests.

***Eisenhower Math and Science Grant Fund*** This fund accounts for monies used to improve the skills of teachers and the quality of instruction in mathematics, science, foreign languages and computer learning.

***Title VI-B Fund*** This fund accounts for Federal monies used 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 Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

(continued)

## Special Revenue Funds

(continued)

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***Title VI Fund*** This fund accounts for Federal monies which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

***Drug Free Schools Grant Fund*** This fund accounts for Federal monies which support the implementation of programs for drug abuse education and prevention.

***Class Size Reduction*** This fund accounts for Federal monies used to reduce class sizes in elementary schools.

**Berkshire Local School District**

*Combining Balance Sheet*

*All Special Revenue Funds*

*June 30, 2001*

	<u>Public School Support</u>	<u>Athletic and Music</u>	<u>Teacher Development</u>	<u>Educational Management Information Systems</u>	<u>SchoolNet Professional Development</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$24,369	\$25,905	\$2,996	\$208	\$4,000
Intergovernmental Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$24,369</u></u>	<u><u>\$25,905</u></u>	<u><u>\$2,996</u></u>	<u><u>\$208</u></u>	<u><u>\$4,000</u></u>
<b>Liabilities</b>					
Accounts Payable	\$0	\$1,995	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	822	0	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	0	0	8	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>1,995</u>	<u>830</u>	<u>0</u>	<u>0</u>
<b>Fund Equity</b>					
Fund Balance:					
Reserved for Encumbrances	197	882	0	70	0
Unreserved, Undesignated (Deficit)	<u>24,172</u>	<u>23,028</u>	<u>2,166</u>	<u>138</u>	<u>4,000</u>
<i>Total Fund Equity (Deficit)</i>	<u>24,369</u>	<u>23,910</u>	<u>2,166</u>	<u>208</u>	<u>4,000</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$24,369</u></u>	<u><u>\$25,905</u></u>	<u><u>\$2,996</u></u>	<u><u>\$208</u></u>	<u><u>\$4,000</u></u>

(continued)

**Berkshire Local School District**  
*Combining Balance Sheet*  
*All Special Revenue Funds (continued)*  
*June 30, 2001*

	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>	<u>School Improvement Model</u>	<u>Eisenhower Math and Science Grant</u>	<u>Title VI-B</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$2,631	\$5,995	\$25,000	\$2,910	\$0
Intergovernmental Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>455</u>	<u>1,196</u>
<i>Total Assets</i>	<u><u>\$2,631</u></u>	<u><u>\$5,995</u></u>	<u><u>\$25,000</u></u>	<u><u>\$3,365</u></u>	<u><u>\$1,196</u></u>
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$0	\$495	\$0
Accrued Wages and Benefits	0	0	0	0	0
Interfund Payable	0	0	0	0	1,196
Intergovernmental Payable	0	0	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>455</u>	<u>0</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>950</u>	<u>1,196</u>
<b>Fund Equity</b>					
Fund Balance:					
Reserved for Encumbrances	0	2,345	0	416	0
Unreserved, Undesignated (Deficit)	<u>2,631</u>	<u>3,650</u>	<u>25,000</u>	<u>1,999</u>	<u>0</u>
<i>Total Fund Equity (Deficit)</i>	<u>2,631</u>	<u>5,995</u>	<u>25,000</u>	<u>2,415</u>	<u>0</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$2,631</u></u>	<u><u>\$5,995</u></u>	<u><u>\$25,000</u></u>	<u><u>\$3,365</u></u>	<u><u>\$1,196</u></u>

<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools Grant</u>	<u>Class Size Reduction</u>	<u>Totals</u>
\$0	\$5,217	\$1,224	\$1,501	\$101,956
<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>1,656</u>
<u>\$0</u>	<u>\$5,217</u>	<u>\$1,224</u>	<u>\$1,506</u>	<u>\$103,612</u>
\$0	\$0	\$521	\$0	\$3,011
7,381	0	0	4,211	12,414
0	0	0	0	1,196
260	0	0	164	432
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>455</u>
<u>7,641</u>	<u>0</u>	<u>521</u>	<u>4,375</u>	<u>17,508</u>
0	0	161	0	4,071
<u>(7,641)</u>	<u>5,217</u>	<u>542</u>	<u>(2,869)</u>	<u>82,033</u>
<u>(7,641)</u>	<u>5,217</u>	<u>703</u>	<u>(2,869)</u>	<u>86,104</u>
<u>\$0</u>	<u>\$5,217</u>	<u>\$1,224</u>	<u>\$1,506</u>	<u>\$103,612</u>

**Berkshire Local School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds  
For the Fiscal Year Ended June 30, 2001*

	<u>Public School Support</u>	<u>Martha Holden Jennings Grant</u>	<u>Athletic and Music</u>	<u>Teacher Development</u>
<b>Revenues</b>				
Intergovernmental	\$0	\$3,900	\$0	\$5,752
Extracurricular Activities	6,306	0	60,884	0
Gifts and Donations	<u>27,001</u>	<u>0</u>	<u>62,721</u>	<u>0</u>
<i>Total Revenues</i>	<u>33,307</u>	<u>3,900</u>	<u>123,605</u>	<u>5,752</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	3,902	0	4,693
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Business	0	0	0	0
Extracurricular Activities	<u>39,170</u>	<u>0</u>	<u>124,336</u>	<u>0</u>
<i>Total Expenditures</i>	<u>39,170</u>	<u>3,902</u>	<u>124,336</u>	<u>4,693</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(5,863)	(2)	(731)	1,059
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>30,232</u>	<u>2</u>	<u>24,641</u>	<u>1,107</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$24,369</u></u>	<u><u>\$0</u></u>	<u><u>\$23,910</u></u>	<u><u>\$2,166</u></u>



Educational Management Information Systems	ONenet	SchoolNet Professional Development	Textbook Subsidy	Ohio Reads Grant	Summer Intervention
\$5,546	\$12,000	\$4,000	\$0	\$6,000	\$7,520
0	0	0	0	0	0
0	0	0	0	0	0
<u>5,546</u>	<u>12,000</u>	<u>4,000</u>	<u>0</u>	<u>6,000</u>	<u>7,520</u>
0	0	0	900	0	1,525
0	0	0	0	0	0
5,338	0	0	0	0	0
0	0	0	0	9,369	0
0	12,000	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>5,338</u>	<u>12,000</u>	<u>0</u>	<u>900</u>	<u>9,369</u>	<u>1,525</u>
208	0	4,000	(900)	(3,369)	5,995
0	0	0	900	6,000	0
<u>\$208</u>	<u>\$0</u>	<u>\$4,000</u>	<u>\$0</u>	<u>\$2,631</u>	<u>\$5,995</u>

(continued)

**Berkshire Local School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances*  
All Special Revenue Funds (continued)  
For the Fiscal Year Ended June 30, 2001

	School Improvement Model	Eisenhower Math and Science Grant	Title VI-B	Title I
<b>Revenues</b>				
Intergovernmental	\$25,000	\$4,099	\$72,323	\$84,843
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
<i>Total Revenues</i>	<u>25,000</u>	<u>4,099</u>	<u>72,323</u>	<u>84,843</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	5,961	0	0
Special	0	0	0	87,414
Support Services:				
Pupils	0	0	46,301	0
Instructional Staff	0	0	1,000	0
Administration	0	0	22,720	0
Business	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>5,961</u>	<u>70,021</u>	<u>87,414</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	25,000	(1,862)	2,302	(2,571)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>4,277</u>	<u>(2,302)</u>	<u>(5,070)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$25,000</u>	<u>\$2,415</u>	<u>\$0</u>	<u>(\$7,641)</u>

<u>Title VI</u>	<u>Drug Free Schools Grant</u>	<u>Class Size Reduction</u>	<u>Totals</u>
\$11,398	\$5,555	\$19,403	\$267,339
0	0	0	67,190
<u>0</u>	<u>0</u>	<u>0</u>	<u>89,722</u>
<u>11,398</u>	<u>5,555</u>	<u>19,403</u>	<u>424,251</u>
6,432	5,904	22,154	51,471
0	0	0	87,414
0	0	0	51,639
1,792	0	0	12,161
0	0	0	34,720
0	300	0	300
<u>0</u>	<u>0</u>	<u>0</u>	<u>163,506</u>
<u>8,224</u>	<u>6,204</u>	<u>22,154</u>	<u>401,211</u>
3,174	(649)	(2,751)	23,040
<u>2,043</u>	<u>1,352</u>	<u>(118)</u>	<u>63,064</u>
<u>\$5,217</u>	<u>\$703</u>	<u>(\$2,869)</u>	<u>\$86,104</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Extracurricular Activities	\$7,999	\$6,306	(\$1,693)
Gifts and Donations	27,001	27,001	0
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	35,000	33,307	(1,693)
<b>Expenditures</b>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	50,679	39,368	11,311
	<hr/>	<hr/>	<hr/>
<i>Excess of Revenues Under Expenditures</i>	(15,679)	(6,061)	9,618
<i>Fund Balance Beginning of Year</i>	21,268	21,268	0
Prior Year Encumbrances Appropriated	8,964	8,964	0
	<hr/>	<hr/>	<hr/>
<i>Fund Balance End of Year</i>	<u>\$14,553</u>	<u>\$24,171</u>	<u>\$9,618</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Martha Holden Jennings Grant Fund*  
*For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$3,900</u>	<u>\$3,900</u>	<u>\$0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	1,700	1,700	0
Materials and Supplies	<u>2,202</u>	<u>2,202</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,902</u>	<u>3,902</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(2)	(2)	0
<i>Fund Balance Beginning of Year</i>	<u>2</u>	<u>2</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Athletic and Music Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Extracurricular Activities	\$60,884	\$60,884	\$0
Gifts and Donations	62,721	62,721	0
<i>Total Revenues</i>	<u>123,605</u>	<u>123,605</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	1,650	1,650	\$0
Fringe Benefits	225	215	10
Purchased Services	44,708	44,641	67
Materials and Supplies	26,111	25,829	282
Capital Outlay - New	47,000	46,766	234
Other	6,439	6,357	82
<i>Total Expenditures</i>	<u>126,133</u>	<u>125,458</u>	<u>675</u>
<i>Excess of Revenues Under Expenditures</i>	(2,528)	(1,853)	675
<i>Fund Balance Beginning of Year</i>	20,856	20,856	0
Prior Year Encumbrances Appropriated	<u>4,025</u>	<u>4,025</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$22,353</u></u>	<u><u>\$23,028</u></u>	<u><u>\$675</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Teacher Development Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$5,752	\$5,752	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	4,767	3,906	861
Materials and Supplies	500	0	500
<i>Total Expenditures</i>	5,267	3,906	1,361
<i>Excess of Revenues Over Expenditures</i>	485	1,846	1,361
<i>Fund Balance Beginning of Year</i>	1,149	1,149	0
<i>Fund Balance End of Year</i>	\$1,634	\$2,995	\$1,361

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Educational Management Information Systems Fund*  
*For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$5,546</u>	<u>\$5,546</u>	<u>\$0</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	2,070	2,070	0
Purchased Services	2,046	2,046	0
Materials and Supplies	<u>1,296</u>	<u>1,292</u>	<u>4</u>
<i>Total Expenditures</i>	<u>5,412</u>	<u>5,408</u>	<u>4</u>
<i>Excess of Revenues Over Expenditures</i>	134	138	4
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$134</u></u>	<u><u>\$138</u></u>	<u><u>\$4</u></u>



**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*ONEnet Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$12,000	\$12,000	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Administration:			
Purchased Services	12,000	12,000	0
<i>Excess of Revenues Over Expenditures</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 Basis) and Actual*  
*Schoolnet Professional Development Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$4,000	\$4,000	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	4,000	4,000	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,000</u></u>	<u><u>\$4,000</u></u>	<u><u>\$0</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Textbook Subsidy Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	900	900	0
<i>Excess of Revenues Under Expenditures</i>	(900)	(900)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	900	900	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 Basis) and Actual*  
*Ohio Reads Grant Fund*  
*For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$6,000	\$6,000	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	<u>12,000</u>	<u>9,369</u>	<u>2,631</u>
<i>Excess of Revenues Under Expenditures</i>	(6,000)	(3,369)	2,631
<i>Fund Balance Beginning of Year</i>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$2,631</u></u>	<u><u>\$2,631</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Summer Intervention Fund*  
*For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$7,520</u>	<u>\$7,520</u>	<u>\$0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	3,020	250	2,770
Materials and Supplies	<u>4,500</u>	<u>3,619</u>	<u>881</u>
<i>Total Expenditures</i>	<u>7,520</u>	<u>3,869</u>	<u>3,651</u>
<i>Excess of Revenues Over Expenditures</i>	0	3,651	3,651
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$3,651</u></u>	<u><u>\$3,651</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*School Improvement Model Fund*  
*For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$25,000	\$25,000	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	25,000	25,000	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,000</u></u>	<u><u>\$25,000</u></u>	<u><u>\$0</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Eisenhower Math and Science Grant Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$4,099	\$4,099	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	7,634	5,635	1,999
Materials and Supplies	742	742	0
<i>Total Expenditures</i>	8,376	6,377	1,999
<i>Excess of Revenues Under Expenditures</i>	(4,277)	(2,278)	1,999
<i>Fund Balance Beginning of Year</i>	4,277	4,277	0
<i>Fund Balance End of Year</i>	\$0	\$1,999	\$1,999

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$71,127	\$71,127	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Pupils:			
Purchased Services	46,301	46,301	0
Instructional Staff:			
Materials and Supplies	1,000	1,000	0
Administration:			
Salaries and Wages	18,537	18,537	0
Fringe Benefits	2,791	2,791	0
Materials and Supplies	1,480	1,480	0
Total Administration	22,808	22,808	0
<i>Total Expenditures</i>	70,109	70,109	0
<i>Excess of Revenues Over Expenditures</i>	1,018	1,018	0
<b>Other Financing Sources (Uses)</b>			
Advances In	1,196	1,196	0
Advances Out	(3,007)	(3,007)	0
<i>Total Other Financing Sources (Uses)</i>	(\$1,811)	(\$1,811)	\$0
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(793)	(793)	0
<i>Fund Balance Beginning of Year</i>	793	793	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 Basis) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$84,843	\$84,843	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	75,470	75,470	0
Fringe Benefits	16,194	16,194	0
<i>Total Expenditures</i>	91,664	91,664	0
<i>Excess of Revenues Under Expenditures</i>	(6,821)	(6,821)	0
<b>Other Financing Sources (Uses)</b>			
Advances In	9,963	9,963	0
Advances Out	(9,963)	(9,963)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(6,821)	(6,821)	0
<i>Fund Balance Beginning of Year</i>	6,821	6,821	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 Basis) and Actual*  
*Title VI Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$11,398	\$11,398	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	7,600	4,821	2,779
Fringe Benefits	3,222	1,611	1,611
Total Instruction	10,822	6,432	4,390
Support Services:			
Instructional Staff:			
Salaries and Wages	2,171	1,792	379
<i>Total Expenditures</i>	12,993	8,224	4,769
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,595)	3,174	4,769
<b>Other Financing Sources (Uses)</b>			
Advances In	4,768	4,768	0
Advances Out	(4,768)	(4,768)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(1,595)	3,174	4,769
<i>Fund Balance Beginning of Year</i>	2,043	2,043	0
<i>Fund Balance End of Year</i>	\$448	\$5,217	\$4,769

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Free Schools Grant Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$5,555	\$5,555	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	1,450	946	504
Purchased Services	505	505	0
Materials and Supplies	4,669	4,630	39
Total Instruction	6,624	6,081	543
Support Services:			
Business:			
Salaries and Wages	300	300	0
<i>Total Expenditures</i>	6,924	6,381	543
<i>Excess of Revenues Under Expenditures</i>	(1,369)	(826)	543
<i>Fund Balance Beginning of Year</i>	1	1	0
Prior Year Encumbrances Appropriated	1,368	1,368	0
<i>Fund Balance End of Year</i>	\$0	\$543	\$543

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Class Size Reduction Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$19,398	\$19,398	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	19,398	17,897	1,501
<i>Excess of Revenues Over Expenditures</i>	0	1,501	1,501
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$1,501	\$1,501

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$266,138	\$266,138	\$0
Extracurricular Activities	68,882	67,190	(1,692)
Gifts and Donations	89,722	89,722	0
<i>Total Revenues</i>	<u>424,742</u>	<u>423,050</u>	<u>(1,692)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	36,234	27,820	8,414
Fringe Benefits	3,222	1,611	1,611
Purchased Services	9,839	7,840	1,999
Materials and Supplies	13,513	12,094	1,419
Total Regular	<u>62,808</u>	<u>49,365</u>	<u>13,443</u>
Special:			
Salaries and Wages	75,470	75,470	0
Fringe Benefits	16,193	16,193	0
Total Special	<u>91,663</u>	<u>91,663</u>	<u>0</u>
Total Instruction	<u>154,471</u>	<u>141,028</u>	<u>13,443</u>
Support Services:			
Pupils:			
Salaries and Wages	2,070	2,070	0
Purchased Services	48,346	48,346	0
Materials and Supplies	1,296	1,292	4
Total Pupils	<u>51,712</u>	<u>51,708</u>	<u>4</u>
Instructional Staff:			
Salaries and Wages	2,170	1,792	378
Purchased Services	12,000	9,369	2,631
Materials and Supplies	1,000	1,000	0
Total Instructional Staff	<u>\$15,170</u>	<u>\$12,161</u>	<u>\$3,009</u>

(continued)

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Administration:</b>			
Salaries and Wages	\$18,537	\$18,537	\$0
Fringe Benefits	2,791	2,791	0
Purchased Services	12,000	12,000	0
Materials and Supplies	1,480	1,480	0
<b>Total Administration</b>	<b>34,808</b>	<b>34,808</b>	<b>0</b>
<b>Business:</b>			
Salaries and Wages	300	300	0
<b>Total Support Services</b>	<b>101,990</b>	<b>98,977</b>	<b>3,013</b>
<b>Extracurricular Activities:</b>			
<b>Academic and Subject Oriented Activities</b>			
Materials and Supplies	50,679	39,368	11,311
<b>Sports Oriented Activities:</b>			
Salaries and Wages	1,650	1,650	\$0
Fringe Benefits	225	215	10
Purchased Services	44,708	44,641	67
Materials and Supplies	26,111	25,829	282
Capital Outlay - New	47,000	46,766	234
Other	6,439	6,357	82
<b>Total Sports Oriented Activities</b>	<b>126,133</b>	<b>125,458</b>	<b>675</b>
<b>Total Extracurricular Activities</b>	<b>176,812</b>	<b>164,826</b>	<b>11,986</b>
<b>Total Expenditures</b>	<b>433,273</b>	<b>404,831</b>	<b>28,442</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(\$8,531)</b>	<b>\$18,219</b>	<b>\$26,750</b>

(continued)

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Other Financing Sources (Uses)</b>			
Advances In	\$15,927	\$15,927	\$0
Advances Out	<u>(17,737)</u>	<u>(17,737)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(1,810)</u>	<u>(1,810)</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(10,341)	16,409	26,750
<i>Fund Balances Beginning of Year</i>	63,210	63,210	0
Prior Year Encumbrances Appropriated	<u>15,257</u>	<u>15,257</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$68,126</u></u>	<u><u>\$94,876</u></u>	<u><u>\$26,750</u></u>

## **Debt Service Fund**

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The debt service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.



## Capital Projects Funds

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Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary funds.

***Permanent Improvement Fund*** This fund accounts for property taxes levied to be used for various capital improvements within the School District.

***School Net Plus Fund*** This fund accounts for State monies to be used to provide wiring to all classrooms that supports the transmission of voice, video and data, and to provide a computer workstation and related technology for every classroom.

**Berkshire Local School District***Combining Balance Sheet**All Capital Projects Funds**June 30, 2001*

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u>Totals</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$264,562	\$12,989	\$277,551
Taxes Receivable	236,814	0	236,814
<i>Total Assets</i>	<u>\$501,376</u>	<u>\$12,989</u>	<u>\$514,365</u>
<b>Liabilities</b>			
Accounts Payable	\$15,615	\$0	\$15,615
Deferred Revenue	215,914	0	215,914
<i>Total Liabilities</i>	<u>231,529</u>	<u>0</u>	<u>231,529</u>
<b>Fund Equity</b>			
Fund Balance:			
Reserved for Encumbrances	242,988	0	242,988
Reserved for Property Taxes	20,900	0	20,900
Unreserved, Undesignated	5,959	12,989	18,948
<i>Total Fund Equity</i>	<u>269,847</u>	<u>12,989</u>	<u>282,836</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$501,376</u>	<u>\$12,989</u>	<u>\$514,365</u>

**Berkshire Local School District**  
*Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Capital Projects Funds  
For the Fiscal Year Ended June 30, 2001*

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u>Totals</u>
<b>Revenues</b>			
Taxes	\$240,540	\$0	\$240,540
Intergovernmental	23,930	61,341	85,271
<i>Total Revenues</i>	264,470	61,341	325,811
<b>Expenditures</b>			
Capital Outlay	311,986	49,600	361,586
<i>Excess of Revenues Over (Under) Expenditures</i>	(47,516)	11,741	(35,775)
<i>Fund Balances Beginning of Year</i>	317,363	1,248	318,611
<i>Fund Balances End of Year</i>	<u>\$269,847</u>	<u>\$12,989</u>	<u>\$282,836</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Property and Other Local Taxes	\$234,040	\$234,040	\$0
Intergovernmental	23,930	23,930	0
<i>Total Revenues</i>	<u>257,970</u>	<u>257,970</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	3,568	3,568	0
Capital Outlay - New	26,385	26,266	119
Total Instruction	<u>29,953</u>	<u>29,834</u>	<u>119</u>
Support Services:			
Fiscal:			
Other	3,746	3,746	0
Operation and Maintenance of Plant:			
Purchased Services	473,184	473,184	0
Capital Outlay - New	52,981	50,981	2,000
Total Operation and Maintenance of Plant	<u>526,165</u>	<u>524,165</u>	<u>2,000</u>
Total Support Services	<u>529,911</u>	<u>527,911</u>	<u>2,000</u>
<i>Total Expenditures</i>	<u>559,864</u>	<u>557,745</u>	<u>2,119</u>
<i>Excess of Revenues Under Expenditures</i>	(301,894)	(299,775)	2,119
<i>Fund Balance Beginning of Year</i>	292,140	292,140	0
Prior Year Encumbrances Appropriated	<u>13,593</u>	<u>13,593</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,839</u></u>	<u><u>\$5,958</u></u>	<u><u>\$2,119</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*School Net Plus Fund*  
*For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$61,341	\$61,341	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	<u>61,500</u>	<u>49,600</u>	<u>11,900</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(159)</u>	<u>11,741</u>	<u>11,900</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	49,500	49,500	0
Advances Out	<u>(49,500)</u>	<u>(49,500)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	(159)	11,741	11,900
<i>Fund Balance Beginning of Year</i>	<u>1,248</u>	<u>1,248</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,089</u></u>	<u><u>\$12,989</u></u>	<u><u>\$11,900</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Property and Other Local Taxes	\$234,040	\$234,040	\$0
Intergovernmental	<u>85,271</u>	<u>85,271</u>	<u>0</u>
<i>Total Revenues</i>	<u>319,311</u>	<u>319,311</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	3,568	3,568	0
Capital Outlay - New	<u>87,885</u>	<u>75,866</u>	<u>12,019</u>
Total Instruction	<u>91,453</u>	<u>79,434</u>	<u>12,019</u>
Support Services:			
Fiscal:			
Other	<u>3,746</u>	<u>3,746</u>	<u>0</u>
Operation and Maintenance of Plant:			
Purchased Services	473,184	473,184	0
Capital Outlay - New	<u>52,981</u>	<u>50,981</u>	<u>2,000</u>
Total Operation and Maintenance of Plant	<u>526,165</u>	<u>524,165</u>	<u>2,000</u>
Total Support Services	<u>529,911</u>	<u>527,911</u>	<u>2,000</u>
<i>Total Expenditures</i>	<u>621,364</u>	<u>607,345</u>	<u>14,019</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(\$302,053)</u>	<u>(\$288,034)</u>	<u>\$14,019</u>

(continued)

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balances - Budget (Non-GAAP Basis) and Actual*  
*All Capital Projects Funds (continued)*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Other Financing Sources (Uses)</b>			
Advances In	\$49,500	\$49,500	\$0
Advances Out	(49,500)	(49,500)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	(302,053)	(288,034)	14,019
<i>Fund Balances Beginning of Year</i>	293,388	293,388	0
Prior Year Encumbrances Appropriated	<u>13,593</u>	<u>13,593</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,928</u></u>	<u><u>\$18,947</u></u>	<u><u>\$14,019</u></u>

## Enterprise Funds

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The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

***Food Service Fund*** This fund accounts for the financial transactions related to the food service operations of the School District.

***Uniform School Supplies Fund*** This fund accounts 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.



**Berkshire Local School District***Combining Balance Sheet**All Enterprise Funds**June 30, 2001*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<b>Assets</b>			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$2,908	\$5,413	\$8,321
Intergovernmental Receivable	6,391	0	6,391
Inventory Held For Resale	3,783	339	4,122
Materials and Supplies Inventory	1,320	0	1,320
<i>Total Current Assets</i>	14,402	5,752	20,154
<i>Non-Current Assets</i>			
Fixed Assets (Net of Accumulated Depreciation)	55,831	0	55,831
<i>Total Assets</i>	<u>\$70,233</u>	<u>\$5,752</u>	<u>\$75,985</u>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accrued Wages and Benefits	\$17,714	\$0	\$17,714
Interfund Payable	27,000	0	27,000
Intergovernmental Payable	9,305	0	9,305
Deferred Revenue	2,432	0	2,432
<i>Total Current Liabilities</i>	56,451	0	56,451
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	14,476	0	14,476
<i>Total Liabilities</i>	<u>70,927</u>	<u>0</u>	<u>70,927</u>
<b>Fund Equity</b>			
Contributed Capital	33,688	0	33,688
Retained Earnings			
Unreserved (Deficit)	(34,382)	5,752	(28,630)
<i>Total Fund Equity (Deficit)</i>	<u>(694)</u>	<u>5,752</u>	<u>5,058</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$70,233</u>	<u>\$5,752</u>	<u>\$75,985</u>

**Berkshire Local School District**  
*Combining Statement of Revenues,  
Expenses and Changes in Fund Equity  
All Enterprise Funds  
For the Fiscal Year Ended June 30, 2001*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<b>Operating Revenues</b>			
Sales	<u>\$238,537</u>	<u>\$23,577</u>	<u>\$262,114</u>
<b>Operating Expenses</b>			
Salaries	123,000	0	123,000
Fringe Benefits	42,667	0	42,667
Materials and Supplies	26,996	4,496	31,492
Cost of Sales	152,976	15,325	168,301
Depreciation	<u>9,103</u>	<u>0</u>	<u>9,103</u>
<i>Total Operating Expenses</i>	<u>354,742</u>	<u>19,821</u>	<u>374,563</u>
<i>Operating Income (Loss)</i>	<u>(116,205)</u>	<u>3,756</u>	<u>(112,449)</u>
<b>Non-Operating Revenues</b>			
Federal Donated Commodities	39,219	0	39,219
Operating Grants	<u>43,109</u>	<u>0</u>	<u>43,109</u>
<i>Total Non-Operating Revenues</i>	<u>82,328</u>	<u>0</u>	<u>82,328</u>
<i>Income (Loss) Before Operating Transfers</i>	<u>(33,877)</u>	<u>3,756</u>	<u>(30,121)</u>
Operating Transfers In	<u>25,000</u>	<u>0</u>	<u>25,000</u>
<i>Net Income (Loss)</i>	<u>(8,877)</u>	<u>3,756</u>	<u>(5,121)</u>
<i>Retained Earnings (Deficit) Beginning of Year</i>	<u>(25,505)</u>	<u>1,996</u>	<u>(23,509)</u>
<i>Retained Earnings (Deficit) End of Year</i>	<u>(34,382)</u>	<u>5,752</u>	<u>(28,630)</u>
<i>Contributed Capital Beginning and End of Year</i>	<u>33,688</u>	<u>0</u>	<u>33,688</u>
<i>Total Fund Equity (Deficit) End of Year</i>	<u><u>(\$694)</u></u>	<u><u>\$5,752</u></u>	<u><u>\$5,058</u></u>

**Berkshire Local School District**  
*Combining Statement of Cash Flows*  
*All Enterprise Funds*  
For the Fiscal Year Ended June 30, 2001

	Food Service	Uniform School Supplies	Totals
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$238,537	\$23,577	\$262,114
Cash Payments to Suppliers for Goods and Services	(140,429)	(19,456)	(159,885)
Cash Payments to Employees for Services	(122,443)	0	(122,443)
Cash Payments for Employee Benefits	(39,271)	0	(39,271)
	(63,606)	4,121	(59,485)
<b><i>Net Cash Provided by (Used for) Operating Activities</i></b>			
<b>Cash Flows from Noncapital Financing Activities</b>			
Operating Grants Received	40,418	0	40,418
Transfers In	25,000	0	25,000
	65,418	0	65,418
<b><i>Net Cash Provided by Noncapital Financing Activities</i></b>			
<b><i>Net Increase in Cash and Cash Equivalents</i></b>	1,812	4,121	5,933
<b><i>Cash and Cash Equivalents Beginning of Year</i></b>	1,096	1,292	2,388
<b><i>Cash and Cash Equivalents End of Year</i></b>	\$2,908	\$5,413	\$8,321
 <b><i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</i></b>			
<b><i>Operating Income (Loss)</i></b>	(\$116,205)	\$3,756	(\$112,449)
<b><i>Adjustments:</i></b>			
Depreciation	9,103	0	9,103
Donated Commodities Used During Year	39,219	0	39,219
(Increase) Decrease in Assets:			
Inventory Held for Resale	298	365	663
Materials and Supplies Inventory	156	0	156
Increase (Decrease) in Liabilities:			
Accounts Payable	(131)	0	(131)
Accrued Wages and Benefits	558	0	558
Compensated Absences Payable	3,204	0	3,204
Intergovernmental Payable	192	0	192
	52,599	365	52,964
<b><i>Total Adjustments</i></b>	52,599	365	52,964
<b><i>Net Cash Provided by (Used for) Operating Activities</i></b>	(\$63,606)	\$4,121	(\$59,485)

**Berkshire Local School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$238,537	\$238,537	\$0
Operating Grants	40,418	40,418	0
<i>Total Revenues</i>	<u>278,955</u>	<u>278,955</u>	<u>0</u>
<b>Expenses</b>			
Salaries:			
Food Service Operations	122,443	122,443	0
Fringe Benefits:			
Food Service Operations	39,346	39,271	75
Materials and Supplies:			
Food Service Operations	140,429	140,429	0
<i>Total Expenses</i>	<u>302,218</u>	<u>302,143</u>	<u>75</u>
<i>Excess of Revenues Under Expenses</i>	(23,263)	(23,188)	75
Operating Transfers In	25,000	25,000	0
<i>Excess of Revenues Over Expenses and Transfers</i>	1,737	1,812	75
<i>Fund Equity Beginning of Year</i>	<u>1,096</u>	<u>1,096</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,833</u></u>	<u><u>\$2,908</u></u>	<u><u>\$75</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Uniform School Supplies Fund*  
*For the Fiscal Year Ended June 30, 2001*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Sales	\$23,585	\$23,577	(\$8)
<b>Expenses</b>			
Materials and Supplies:			
Regular Instruction	<u>23,697</u>	<u>19,456</u>	<u>4,241</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(112)	4,121	4,233
<i>Fund Equity Beginning of Year</i>	607	607	0
Prior Year Encumbrances Appropriated	<u>685</u>	<u>685</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,180</u></u>	<u><u>\$5,413</u></u>	<u><u>\$4,233</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*All Enterprise Funds*  
*For the Fiscal Year Ended June 30, 2001*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$262,122	\$262,114	(\$8)
Operating Grants	40,418	40,418	0
<i>Total Revenues</i>	<u>302,540</u>	<u>302,532</u>	<u>(8)</u>
<b>Expenses</b>			
Salaries:			
Food Service Operations	122,443	122,443	0
Fringe Benefits:			
Food Service Operations	39,346	39,271	75
Materials and Supplies:			
Regular Instruction	23,697	19,456	4,241
Food Service Operations	140,429	140,429	0
Total Materials and Supplies	164,126	159,885	4,241
<i>Total Expenses</i>	<u>325,915</u>	<u>321,599</u>	<u>4,316</u>
<i>Excess of Revenues Under Expenses</i>	(23,375)	(19,067)	4,308
Operating Transfers In	25,000	25,000	0
<i>Excess of Revenues Over Expenses and Transfers</i>	1,625	5,933	4,308
<i>Fund Equity Beginning of Year</i>	1,703	1,703	0
Prior Year Encumbrances Appropriated	685	685	0
<i>Fund Equity End of Year</i>	<u>\$4,013</u>	<u>\$8,321</u>	<u>\$4,308</u>

## Internal Service Fund

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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.

Since there is only one internal service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.

***Self Insurance Fund*** This fund accounts for a dental and prescription drugs self-insurance program for employees of the School District.

## Fiduciary Fund

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Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. The following are the School District's fiduciary fund type:

### Agency Funds

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

***Employee Computer Purchase*** This fund reflects resources that belong to the teachers of the various schools to be used for the purchase of computers for personal use.

***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, 2001*

	Beginning Balance <u>July 1, 2000</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>June 30, 2001</u>
<i><b>Student Activities</b></i>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$25,085</u>	<u>\$83,159</u>	<u>\$79,796</u>	<u>\$28,448</u>
<b>Liabilities</b>				
Due to Students	<u>\$25,085</u>	<u>\$83,159</u>	<u>\$79,796</u>	<u>\$28,448</u>
 <i><b>Employee Computer Purchase</b></i>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$0</u>	<u>\$12,000</u>	<u>\$12,000</u>	<u>\$0</u>
<b>Liabilities</b>				
Undistributed Monies	<u>\$0</u>	<u>\$12,000</u>	<u>\$12,000</u>	<u>\$0</u>
 <i><b>Elementary</b></i>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$5,446</u>	<u>\$2,066</u>	<u>\$1,609</u>	<u>\$5,903</u>
<b>Liabilities</b>				
Undistributed Monies	<u>\$5,446</u>	<u>\$2,066</u>	<u>\$1,609</u>	<u>\$5,903</u>
 <i><b>Total - All Agency Funds</b></i>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$30,531</u>	<u>\$97,225</u>	<u>\$93,405</u>	<u>\$34,351</u>
<b>Liabilities</b>				
Undistributed Monies	\$5,446	\$14,066	\$13,609	\$5,903
Due to Students	<u>25,085</u>	<u>83,159</u>	<u>79,796</u>	<u>28,448</u>
<i>Total Liabilities</i>	<u>\$30,531</u>	<u>\$97,225</u>	<u>\$93,405</u>	<u>\$34,351</u>



## **General Fixed Assets Account Group**

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The general fixed assets account group is used to account for all land and improvements, buildings, furniture and equipment and vehicles not used in the operations of the proprietary funds.

**Berkshire Local School District**  
*Schedule of General Fixed Assets*  
*By Function and Type*  
*June 30, 2001*

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>
Instruction	\$3,823,138	\$207,033	\$2,340,639	\$1,275,466	\$0
Support Services:					
Pupils	71,166	0	0	71,166	0
Instructional Staff	127,593	0	0	127,593	0
Administration	724,278	11,006	520,644	192,628	0
Fiscal	10,369	0	0	10,369	0
Operation and Maintenance of Plant	948,886	6,850	697,660	220,962	23,414
Pupil Transportation	841,417	0	0	6,849	834,568
Operation of Non-Instructional Services	9,084	0	0	9,084	0
Extracurricular Activities	<u>141,564</u>	<u>80,147</u>	<u>29,847</u>	<u>31,570</u>	<u>0</u>
Total General Fixed Assets	<u>\$6,697,495</u>	<u>\$305,036</u>	<u>\$3,588,790</u>	<u>\$1,945,687</u>	<u>\$857,982</u>

**Berkshire Local School District**  
*Schedule of Changes in General Fixed Assets*  
*By Function*  
*For the Fiscal Year Ended June 30, 2001*

Function	General Fixed Assets July 1, 2000	Additions	Deletions	General Fixed Assets June 30, 2001
Instruction	\$3,734,083	\$112,135	\$23,080	\$3,823,138
Support Services:				
Pupils	61,220	9,946	0	71,166
Instructional Staff	103,356	25,946	1,709	127,593
Administration	718,225	8,280	2,227	724,278
Fiscal	10,369	0	0	10,369
Operation and Maintenance of Plant	913,704	35,182	0	948,886
Pupil Transportation	811,378	106,579	76,540	841,417
Operation of Non-Instructional Services	9,084	0	0	9,084
Extracurricular Activities	138,262	3,302	0	141,564
Total General Fixed Assets	<u>\$6,499,681</u>	<u>\$301,370</u>	<u>\$103,556</u>	<u>\$6,697,495</u>

**Berkshire Local School District**  
*Schedule of General Fixed Assets*  
*By Source*  
*June 30, 2001*

**General Fixed Assets**

Land and Improvements	\$305,036
Buildings	3,588,790
Furniture and Equipment	1,945,687
Vehicles	<u>857,982</u>
<i>Total General Fixed Assets</i>	<u><u>\$6,697,495</u></u>

**Investments in General Fixed Assets From:**

General Fund	\$6,301,086
Special Revenue Funds	30,291
Capital Projects Funds	<u>366,118</u>
<i>Total Investment in General Fixed Assets</i>	<u><u>\$6,697,495</u></u>

**Berkshire Local School District**  
*General Fund*  
*Expenditures by Function*  
*and Other Financing Uses*  
*Last Ten Fiscal Years*

	2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992
Current:										
Instruction:										
Regular	\$4,597,473	\$3,869,571	\$3,638,253	\$3,299,715	\$3,648,808	\$3,133,085	\$3,263,745	\$3,216,604	\$3,000,379	\$2,852,992
Special	735,228	695,021	613,746	505,154	426,927	445,285	292,623	287,773	260,799	237,554
Vocational	49,833	48,245	49,109	43,371	57,166	55,752	53,545	53,849	46,907	52,610
Support Services										
Pupils	449,097	413,961	371,354	249,819	259,489	254,844	256,268	262,093	222,728	241,123
Instructional Staff	301,404	237,013	214,724	144,236	77,471	65,033	90,046	136,740	129,390	137,910
Board of Education	71,719	28,512	24,891	26,282	17,546	23,597	14,525	17,193	11,675	97,402
Administration	799,723	707,036	565,294	668,741	580,492	614,463	629,757	584,611	536,144	540,479
Fiscal	245,493	263,964	205,152	193,027	183,245	180,898	179,344	179,242	169,278	161,572
Business	20,483	19,987	16,674	9,648	10,944	10,868	0	0	0	0
Operation and Maintenance of Plant	1,041,022	986,513	896,663	793,691	683,078	600,205	609,033	733,613	645,086	662,370
Pupil Transportation	649,639	657,231	693,419	621,739	513,033	600,963	594,144	577,592	583,674	574,663
Operation of Non-Instructional Services	29,428	12,808	5,766	4,225	0	0	0	0	0	0
Extracurricular Activities	161,763	165,823	150,776	136,176	135,464	130,025	122,017	112,367	95,437	85,613
Debt Service	0	0	0	0	0	2,709	0	0	0	0
Other Financing Uses	25,000	3,181	0	0	0	0	10,000	613,000	15,000	52,248
Total	\$9,177,305	\$8,108,866	\$7,445,821	\$6,695,824	\$6,593,663	\$6,117,727	\$6,115,047	\$6,774,677	\$5,716,497	\$5,696,536

Source: School District Financial Records

(1) 1996 through 2001 reported on a GAAP Basis; All other years on Cash Basis.

**Berkshire Local School District**  
*General Fund*  
*Revenues by Source*  
*and Other Financing Sources*  
*Last Ten Fiscal Years*

	2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992
Income Taxes (2)	\$1,166,466	\$1,072,636	\$990,880	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property and Other Local Taxes	3,996,772	3,491,994	3,463,352	3,833,417	4,269,142	3,580,863	3,736,335	3,318,901	2,879,679	2,861,001
Intergovernmental	3,687,530	3,535,889	3,138,077	2,854,859	2,532,403	2,543,538	2,479,440	2,458,722	2,482,981	2,377,896
Interest	227,269	206,786	157,793	135,300	128,036	100,380	66,251	35,891	40,136	72,329
Tuition and Fees	16,524	24,690	15,995	12,377	2,553	23,438	16,009	9,428	8,545	9,282
Extracurricular Activities	42,875	43,173	38,000	47,744	65,910	50,139	12,760	12,560	7,893	6,817
Gifts and Donations	3,200	4,716	814	0	1,039	422	0	0	0	0
Charges for Services	6,750	7,685	8,856	2,770	21,200	26,925	0	0	0	0
Rentals	12,363	11,429	16,063	14,701	13,583	12,470	0	0	0	0
Miscellaneous	50,347	88,920	99,939	39,565	0	7,469	43,478	50,936	140,096	109,082
Other Financing Sources	62	2,142	1,171	1,216	307	65	30,580	717,820	144,144	67,645
<b>Total</b>	<b>\$9,210,158</b>	<b>\$8,490,060</b>	<b>\$7,930,940</b>	<b>\$6,941,949</b>	<b>\$7,034,173</b>	<b>\$6,345,709</b>	<b>\$6,384,853</b>	<b>\$6,604,258</b>	<b>\$5,703,474</b>	<b>\$5,504,052</b>

Source: School District Financial Records

(1) 1996 through 2001 reported on GAAP basis; all other years on Cash Basis.

(2) Prior to 1999, income tax was not broken out of property and other local taxes.

**Berkshire Local School District**  
*Property Tax Levies and Collections*  
*Real and Tangible Personal Property (1)*  
*Last Eight Years (2)*

Year (3)	Current Levy	Delinquent Levy (4)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
2000	\$4,446,453	\$179,017	\$4,625,470	\$4,278,141	96.2%	\$105,158	\$4,403,277	99.0%
1999	4,171,283	258,586	4,429,869	4,010,823	96.1	105,508	4,116,331	98.7
1998	4,014,015	265,076	4,279,091	3,865,659	96.3	103,324	3,968,983	98.9
1997	3,907,286	289,412	4,196,698	3,758,943	96.2	118,273	3,877,216	99.2
1996	3,720,284	252,227	3,972,511	3,583,675	96.3	80,831	3,664,506	98.5
1995	3,635,813	288,419	3,924,232	3,510,668	96.6	164,377	3,675,045	101.1
1994	3,492,600	228,497	3,721,097	3,432,539	98.3	97,219	3,529,758	101.1
1993	3,449,828	235,714	3,685,542	3,332,666	96.6	87,735	3,420,401	99.2

- Source: Geauga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.
- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
  - (2) Information prior to 1993 is not available.
  - (3) Represents collection year. 2001 information cannot be presented because all collections have not been made by June 30.
  - (4) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Ratio
2001	\$147,965,940	\$422,759,829	\$8,186,330	\$9,302,648	\$15,483,450	\$61,933,800	\$171,635,720	\$493,996,276	35%
2000	142,245,480	406,415,657	8,150,600	9,262,045	12,547,070	50,188,280	162,943,150	465,865,983	35
1999	113,874,170	325,354,771	8,730,000	9,920,455	10,135,990	40,543,960	132,740,160	375,819,186	35
1998	110,948,800	316,996,571	8,922,380	10,139,068	9,590,090	38,360,360	129,461,270	365,496,000	35
1997	107,141,390	306,118,257	9,117,080	10,360,318	8,548,600	34,194,400	124,807,070	350,672,975	36
1996	96,893,090	276,837,400	9,187,140	10,439,932	7,625,490	30,501,960	113,705,720	317,779,292	36
1995	94,397,260	269,706,457	9,600,380	10,909,523	6,938,050	27,752,200	110,935,690	308,368,180	36
1994	92,259,630	263,598,943	9,537,980	10,838,614	6,126,330	24,505,320	107,923,940	298,942,876	36
1993	74,923,440	214,066,971	10,416,360	11,836,773	6,154,100	24,616,400	91,493,900	250,520,144	37
1992	74,013,240	211,466,400	10,499,080	11,930,773	6,571,700	26,286,800	91,084,020	249,683,973	36

Source: Geauga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) This amount is calculated based on the following percentages:  
 Real estate is assessed at 35 percent of actual value.  
 Public utility personal is assessed at 88 percent of actual value.  
 Tangible personal property is assessed at 25 percent of actual value.



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

Year	School Levy	JVS	Troy Township	Library	County Levy	Total Levy	Debt Service		
							School	County	Total
2001	\$52.30	\$1.50	\$12.50	\$1.00	\$13.40	\$80.70	\$0.00	\$0.30	\$0.30
2000	52.30	1.50	12.50	1.00	12.65	79.95	0.00	0.30	0.30
1999	52.30	1.50	12.50	1.00	12.45	79.75	0.00	0.30	0.30
1998	52.70	1.50	12.50	1.00	12.45	80.15	0.40	0.30	0.70
1997	52.90	1.50	12.50	1.00	12.45	80.35	0.60	0.30	0.90
1996	53.20	1.50	12.50	1.00	12.85	81.05	0.90	0.30	1.20
1995	53.20	1.50	12.50	1.00	10.85	79.05	0.90	0.30	1.20
1994	53.20	1.50	12.50	1.00	10.85	79.05	0.90	0.30	1.20
1993	53.80	1.50	14.80	1.00	10.20	81.30	1.50	0.30	1.80
1992	54.00	1.50	14.80	1.00	10.20	81.50	1.70	0.30	2.00

Source: Geauga County Auditor - Date is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

**Berkshire Local School District**  
*Ratio of Net General Obligation Bonded Debt to  
 Assessed Value and Net Bonded Debt Per Capita  
 Last Ten Years*

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2001	\$0	\$171,635,720	8,647	0.00%	\$0.00
2000	0	162,943,150	8,546	0.00	0.00
1999	13,924	132,740,160	8,546	0.01	1.63
1998	80,072	129,461,270	8,546	0.06	9.37
1997	74,806	124,807,070	8,546	0.06	8.75
1996	0	113,705,720	8,546	0.00	0.00
1995	60,369	110,935,690	8,546	0.05	7.06
1994	76,377	107,923,940	8,546	0.07	8.94
1993	221,885	91,493,900	8,546	0.24	25.96
1992	330,649	91,084,020	8,546	0.36	38.69

Source:

(1) School District Financial Records

(2) Geauga County Auditor

(3) U.S. Census of Population, 2000 Federal Census and 1990 Federal Census

**Berkshire Local School District**  
*Computation of Legal Debt Margin*  
*June 30, 2001*

Assessed Valuation	<u><u>\$171,635,720</u></u>
Debt Limit - 9% of Assessed Value (1)	\$15,447,215
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	(30,000)
Amount Available in Debt Service Fund	<u>85,137</u>
Amount of Debt Subject to the Limit	<u>55,137</u>
Overall Debt Margin	<u><u>\$15,502,352</u></u>
Debt Limit - .10% of Assessed Value (1)	\$171,636
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u><u>\$171,636</u></u>

Source: Geauga County Auditor and School District Financial Records

(1) Ohio Bond Law sets an overall limit of 9% for total debt and 1/10 of 1% for unvoted debt.

**Berkshire Local School District**

*Computation of Direct and Overlapping General Obligation Bonded Debt*

*December 31, 2000*

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Berkshire Local School District	\$30,000	100.00%	\$30,000
Geauga County	1,435,000	8.55%	<u>122,693</u>
Total			<u><u>\$152,693</u></u>

Source: Geauga County Auditor, Berkshire Local School District

- (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 2000 collection year.

**Berkshire Local School District**  
*Ratio of Annual Debt Service Expenditures For  
 General Obligation Bonded Debt to General Fund Expenditures  
 Last Ten Fiscal Years*

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures (1)</u>	<u>Ratio of Debt Service to General Fund Expenditures (Percentage)</u>
2001 (2)	\$30,000	\$4,669	\$34,669	\$9,177,305	0.38%
2000 (2)	116,822	10,456	127,278	8,108,866	1.57
1999 (2)	197,461	24,042	221,503	7,445,821	2.97
1998 (2)	141,932	29,519	171,451	6,695,824	2.56
1997 (2)	63,785	19,758	83,543	6,593,663	1.27
1996 (2)	35,000	20,491	55,491	6,117,727	0.91
1995	90,000	25,363	115,363	6,115,047	1.89
1994	90,000	31,475	121,475	6,774,677	1.79
1993	90,000	37,588	127,588	5,716,497	2.23
1992	90,000	43,700	133,700	5,696,536	2.35

Source: School District Financial Records

(1) Includes other financing uses.

(2) 1996 through 2001 on GAAP Basis.

**Berkshire Local School District**

*Demographic Statistics*

*Last Ten Years*

<u>Year</u>	<u>Geauga County Population (1)</u>	<u>Berkshire LSD Area Population (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2001	90,895	8,647	1,360	2.9%
2000	89,598	8,546	1,375	2.8
1999	87,913	8,546	1,365	3.0
1998	86,054	8,546	1,355	3.5
1997	86,054	8,546	1,317	3.6
1996	84,260	8,546	1,305	3.8
1995	83,400	8,546	1,325	3.8
1994	83,241	8,546	1,293	5.1
1993	82,094	8,546	1,274	5.8
1992	82,094	8,546	1,280	5.4

- Sources:
- (1) Estimated Figure from U.S. Census Bureau
  - (2) U.S. Census of Population, 2000 Federal Census and 1990 Federal Census
  - (3) School District Financial Records
  - (4) Ohio Bureau of Employment Services

**Berkshire Local School District**

*Property Value,*

*Financial Institution Deposits and Building Permits  
Last Eight Years (1)*

Year	Property Value (2) (Real Estate Only)	Financial Institution Deposits		Values of Permits Issued			Values of Permits Issued		
		Banks		Geauga County	Burton Township	Claridon Township	Burton Village	Troy Township	
2000	\$147,965,940	\$222,518,000		\$199,824,566	\$4,626,261	\$5,123,086	\$1,316,470	\$6,042,887	
1999	142,245,480	249,478,000		65,015,002	4,680,933	2,939,795	1,346,190	5,302,735	
1998	113,874,170	254,641,000		47,503,140	2,370,380	9,999,747	2,946,851	4,083,882	
1997	110,948,800	222,202,000		38,142,850	3,075,000	4,111,491	389,462	16,415,496	
1996	107,141,390	212,641,000		41,162,110	2,485,208	3,960,556	338,521	2,459,911	
1995	96,893,090	194,409,000		35,438,050	2,937,168	3,100,441	3,295,300	1,335,625	
1994	94,397,260	188,020,000		28,009,880	2,770,629	2,597,590	823,824	1,088,725	
1993	92,259,630	184,462,000		23,820,980	1,997,260	1,730,508	462,850	1,895,245	

Sources: Geauga County Auditor  
Federal Reserve Bank of Cleveland  
Building Department reports

(1) Information prior to 1993 is unavailable.

(2) Represents assessed value.

**Berkshire Local School District**

*Principal Taxpayers*

*Real Estate Tax*

*December 31, 2000*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Property Assessed Value</u>
Great Lakes Cheese	\$3,867,190	2.61%
Berkshire Hills Limited	1,256,510	0.85
M. A. Hanna Company	1,131,000	0.76
John J. Masternick	1,010,010	0.68
Troy Oaks Homes	665,000	0.45
Farmore Farms Limited	628,570	0.42
Safra Inn LLO	617,820	0.42
Grandview Golf Club	470,030	0.32
Blaine M. Kaufmann	451,200	0.30
Stephen Rajki, Jr.	439,270	0.30
Total	<u>\$10,536,600</u>	<u>7.11%</u>

Source: Geauga County Auditor

(1) Assessed values are for the 2001 collection year.



**Berkshire Local School District**

*Principal Taxpayers*

*Tangible Personal Property Tax*

*December 31, 2000*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Great Lakes Cheese Company, Inc.	\$6,408,110	41.39%
Troy Manufacturing Company, Inc.	847,210	5.47
Preston Chevrolet Cadillac, Inc.	667,600	4.31
BFG Supply Company, LLC.	641,840	4.15
Electrobock, Inc.	403,070	2.60
TRC Manufacturing, Inc.	356,130	2.30
Crowley Company	356,130	2.30
New Methods, Inc.	309,890	2.00
Recycled Roadway, Inc.	259,110	1.67
Carter Jones Lumber Company	<u>196,920</u>	<u>1.27</u>
Total	<u><u>\$10,446,010</u></u>	<u><u>67.46%</u></u>

Source: Geauga County Auditor

(1) Assessed values are for the 2001 collection year.

**Berkshire Local School District**

*Principal Taxpayers*

*Public Utilities Tax*

*December 31, 2000*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Property Assessed Value</u>
Cleveland Electric Illuminating Company	\$5,605,360	68.47%
Ohio Bell Telephone Company	996,770	12.18
East Ohio Gas Company	984,820	12.03
Ohio Edison	<u>256,410</u>	<u>3.13</u>
Total	<u><u>\$7,843,360</u></u>	<u><u>95.81%</u></u>

Source: Geauga County Auditor

(1) Assessed values are for the 2001 collection year.

**Berkshire Local School District**

*Per Pupil Cost  
Last Ten Fiscal Years*

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment</u>	<u>Per Cost Pupil</u>
2001 (2)	\$9,177,305	1,360	\$6,748
2000 (2)	8,108,866	1,375	5,897
1999 (2)	7,445,821	1,365	5,455
1998 (2)	6,695,824	1,355	4,942
1997 (2)	6,593,663	1,317	5,007
1996 (2)	6,117,727	1,305	4,688
1995	6,115,047	1,325	4,615
1994	6,774,677	1,293	5,240
1993	5,716,497	1,274	4,487
1992	5,696,536	1,280	4,450

Source: School District Financial Records.

(1) Includes Other Financing Uses

(2) 1996 through 2001 on GAAP Basis

**Berkshire Local School District**

*Teacher Education and Experience*

*June 30, 2001*

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	18	20.68%
Bachelor + 15	3	3.45
Bachelor + 30	24	27.59
Master's Degree	19	24.84
Master's + 15	6	6.9
Master's + 30	<u>17</u>	<u>19.54</u>
Total	<u><u>87</u></u>	<u><u>100.00%</u></u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	27	31.03%
6 - 10	10	11.50
11 and Over	<u>50</u>	<u>57.47</u>
	<u><u>87</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**BERKSHIRE LOCAL SCHOOL DISTRICT**

**GEAUGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 8, 2001**