



**BERKSHIRE LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2000**



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

---

**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  
Burton, Ohio 44021

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, 2000, and have issued our report thereon dated October 30, 2000. We conducted our audit in accordance with generally accepted auditing standards 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*.

We also noted an immaterial instance of noncompliance that we have reported to the management of the District in a separate letter dated October 30, 2000.

**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

October 30, 2000

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

**Comprehensive Annual Financial Report**  
*For the Fiscal Year Ended June 30, 2000*

Prepared by

Treasurer's Office  
Julie Kirby  
Treasurer





**Berkshire Local School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2000*  
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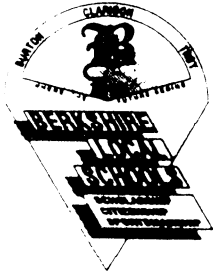
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# Berkshire Local School District

## BOARD OF EDUCATION

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



**Richard Markwardt**  
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(440) 834-4123  
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Treasurer  
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October 30, 2000

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, 2000. 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 and Organizational Chart of the School District.
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 Burton Village.

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**

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

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An Equal Opportunity Employer

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/or 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 17, 18, and 19 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**

Economic conditions in the area mirror the broader State and National economies leading to strong tax bases and tax collections. The Troy Township tax abatement area has helped to add new industry to the School District.

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 current providing the School District with approximately \$1,072,000, annually.

Of the School District's general fund operations, 12.63 percent of the general fund revenue is received from income tax and 41.13 percent is received from real estate taxes on residential, commercial and industrial properties and tangible personal property taxpayers with 41.64 percent being received from various forms of State aid including reimbursement of homestead and rollback reductions on property taxes. Investment earnings are 2.43 percent and other revenue are 2.17 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 at least until June 15, 2001.

## **Major Initiatives**

### *Strong Leadership Continues*

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

School Treasurer, Julie A. Kirby, is in her fourteenth 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.

### *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: 95.9 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 15 of 27 indicators.
4. Compared to all Ohio school districts, Berkshire students had a higher passage rate than the group average in 24 of 27 indicators.
5. Berkshire students had a higher passage rate than any other comparison district in three of the 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, 1999 and 2000, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
<b>Revenues</b>					
Income Taxes	\$990,880	\$1,072,636	11.82%	\$81,756	8.25%
Property and Other Local Taxes	3,645,439	3,706,344	40.83	60,905	1.67
Intergovernmental	3,380,014	3,773,548	41.57	393,534	11.64
Interest	157,793	206,786	2.28	48,993	31.05
Tuition and Fees	15,995	24,690	0.27	8,695	54.36
Extracurricular Activities	122,214	111,551	1.23	(10,663)	(8.72)
Gifts and Donations	16,063	74,931	0.83	58,868	366.48
Charges for Services	8,856	7,685	0.08	(1,171)	(13.22)
Rentals	43,976	11,429	0.12	(32,547)	(74.01)
Miscellaneous	99,939	88,920	0.97	(11,019)	(11.03)
<i>Total Revenues</i>	<u>\$8,481,169</u>	<u>\$9,078,520</u>	<u>100.00%</u>	<u>\$597,351</u>	

Intergovernmental revenue reflects a \$393,534 or a 11.64 percent increase due to the School District receiving more State and Federal grants, such as the Ohio Reads Grant and Class Size Reduction Grant.

Interest revenue reflects a \$48,993 or a 31.05 percent increase due to more cash available for investment purposes during fiscal year 2000.

Tuition and fees reflect a \$8,695 or a 54.36 percent increase due to the receipt of outstanding tuition charges collected during fiscal year 2000.

Gifts and donations reflect a \$58,868 or 366.48 percent increase due to more donations being received by the School District.

Rentals revenue reflect a \$32,547 or a 74.01 percent decrease due to the decreased use of the facilities by outside organizations.

The following schedule presents a summary of governmental funds' expenditures for the fiscal years ended June 30, 1999 and 2000, and the amount and percentage of increases and decreases in relation to the prior year's expenditures.

<b>Expenditures</b>	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
<i>Current:</i>					
Instruction:					
Regular	\$3,682,673	\$3,918,104	45.41%	\$235,431	6.39%
Special	698,092	786,815	9.12	88,723	12.71
Vocational	49,109	48,245	0.56	(864)	(1.76)
Support Services:					
Pupils	403,963	465,117	5.39	61,154	15.14
Instructional Staff	219,601	255,052	2.96	35,451	16.14
Board of Education	24,891	28,512	0.33	3,621	14.55
Administration	576,364	721,396	8.36	145,032	25.16
Fiscal	205,386	263,964	3.06	58,578	28.52
Business	16,974	20,287	0.24	3,313	19.52
Operation and					
Maintenance Of Plant	896,663	986,513	11.43	89,850	10.02
Pupil Transportation	693,419	657,231	7.62	(36,188)	(5.22)
Central	648	0	0.00	(648)	(100.00)
Operation of Non-					
Instructional Services	5,766	12,808	0.15	7,042	122.13
Extracurricular Activities	249,077	301,143	3.49	52,066	20.90
<i>Capital Outlay</i>	89,377	36,170	0.42	(53,207)	(59.53)
<i>Debt Service:</i>					
Principal Retirement	197,461	116,822	1.35	(80,639)	(40.84)
Interest and Fiscal Charges	24,042	10,456	0.12	(13,586)	(56.51)
<i>Total Expenditures</i>	<u>\$8,033,506</u>	<u>\$8,628,635</u>	<u>100.00%</u>	<u>\$595,129</u>	

Administration Support Services reflect a \$145,032 or a 25.16 percent increase due to salary increases for building administrators.

Fiscal Support Services reflect a \$58,578 or a 28.52 percent increase due to a change in recording income tax fees and increases in the County Auditor and Treasurer fees.

Operation of Non-Instructional Services reflect a \$7,042 or a 122.13 percent increase due to reclassification of cafeteria benefits.

Capital Outlay decreased \$53,207 or a 59.53 percent decrease due to extensive ventilation work done in each building and new hot water heaters installed at the high school during fiscal year 1999.

Debt Service Principal Retirement decreased by \$80,639 or 40.84 percent and Interest and Fiscal Charges decreased by \$13,586 or 56.51 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 \$2,040,338 at June 30, 1999 to \$2,445,826 at June 30, 2000. 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 \$27,016 for the fiscal year ended June 30, 2000. Of the proprietary funds, the food service enterprise fund had deficit retained earnings at June 30, 2000 of \$209,183. 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 \$42,464 at June 30, 2000 compared with retained earnings of \$8,519 at June 30, 1999, reflecting a net income of \$33,945.

### **Debt Administration**

At June 30, 2000, general obligation bonds outstanding totaled \$30,000. During fiscal year 2000, \$30,000 of voted general obligation bonds and \$86,822 of energy conservation 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, 2000, was \$206,786 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 property with a \$1,000 deductible and a \$16,800,938 limit for crime 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 Wausau Insurance Companies 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, 2000 was \$6,499,681. 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, 2000. 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) awards a Certificate of Achievement for Excellence in Financial Reporting for a Comprehensive Annual Financial Report. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe our current report conforms to the Certificate of Achievement requirements and we are submitting it to GFOA for consideration.

## **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, 2000*

***Board of Education***

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

***Treasurer***

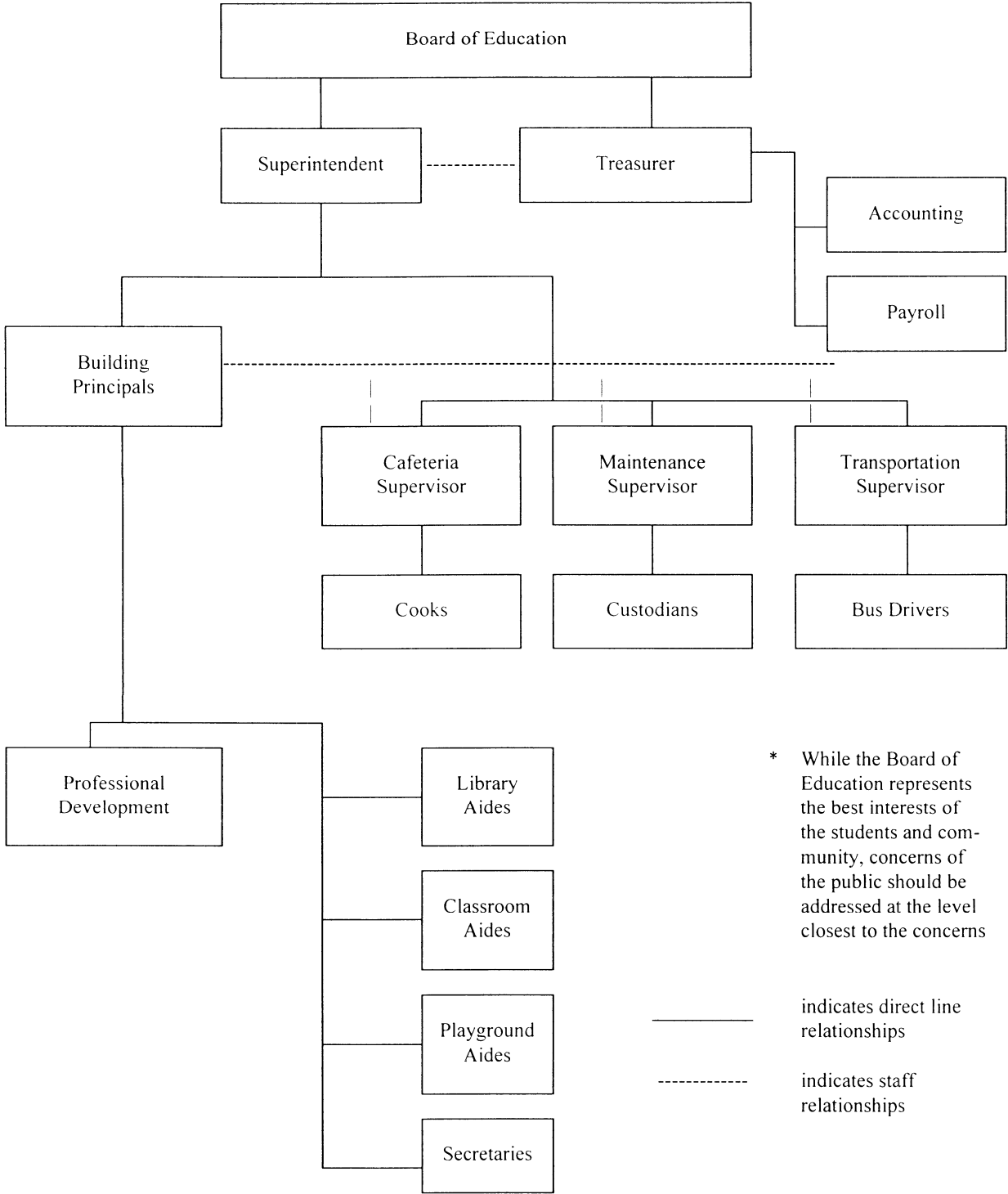
Ms. Julie A. Kirby

***Superintendent***

Mr. Richard Markwardt

**Berkshire Local School District**

*Organizational Chart*



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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

We have audited the accompanying general-purpose financial statements of the Berkshire Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2000, 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 generally accepted auditing standards 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, Ohio, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2000 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.

Our audit was performed for the purpose of forming 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", with a large, sweeping flourish at the end.

**Jim Petro**  
Auditor of State

October 30, 2000

## 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, 2000, 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, 2000*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<i>Assets and Other Debits</i>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,457,752	\$78,466	\$119,806	\$306,981
Receivables:				
Taxes	4,152,674	0	0	224,928
Accounts	8,638	0	0	0
Intergovernmental	0	0	0	0
Interfund Receivable	30,007	0	0	0
Prepaid Items	13,941	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	31,596	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	119,339	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 Obligations	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<i>Total Assets and Other Debits</i>	<u>\$6,813,947</u>	<u>\$78,466</u>	<u>\$119,806</u>	<u>\$531,909</u>

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$2,388	\$48,281	\$30,531	\$0	\$0	\$3,044,205
0	0	0	0	0	4,377,602
0	0	0	0	0	8,638
3,700	0	0	0	0	3,700
0	0	0	0	0	30,007
0	0	0	0	0	13,941
4,865	0	0	0	0	4,865
1,476	0	0	0	0	33,072
0	0	0	0	0	119,339
64,934	0	0	6,499,681	0	6,564,615
0	0	0	0	116,693	116,693
0	0	0	0	691,069	691,069
<u>\$77,363</u>	<u>\$48,281</u>	<u>\$30,531</u>	<u>\$6,499,681</u>	<u>\$807,762</u>	<u>\$15,007,746</u>

(continued)

**Berkshire Local School District**  
*Combined Balance Sheet*  
*All Fund Types and Account Groups (continued)*  
*June 30, 2000*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<i>Liabilities.</i>				
<i>Fund Equity and Other Credits</i>				
<b>Liabilities</b>				
Accounts Payable	\$6,179	\$0	\$0	\$2,770
Accrued Wages and Benefits	689,911	11,280	0	0
Compensated Absences Payable	8,389	0	0	0
Interfund Payable	0	3,007	0	0
Intergovernmental Payable	188,933	1,115	0	0
Deferred Revenue	3,474,709	0	0	210,528
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
<i>Total Liabilities</i>	4,368,121	15,402	0	213,298
<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	206,395	15,256	0	10,823
Reserved for Inventory	31,596	0	0	0
Reserved for Debt Service:				
Principal	0	0	30,000	0
Interest	0	0	3,113	0
Reserved for Property Taxes	218,800	0	0	14,400
Reserved for Budget Stabilization	119,339	0	0	0
Unreserved:				
Undesignated	1,869,696	47,808	86,693	293,388
<i>Total Fund Equity and Other Credits</i>	2,445,826	63,064	119,806	318,611
<i>Total Liabilities, Fund Equity and Other Credits</i>	\$6,813,947	\$78,466	\$119,806	\$531,909

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	
\$131	\$0	\$0	\$0	\$0	\$9,080
17,156	0	0	0	0	718,347
11,272	0	0	0	710,566	730,227
27,000	0	0	0	0	30,007
9,113	0	0	0	67,196	266,357
2,512	0	0	0	0	3,687,749
0	0	5,446	0	0	5,446
0	0	25,085	0	0	25,085
0	5,817	0	0	0	5,817
0	0	0	0	30,000	30,000
<u>67,184</u>	<u>5,817</u>	<u>30,531</u>	<u>0</u>	<u>807,762</u>	<u>5,508,115</u>
0	0	0	6,499,681	0	6,499,681
217,366	0	0	0	0	217,366
(207,187)	42,464	0	0	0	(164,723)
0	0	0	0	0	232,474
0	0	0	0	0	31,596
0	0	0	0	0	30,000
0	0	0	0	0	3,113
0	0	0	0	0	233,200
0	0	0	0	0	119,339
0	0	0	0	0	2,297,585
<u>10,179</u>	<u>42,464</u>	<u>0</u>	<u>6,499,681</u>	<u>0</u>	<u>9,499,631</u>
<u>\$77,363</u>	<u>\$48,281</u>	<u>\$30,531</u>	<u>\$6,499,681</u>	<u>\$807,762</u>	<u>\$15,007,746</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, 2000*

	General	Special Revenue	Debt Service
<b>Revenues</b>			
Income Tax	\$1,072,636	\$0	\$0
Property and Other Local Taxes	3,491,994	0	86,690
Intergovernmental	3,535,889	211,105	0
Interest	206,786	0	0
Tuition and Fees	24,690	0	0
Extracurricular Activities	43,173	68,378	0
Gifts and Donations	4,716	70,215	0
Charges for Services	7,685	0	0
Rentals	11,429	0	0
Miscellaneous	88,920	0	0
<i>Total Revenues</i>	<u>8,487,918</u>	<u>349,698</u>	<u>86,690</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	3,869,571	48,533	0
Special	695,021	91,794	0
Vocational	48,245	0	0
Support Services:			
Pupils	413,961	51,156	0
Instructional Staff	237,013	18,039	0
Board of Education	28,512	0	0
Administration	707,036	14,360	0
Fiscal	263,964	0	0
Business	19,987	300	0
Operation and Maintenance of Plant	986,513	0	0
Pupil Transportation	657,231	0	0
Operation of Non-Instructional Services	12,808	0	0
Extracurricular Activities	165,823	135,320	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	116,822
Interest and Fiscal Charges	0	0	10,456
<i>Total Expenditures</i>	<u>8,105,685</u>	<u>359,502</u>	<u>127,278</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>382,233</u>	<u>(9,804)</u>	<u>(40,588)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	2,142	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	(3,181)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,039)</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>381,194</u>	<u>(9,804)</u>	<u>(40,588)</u>
<i>Fund Balances Beginning of Year</i>	2,040,338	72,868	160,394
Increase in Reserve for Inventory	24,294	0	0
<i>Fund Balances End of Year</i>	<u>\$2,445,826</u>	<u>\$63,064</u>	<u>\$119,806</u>

See accompanying notes to the general purpose financial statements



Capital Projects	Totals (Memorandum Only)
\$0	\$1,072,636
127,660	3,706,344
26,554	3,773,548
0	206,786
0	24,690
0	111,551
0	74,931
0	7,685
0	11,429
0	88,920
<u>154,214</u>	<u>9,078,520</u>
0	3,918,104
0	786,815
0	48,245
0	465,117
0	255,052
0	28,512
0	721,396
0	263,964
0	20,287
0	986,513
0	657,231
0	12,808
0	301,143
36,170	36,170
0	116,822
0	10,456
<u>36,170</u>	<u>8,628,635</u>
<u>118,044</u>	<u>449,885</u>
0	2,142
3,181	3,181
0	(3,181)
<u>3,181</u>	<u>2,142</u>
121,225	452,027
197,386	2,470,986
0	24,294
<u>\$318,611</u>	<u>\$2,947,307</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, 2000*

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues</b>			
Income Taxes	\$1,069,372	\$1,077,545	\$8,173
Property and Other Local Taxes	3,624,214	3,651,913	27,699
Intergovernmental	3,509,069	3,535,889	26,820
Interest	205,218	206,786	1,568
Tuition and Fees	24,313	24,690	377
Extracurricular Activities	44,822	43,173	(1,649)
Gifts and Donations	4,680	4,716	36
Charges for Services	7,952	6,335	(1,617)
Rentals	15,909	12,005	(3,904)
Miscellaneous	82,113	82,113	0
<i>Total Revenues</i>	<u>8,587,662</u>	<u>8,645,165</u>	<u>57,503</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	4,241,740	3,911,628	330,112
Special	765,079	738,881	26,198
Vocational	57,745	49,394	8,351
Support Services:			
Pupils	487,944	419,916	68,028
Instructional Staff	312,592	240,281	72,311
Board of Education	43,019	38,525	4,494
Administration	799,371	737,500	61,871
Fiscal	292,073	269,760	22,313
Business	23,036	21,390	1,646
Operation and Maintenance of Plant	1,323,568	1,048,025	275,543
Pupil Transportaton	853,277	718,505	134,772
Central	0	0	0
Operation of Non-Instructional Services	27,436	10,335	17,101
Extracurricular Activities	174,075	165,879	8,196
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>9,400,955</u>	<u>8,370,019</u>	<u>1,030,936</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(813,293)</u>	<u>275,146</u>	<u>1,088,439</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	2,142	2,142	0
Advances In	15,264	5,264	(10,000)
Advances Out	(28,007)	(28,007)	0
Operating Transfers In	0	0	0
Operating Transfers Out	(10,000)	(3,181)	6,819
<i>Total Other Financing Sources (Uses)</i>	<u>(20,601)</u>	<u>(23,782)</u>	<u>(3,181)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(833,894)</u>	<u>251,364</u>	<u>1,085,258</u>
<i>Fund Balances Beginning of Year</i>	<u>1,855,837</u>	<u>1,855,837</u>	<u>0</u>
Prior Year Encumbrances Appropriated	257,314	257,314	0
<i>Fund Balances End of Year</i>	<u><u>\$1,279,257</u></u>	<u><u>\$2,364,515</u></u>	<u><u>\$1,085,258</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	83,883	86,690	2,807
213,190	211,105	(2,085)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
68,133	68,378	245	0	0	0
69,965	70,215	250	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
351,288	349,698	(1,590)	83,883	86,690	2,807
54,903	50,624	4,279	0	0	0
93,728	93,728	0	0	0	0
0	0	0	0	0	0
51,156	51,156	0	0	0	0
20,025	20,025	0	0	0	0
0	0	0	0	0	0
14,273	14,273	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
0	0	0	0	0	0
177,920	148,502	29,418	0	0	0
0	0	0	116,822	116,822	0
0	0	0	10,456	10,456	0
412,305	378,608	33,697	127,278	127,278	0
(61,017)	(28,910)	32,107	(43,395)	(40,588)	2,807
0	0	0	0	0	0
3,007	3,007	0	0	0	0
(5,264)	(5,264)	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(2,257)	(2,257)	0	0	0	0
(63,274)	(31,167)	32,107	(43,395)	(40,588)	2,807
61,573	61,573	0	160,394	160,394	0
32,804	32,804	0	0	0	0
\$31,103	\$63,210	\$32,107	\$116,999	\$119,806	\$2,807

(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, 2000*

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Income Taxes	\$0	\$0	\$0
Property and Other Local Taxes	132,486	138,260	5,774
Intergovernmental	33,054	26,554	(6,500)
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>165,540</u>	<u>164,814</u>	<u>(726)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	64,197	42,555	21,642
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	4,438	4,438	0
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportaton	0	0	0
Central	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>68,635</u>	<u>46,993</u>	<u>21,642</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>96,905</u>	<u>117,821</u>	<u>20,916</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	0	0	0
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers In	3,181	3,181	0
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,181</u>	<u>3,181</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>100,086</u>	<u>121,002</u>	<u>20,916</u>
<i>Fund Balances Beginning of Year</i>	<u>169,857</u>	<u>169,857</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>2,529</u>	<u>2,529</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$272,472</u>	<u>\$293,388</u>	<u>\$20,916</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,069,372	\$1,077,545	\$8,173
3,840,583	3,876,863	36,280
3,755,313	3,773,548	18,235
205,218	206,786	1,568
24,313	24,690	377
112,955	111,551	(1,404)
74,645	74,931	286
7,952	6,335	(1,617)
15,909	12,005	(3,904)
82,113	82,113	0
9,188,373	9,246,367	57,994
4,360,840	4,004,807	356,033
858,807	832,609	26,198
57,745	49,394	8,351
539,100	471,072	68,028
332,617	260,306	72,311
43,019	38,525	4,494
813,644	751,773	61,871
296,511	274,198	22,313
23,336	21,690	1,646
1,323,568	1,048,025	275,543
853,277	718,505	134,772
0	0	0
27,436	10,335	17,101
351,995	314,381	37,614
116,822	116,822	0
10,456	10,456	0
10,009,173	8,922,898	1,086,275
(820,800)	323,469	1,144,269
2,142	2,142	0
18,271	8,271	(10,000)
(33,271)	(33,271)	0
3,181	3,181	0
(10,000)	(3,181)	6,819
(19,677)	(22,858)	(3,181)
(840,477)	300,611	1,141,088
2,247,661	2,247,661	0
292,647	292,647	0
<u>\$1,699,831</u>	<u>\$2,840,919</u>	<u>\$1,141,088</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, 2000*

	Enterprise	Internal Service	Totals (Memorandum Only)
<b>Operating Revenues</b>			
Sales	\$250,840	\$0	\$250,840
Charges for Services	0	205,740	205,740
<i>Total Operating Revenues</i>	<u>250,840</u>	<u>205,740</u>	<u>456,580</u>
<b>Operating Expenses</b>			
Salaries	97,540	0	97,540
Fringe Benefits	56,636	0	56,636
Purchased Services	0	6,632	6,632
Materials and Supplies	23,132	0	23,132
Cost of Sales	134,606	0	134,606
Depreciation	9,810	0	9,810
Claims	0	165,163	165,163
<i>Total Operating Expenses</i>	<u>321,724</u>	<u>171,795</u>	<u>493,519</u>
<i>Operating Income (Loss)</i>	<u>(70,884)</u>	<u>33,945</u>	<u>(36,939)</u>
<b>Non-Operating Revenues</b>			
Federal Donated Commodities	8,238	0	8,238
Operating Grants	35,630	0	35,630
<i>Total Non-Operating Revenues</i>	<u>43,868</u>	<u>0</u>	<u>43,868</u>
<i>Net Income (Loss)</i>	(27,016)	33,945	6,929
<i>Retained Earnings (Deficit) Beginning of Year</i>	<u>(180,171)</u>	<u>8,519</u>	<u>(171,652)</u>
<i>Retained Earnings (Deficit) End of Year</i>	(207,187)	42,464	(164,723)
<i>Contributed Capital Beginning and End of Year</i>	<u>217,366</u>	<u>0</u>	<u>217,366</u>
<i>Total Fund Equity End of Year</i>	<u><u>\$10,179</u></u>	<u><u>\$42,464</u></u>	<u><u>\$52,643</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, 2000*

	Enterprise	Internal Service		Totals (Memorandum Only)
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$252,319	\$0		\$252,319
Cash Received from Quasi-External Transactions with Other Funds	0	205,740		205,740
Cash Payments to Suppliers for Goods and Services	(150,150)	(7,200)		(157,350)
Cash Payments to Employees for Services	(113,587)	0		(113,587)
Cash Payments for Employee Benefits	(50,939)	0		(50,939)
Cash Payments for Claims	0	(171,715)		(171,715)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<i>(62,357)</i>	<i>26,825</i>		<i>(35,532)</i>
<b>Cash Flows from Noncapital Financing Activities</b>				
Operating Grants Received	37,602	0		37,602
Advances In	25,000	0		25,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	<i>62,602</i>	<i>0</i>		<i>62,602</i>
<i>Net Increase in Cash and Cash Equivalents</i>	<i>245</i>	<i>26,825</i>		<i>27,070</i>
<i>Cash and Cash Equivalents Beginning of Year</i>	<i>2,143</i>	<i>21,456</i>		<i>23,599</i>
<i>Cash and Cash Equivalents End of Year</i>	<i>\$2,388</i>	<i>\$48,281</i>		<i>\$50,669</i>

(continued)

**Berkshire Local School District**  
*Combined Statement of Cash Flows*  
*All Proprietary Fund Types (continued)*  
*For the Fiscal Year Ended June 30, 2000*

	Enterprise	Internal Service	Totals (Memorandum Only)
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</i>			
<i>Operating Income (Loss)</i>	(\$70,884)	\$33,945	(\$36,939)
<i>Adjustments:</i>			
Depreciation	9,810	0	9,810
Donated Commodities Used During Year	8,238	0	8,238
(Increase) Decrease in Assets:			
Accounts Receivable	1,479	0	1,479
Inventory Held for Resale	502	0	502
Materials and Supplies Inventory	(1,284)	0	(1,284)
Increase (Decrease) in Liabilities:			
Accounts Payable	131	(568)	(437)
Accrued Wages and Benefits	(5,904)	0	(5,904)
Compensated Absences Payable	1,129	0	1,129
Intergovernmental Payable	(5,574)	0	(5,574)
Claims Payable	0	(6,552)	(6,552)
<i>Total Adjustments</i>	8,527	(7,120)	1,407
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$62,357)	\$26,825	(\$35,532)

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, 2000*

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$252,289	\$252,319	\$30
Charges for Services	13	0	(13)
Operating Grants	37,602	37,602	0
<i>Total Revenues</i>	<u>289,904</u>	<u>289,921</u>	<u>17</u>
<b>Expenses</b>			
Salaries	113,725	113,587	138
Fringe Benefits	51,242	50,939	303
Purchased Services	0	0	0
Materials and Supplies	151,425	150,835	590
Claims	0	0	0
<i>Total Expenses</i>	<u>316,392</u>	<u>315,361</u>	<u>1,031</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(26,488)	(25,440)	1,048
Advances In	25,000	25,000	0
<i>Excess of Revenues Over (Under) Expenses and Advances</i>	(1,488)	(440)	1,048
<i>Fund Equity Beginning of Year</i>	2,143	2,143	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Equity End of Year</i>	<u>\$655</u>	<u>\$1,703</u>	<u>\$1,048</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, 2000*

	Internal Service Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues</b>			
Sales	\$29	\$0	(\$29)
Charges for Services	205,721	205,740	19
Operating Grants	0	0	0
<i>Total Revenues</i>	<u>205,750</u>	<u>205,740</u>	<u>(10)</u>
<b>Expenses</b>			
Salaries	0	0	0
Fringe Benefits	0	0	0
Purchased Services	54,033	7,271	46,762
Materials and Supplies	0	0	0
Claims	171,715	171,715	0
<i>Total Expenses</i>	<u>225,748</u>	<u>178,986</u>	<u>46,762</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(19,998)	26,754	46,752
Advances In	0	0	0
<i>Excess of Revenues Over (Under) Expenses and Advances</i>	(19,998)	26,754	46,752
<i>Fund Equity Beginning of Year</i>	5,698	5,698	0
Prior Year Encumbrances Appropriated	15,758	15,758	0
<i>Fund Equity End of Year</i>	<u>\$1,458</u>	<u>\$48,210</u>	<u>\$46,752</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$252,318	\$252,319	\$1
205,734	205,740	6
37,602	37,602	0
495,654	495,661	7
113,725	113,587	138
51,242	50,939	303
54,033	7,271	46,762
151,425	150,835	590
171,715	171,715	0
542,140	494,347	47,793
(46,486)	1,314	47,800
25,000	25,000	0
(21,486)	26,314	47,800
7,841	7,841	0
15,758	15,758	0
<u>\$2,113</u>	<u>\$49,913</u>	<u>\$47,800</u>

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**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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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 1,375 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 17, 18, and 19 to the general purpose financial statements.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**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 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).

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**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 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 operating statements present 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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000 and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded 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 the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported on 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.

***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.



**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**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 2000.

**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.

***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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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During fiscal year 2000, investments were limited to repurchase agreements 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, 2000.

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 \$206,786, which includes \$38,334 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, 2000, 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 21 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 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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***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. Intergovernmental Revenues***

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

**Entitlements**

*General Fund*

- State Foundation Program
- State Property Tax Relief
- School Bus Purchase Reimbursement

**Non-Reimbursable Grants**

*Special Revenue Funds*

- Eisenhower Math and Science
- Education Management Information Systems
- Textbook Subsidy
- Title VI-B
- Title I
- Title VI
- Drug Free Schools
- Teacher Development
- Partnership 2000
- SchoolNet Professional Development
- Ohio Reads

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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Title VI-R  
Library Mini Grant

*Capital Projects Fund*  
SchoolNet Plus

**Reimbursable Grants**

*General Fund*  
Driver Education Reimbursement

*Proprietary Funds*  
National School Lunch Program  
Government Donated Commodities

Grants and entitlements amounted to approximately forty-two percent of the School District's operating revenue during the 2000 fiscal year.

***J. 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."

***K. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the 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 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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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***L. 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.

***M. 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.

***N. 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, property taxes, budget stabilization, and debt service principal and interest.

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.

***O. 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 proprietary funds' fixed assets are considered contributed capital. At June 30, 2000, the School District had contributed capital of \$217,366. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***P. 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.

***Q. 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 - Fund Deficits**

The following funds had deficit fund balances/retained earnings at June 30, 2000:

**Special Revenue Funds**

Title VI-B	\$2,302
Title I	5,070
Title VI-R Class Size Reduction	118

**Enterprise Fund**

Food Service	209,183
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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.

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 4 - 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

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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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	\$381,194	(\$9,804)	(\$40,588)	\$121,225
Revenue Accruals	157,247	0	0	10,600
Expenditure Accruals	(51,758)	(3,850)	0	2,770
Advances In	5,264	3,007	0	0
Advances Out	(28,007)	(5,264)	0	0
Encumbrances	(212,576)	(15,256)	0	(13,593)
Budget Basis	\$251,364	(\$31,167)	(\$40,588)	\$121,002

Net Income (Loss)/Excess of Revenues  
Over (Under) Expenses  
All Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	(\$27,016)	\$33,945
Revenue Accrual	(4,787)	0
Expense Accrual	(2,762)	(7,120)
Advances In	25,000	0
Depreciation	9,810	0
Encumbrances	(685)	(71)
Budget Basis	(\$440)	\$26,754

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 5 - 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;
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);



**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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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 (\$104,669) and the bank balance was \$15,080. 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.

	Category 2	Fair Value
Repurchase Agreement	\$1,520,666	\$1,520,666
STAROhio		1,747,522
Total		\$3,268,188

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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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	\$3,163,544	\$0
Investments Which are Part of a Cash Management Pool		
Repurchase Agreement	(1,520,666)	1,520,666
STAROhio	(1,747,522)	1,747,522
Cash on hand	(25)	0
	(\$104,669)	\$3,268,188
GASB Statement 3		

**Note 6 - 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 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

2000 real property taxes are levied after April 1, 2000, on the assessed value listed as of January 1, 2000, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

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. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000, and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true value.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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The assessed values upon which fiscal year 2000 taxes were collected are:

	1999 Second Half Collections		2000 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$113,874,170	85.79%	\$142,245,480	87.30%
Public Utility	8,730,000	6.58	8,150,600	5.00
Tangible Personal Property	10,135,990	7.63	12,547,070	7.70
Total Assessed Value	<u>\$132,740,160</u>	<u>100.00%</u>	<u>\$162,943,150</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, 2000, are available to finance fiscal year 2001 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, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$233,200 and is recognized as revenue. \$218,800 was available to the general fund and \$14,400 to the permanent improvement fund.

**Note 7 - 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.

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

Receivables at June 30, 1999, consisted of property, accounts (rent, billings for user charged services, and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

The food service enterprise fund had an intergovernmental receivable of \$3,700.

**Note 9 - Fixed Assets**

A summary of the enterprise funds' fixed assets at June 30, 2000, follows:

Furniture and Equipment	\$182,104
Less Accumulated Depreciation	(117,170)
	\$64,934
Net Fixed Assets	\$64,934

A summary of the changes in general fixed assets during fiscal year 2000 follows:

Asset Category	Balance at 7/1/99	Additions	Deletions	Balance at 6/30/00
Land and Improvements	\$303,836	\$1,200	\$0	\$305,036
Buildings	3,558,729	51,001	20,940	3,588,790
Furniture and Equipment	1,720,235	169,849	113,741	1,776,343
Vehicles	963,490	116,282	250,260	829,512
Totals	\$6,546,290	\$338,332	\$384,941	\$6,499,681

**Note 10 - Defined Benefit Pension Plans**

**A. School Employees Retirement System**

The School District contributes to the School Employees System of Ohio (SERS), a cost-sharing multiple employer defined pension plan. 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 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.

**Berkshire Local School District**  
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Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1999, 7.7 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$65,616, \$75,481, and \$123,489 respectively; 50.82 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$32,267 representing the unpaid contribution for fiscal year 2000, 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 participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides 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 43215-3371.

For the fiscal year ended June 30, 2000, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. 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, 2000, 1999, and 1998, were \$241,906, \$214,007, and \$308,350 respectively; 80.25 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$47,769 representing the unpaid contribution for fiscal year 2000, 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, 2000, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 11 - 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-certificated 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 System based on authority granted by State statute. Both systems are funded 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 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, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District this amount equaled \$322,542 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available) the balance in the Fund was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 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, 2000, employer contributions to fund health care benefits were 8.50 percent of covered payroll, an increase of 2.2 percent for fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established as \$12,400. For the School District, the amount to fund health care benefits, including surcharge, during the 2000 fiscal year equaled \$124,334.

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 annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1999, (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 12 - 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 285 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 provided 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 13 - Interfund Transactions**

Interfund balances at June 30, 2000 consist of the following individual fund receivables and payables:

<u>Fund Type/Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<b>General Fund</b>	\$30,007	\$0
<b>Special Revenue Fund</b>		
Title VI-B	0	3,007
<b>Enterprise Fund</b>		
Food Service	<u>0</u>	<u>27,000</u>
<i>Total</i>	<u><u>\$30,007</u></u>	<u><u>\$30,007</u></u>

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 14 - Risk Management**

***A. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, 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 Wausau 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	\$16,800,938
	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
Wausau Insurance	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.



**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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***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 19). 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 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 \$59.73 per family coverage or \$19.94 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 \$5,817 reported in the internal service fund at June 30, 2000 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 1998, 1999 and 2000 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
1998	\$0	\$62,726	\$54,552	\$8,174
1999	8,174	96,985	92,790	12,369
2000	12,369	165,163	171,715	5,817

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
For the Fiscal Year Ended June 30, 2000

**Note 15 - Long Term Obligations**

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	Principal Outstanding 6/30/99	Additions	Deductions	Principal Outstanding 6/30/00
<b>General Obligation Bonds</b>				
1997 6.25%				
Energy Conservation Bond	\$35,320	\$0	(\$35,320)	\$0
1998 6.10%				
Energy Conservation Bond	51,502	0	(51,502)	0
1980 10.375%				
Vocational Building	60,000	0	(30,000)	30,000
<i>Total General Obligation Bonds</i>	146,822	0	(116,822)	30,000
Pension Obligation	77,694	67,196	(77,694)	67,196
Compensated Absences	593,093	117,473	0	710,566
<i>Total General Long-Term Obligations</i>	<u>\$817,609</u>	<u>\$184,669</u>	<u>(\$194,516)</u>	<u>\$807,762</u>

**Vocational Building General Obligation Bonds** On December 1, 1980, Berkshire Local 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 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.

**Energy Conservation Improvement Bonds** On January 15, 1997, Berkshire Local School District issued \$200,000 in general obligation bonds for the purpose of H.B. 264 Energy Improvements. The bonds were issued with final maturity at October 1, 1999. The bonds were paid from the debt service fund.

On October 1, 1997, Berkshire Local School District issued \$200,000 in general obligation bonds for the purpose of H.B. 264 Energy Improvements. The bonds were issued with final maturity at October 1, 1999. The bonds were paid from the debt service fund.

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, 2000, was \$14,664,884 with an unvoted debt margin of \$162,943. The remaining general obligation bonds outstanding at June 30, 2000 will be retired in 2001 with a payment of \$30,000 of principal and \$3,113 of interest.

**Note 16 - 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, 2000.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$228,123	\$22,717	\$250,840
Operating Expenses			
less Depreciation	289,651	22,263	311,914
Depreciation Expense	9,810	0	9,810
Operating Income (Loss)	(71,338)	454	(70,884)
Donated Commodities	8,238	0	8,238
Operating Grants	35,630	0	35,630
Net Income (Loss)	(27,470)	454	(27,016)
Net Working Capital	(45,479)	1,996	(43,483)
Total Assets	75,367	1,996	77,363
Total Equity	8,183	1,996	10,179
Encumbrances	685	0	685

**Note 17 - 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.

***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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***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 2000, the School District paid \$750 to the Council. Financial information can be obtained by contacting Joseph Lesak, the Executive Secretary of the Ohio Schools Council at 155 Center Road, Bedford, Ohio 44146.

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.

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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 18 - 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, Pam Schamberg Clerk/Treasurer, PO Box 427, Burton, Ohio 44021.

**Note 19 - 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 20 - Contingencies**

**A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000

**B. Litigation**

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

**Note 21 - Set asides**

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the 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. The School District is also required to set aside money for budget stabilization.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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, 1999	\$97,146	\$0	\$0
Current Year Set-aside Requirement	22,193	179,008	179,008
Qualifying Disbursements	0	(296,529)	(243,929)
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$119,339</u>	<u>(\$117,521)</u>	<u>(\$64,921)</u>
Set-aside Reserve Balance as of June 30, 2000	<u>\$119,339</u>	<u>\$0</u>	<u>\$0</u>

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 \$119,339.

**Note 22 - 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, 2000, the School District received \$3,069,902 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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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.

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**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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Income Taxes	\$1,069,372	\$1,077,545	\$8,173
Property and Other Local Taxes	3,624,214	3,651,913	27,699
Intergovernmental	3,509,069	3,535,889	26,820
Interest	205,218	206,786	1,568
Tuition and Fees	24,313	24,690	377
Extracurricular Activities	44,822	43,173	(1,649)
Gifts and Donations	4,680	4,716	36
Charges for Services	7,952	6,335	(1,617)
Rentals	15,909	12,005	(3,904)
Miscellaneous	82,113	82,113	0
<i>Total Revenues</i>	<u>8,587,662</u>	<u>8,645,165</u>	<u>57,503</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,921,619	2,864,478	57,141
Fringe Benefits	772,569	765,772	6,797
Purchased Services	134,404	110,021	24,383
Materials and Supplies	352,767	113,363	239,404
Capital Outlay - New	45,213	43,210	2,003
Capital Outlay - Replacement	15,168	14,784	384
Total Regular	<u>4,241,740</u>	<u>3,911,628</u>	<u>330,112</u>
Special:			
Salaries and Wages	337,098	328,317	8,781
Fringe Benefits	101,898	99,771	2,127
Purchased Services	317,920	308,169	9,751
Materials and Supplies	8,163	2,624	5,539
Total Special	<u>765,079</u>	<u>738,881</u>	<u>26,198</u>
Vocational:			
Salaries and Wages	35,234	34,704	530
Fringe Benefits	10,638	10,227	411
Purchased Services	200	0	200
Materials and Supplies	10,473	3,263	7,210
Capital Outlay - Replacement	1,200	1,200	0
Total Vocational	<u>57,745</u>	<u>49,394</u>	<u>8,351</u>
Total Instruction	<u>\$5,064,564</u>	<u>\$4,699,903</u>	<u>\$364,661</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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$282,510	\$269,486	\$13,024
Fringe Benefits	81,922	78,100	3,822
Purchased Services	47,997	34,570	13,427
Materials and Supplies	53,882	18,573	35,309
Capital Outlay - New	1,633	1,633	0
Capital Outlay - Replacement	20,000	17,554	2,446
Total Pupils	<u>487,944</u>	<u>419,916</u>	<u>68,028</u>
Instructional Staff:			
Salaries and Wages	103,708	102,500	1,208
Fringe Benefits	33,944	32,744	1,200
Purchased Services	46,583	40,685	5,898
Materials and Supplies	68,449	21,367	47,082
Capital Outlay - New	59,158	42,273	16,885
Capital Outlay - Replacement	750	712	38
Total Instructional Staff	<u>312,592</u>	<u>240,281</u>	<u>72,311</u>
Board of Education:			
Salaries and Wages	3,480	3,480	0
Fringe Benefits	607	547	60
Purchased Services	27,809	26,653	1,156
Materials and Supplies	4,561	1,420	3,141
Other	6,562	6,425	137
Total Board of Education	<u>43,019</u>	<u>38,525</u>	<u>4,494</u>
Administration:			
Salaries and Wages	547,074	533,758	13,316
Fringe Benefits	176,799	158,612	18,187
Purchased Services	59,091	36,475	22,616
Materials and Supplies	9,783	3,530	6,253
Capital Outlay - New	252	252	0
Capital Outlay - Replacement	1,733	234	1,499
Other	4,639	4,639	0
Total Administration	<u>\$799,371</u>	<u>\$737,500</u>	<u>\$61,871</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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Fiscal:			
Salaries and Wages	\$117,933	\$110,027	\$7,906
Fringe Benefits	36,741	35,531	1,210
Purchased Services	16,905	13,176	3,729
Materials and Supplies	8,894	2,767	6,127
Capital Outlay - Replacement	2,000	1,995	5
Other	<u>109,600</u>	<u>106,264</u>	<u>3,336</u>
Total Fiscal	<u>292,073</u>	<u>269,760</u>	<u>22,313</u>
Business:			
Other	<u>23,036</u>	<u>21,390</u>	<u>1,646</u>
Operation and Maintenance of Plant:			
Salaries and Wages	326,026	316,590	9,436
Fringe Benefits	102,810	101,556	1,254
Purchased Services	470,949	440,720	30,229
Materials and Supplies	345,835	114,630	231,205
Capital Outlay - New	55,542	52,335	3,207
Capital Outlay - Replacement	<u>22,406</u>	<u>22,194</u>	<u>212</u>
Total Operation and Maintenance of Plant	<u>1,323,568</u>	<u>1,048,025</u>	<u>275,543</u>
Pupil Transportation:			
Salaries and Wages	296,496	292,853	3,643
Fringe Benefits	117,300	116,839	461
Purchased Services	107,699	96,729	10,970
Materials and Supplies	177,888	58,534	119,354
Capital Outlay - New	17,412	17,068	344
Capital Outlay - Replacement	<u>136,482</u>	<u>136,482</u>	<u>0</u>
Total Pupil Transportation	<u>853,277</u>	<u>718,505</u>	<u>134,772</u>
Total Support Services	<u>4,134,880</u>	<u>3,493,902</u>	<u>640,978</u>
Operation of Non-Instructional Services			
Community Services:			
Salaries and Wages	405	405	0
Fringe Benefits	7,734	7,072	662
Materials and Supplies	9,297	2,858	6,439
Capital Outlay - Replacement	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Operation of Non-Instructional Services	<u>\$27,436</u>	<u>\$10,335</u>	<u>\$17,101</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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Salaries and Wages	\$16,617	\$14,835	\$1,782
Fringe Benefits	<u>7,750</u>	<u>6,848</u>	<u>902</u>
Total Academic and Subject Oriented Activities	<u>24,367</u>	<u>21,683</u>	<u>2,684</u>
Sports Oriented Activities:			
Salaries and Wages	126,568	122,320	4,248
Fringe Benefits	<u>15,429</u>	<u>14,319</u>	<u>1,110</u>
Total Sports Oriented Activities	<u>141,997</u>	<u>136,639</u>	<u>5,358</u>
School and Public Service Co-Curricular Activities			
Salaries and Wages	6,771	6,658	113
Fringe Benefits	<u>940</u>	<u>899</u>	<u>41</u>
Total School and Public Service Co-Curricular Activities	<u>7,711</u>	<u>7,557</u>	<u>154</u>
Total Extracurricular Activities	<u>174,075</u>	<u>165,879</u>	<u>8,196</u>
<i>Total Expenditures</i>	<u>9,400,955</u>	<u>8,370,019</u>	<u>1,030,936</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(813,293)</u>	<u>275,146</u>	<u>1,088,439</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	2,142	2,142	0
Advances In	15,264	5,264	(10,000)
Advances Out	(28,007)	(28,007)	0
Operating Transfers Out	<u>(10,000)</u>	<u>(3,181)</u>	<u>6,819</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(20,601)</u>	<u>(23,782)</u>	<u>(3,181)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(833,894)</u>	<u>251,364</u>	<u>1,085,258</u>
<i>Fund Balance Beginning of Year</i>	1,855,837	1,855,837	0
Prior Year Encumbrances Appropriated	<u>257,314</u>	<u>257,314</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,279,257</u></u>	<u><u>\$2,364,515</u></u>	<u><u>\$1,085,258</u></u>

## 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.

*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.

*Partnership 2000 State Grant Fund* This fund accounts for State monies to assist teachers in improving their skills.

*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.

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

*Library Mini Grant* This fund accounts for Federal monies used for library enhancements.

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**Berkshire Local School District**

*Combining Balance Sheet*

*All Special Revenue Funds*

*June 30, 2000*

	<u>Public School Support</u>	<u>Martha Holden Jennings Grant</u>	<u>Athletic and Music</u>	<u>Teacher Development</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$30,232</u>	<u>\$2</u>	<u>\$24,881</u>	<u>\$1,150</u>
<b>Liabilities</b>				
Accrued Wages and Benefits	\$0	\$0	\$0	\$0
Interfund Payable	0	0	0	0
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>240</u>	<u>43</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>240</u>	<u>43</u>
<b>Fund Equity</b>				
Fund Balance:				
Reserved for Encumbrances	8,964	0	4,025	0
Unreserved, Undesignated (Deficit)	<u>21,268</u>	<u>2</u>	<u>20,616</u>	<u>1,107</u>
<i>Total Fund Equity (Deficit)</i>	<u>30,232</u>	<u>2</u>	<u>24,641</u>	<u>1,107</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$30,232</u>	<u>\$2</u>	<u>\$24,881</u>	<u>\$1,150</u>

(continued)

**Berkshire Local School District**  
*Combining Balance Sheet*  
*All Special Revenue Funds (continued)*  
*June 30, 2000*

	<u>Textbook Subsidy</u>	<u>Ohio Reads Grant</u>	<u>Eisenhower Math and Science Grant</u>	<u>Title VI-B</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$900</u>	<u>\$6,000</u>	<u>\$4,277</u>	<u>\$792</u>
<b>Liabilities</b>				
Accrued Wages and Benefits	\$0	\$0	\$0	\$0
Interfund Payable	0	0	0	3,007
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>87</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,094</u>
<b>Fund Equity</b>				
Fund Balance:				
Reserved for Encumbrances	900	0	0	0
Unreserved, Undesignated (Deficit)	<u>0</u>	<u>6,000</u>	<u>4,277</u>	<u>(2,302)</u>
<i>Total Fund Equity (Deficit)</i>	<u>900</u>	<u>6,000</u>	<u>4,277</u>	<u>(2,302)</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$900</u>	<u>\$6,000</u>	<u>\$4,277</u>	<u>\$792</u>

<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools Grant</u>	<u>Title VI-R Class Size Reduction</u>	<u>Totals</u>
<u>\$6,820</u>	<u>\$2,043</u>	<u>\$1,369</u>	<u>\$0</u>	<u>\$78,466</u>
\$11,280	\$0	\$0	\$0	\$11,280
0	0	0	0	3,007
610	0	17	118	1,115
<u>11,890</u>	<u>0</u>	<u>17</u>	<u>118</u>	<u>15,402</u>
0	0	1,368	0	15,257
(5,070)	2,043	(16)	(118)	47,807
<u>(5,070)</u>	<u>2,043</u>	<u>1,352</u>	<u>(118)</u>	<u>63,064</u>
<u>\$6,820</u>	<u>\$2,043</u>	<u>\$1,369</u>	<u>\$0</u>	<u>\$78,466</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, 2000*

	Public School Support	Martha Holden Jennings Grant	Athletic and Music	Teacher Development
<b>Revenues</b>				
Intergovernmental	\$0	\$2,500	\$0	\$5,748
Extracurricular Activities	11,616	0	56,762	0
Gifts and Donations	24,632	0	45,583	0
<i>Total Revenues</i>	<u>36,248</u>	<u>2,500</u>	<u>102,345</u>	<u>5,748</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	0	2,498	0	4,641
Special	0	0	0	0
<b>Support Services:</b>				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Business	0	0	0	0
Extracurricular Activities	35,481	0	99,839	0
<i>Total Expenditures</i>	<u>35,481</u>	<u>2,498</u>	<u>99,839</u>	<u>4,641</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	767	2	2,506	1,107
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>29,465</u>	<u>0</u>	<u>22,135</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$30,232</u></u>	<u><u>\$2</u></u>	<u><u>\$24,641</u></u>	<u><u>\$1,107</u></u>

<u>Educational Management Information Systems</u>	<u>SchoolNet Professional Development</u>	<u>Textbook Subsidy</u>	<u>Ohio Reads Grant</u>	<u>Partnership 2000 State Grant</u>	<u>Eisenhower Math and Science Grant</u>
\$5,000	\$4,000	\$0	\$6,000	\$0	\$4,716
0	0	0	0	0	0
0	0	0	0	0	0
<u>5,000</u>	<u>4,000</u>	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>4,716</u>
0	0	10,432	0	0	5,254
0	0	0	0	0	0
7,610	0	0	0	0	0
0	4,000	0	0	23	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>7,610</u>	<u>4,000</u>	<u>10,432</u>	<u>0</u>	<u>23</u>	<u>5,254</u>
(2,610)	0	(10,432)	6,000	(23)	(538)
<u>2,610</u>	<u>0</u>	<u>11,332</u>	<u>0</u>	<u>23</u>	<u>4,815</u>
<u>\$0</u>	<u>\$0</u>	<u>\$900</u>	<u>\$6,000</u>	<u>\$0</u>	<u>\$4,277</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, 2000

	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools Grant</u>
<b>Revenues</b>				
Intergovernmental	\$52,998	\$103,309	\$2,915	\$5,816
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
<i>Total Revenues</i>	<u>52,998</u>	<u>103,309</u>	<u>2,915</u>	<u>5,816</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	3,704	3,783
Special	2,292	89,502	0	0
Support Services:				
Pupils	42,698	0	0	848
Instructional Staff	1,702	0	2,111	0
Administration	13,760	0	0	600
Business	0	0	0	300
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>60,452</u>	<u>89,502</u>	<u>5,815</u>	<u>5,531</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(7,454)	13,807	(2,900)	285
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>5,152</u>	<u>(18,877)</u>	<u>4,943</u>	<u>1,067</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$2,302)</u></u>	<u><u>(\$5,070)</u></u>	<u><u>\$2,043</u></u>	<u><u>\$1,352</u></u>

<u>Title VI-R Class Size Reduction</u>	<u>Library Mini-Grant</u>	<u>Totals</u>
\$18,103	\$0	\$211,105
0	0	68,378
0	0	70,215
<u>18,103</u>	<u>0</u>	<u>349,698</u>
18,221	0	48,533
0	0	91,794
0	0	51,156
0	10,203	18,039
0	0	14,360
0	0	300
0	0	135,320
<u>18,221</u>	<u>10,203</u>	<u>359,502</u>
(118)	(10,203)	(9,804)
<u>0</u>	<u>10,203</u>	<u>72,868</u>
<u>(\$118)</u>	<u>\$0</u>	<u>\$63,064</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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Extracurricular Activities	\$11,616	\$11,616	\$0
Gifts and Donations	24,382	24,632	250
<i>Total Revenues</i>	35,998	36,248	250
<b>Expenditures</b>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	57,809	44,878	12,931
<i>Excess of Revenues Under Expenditures</i>	(21,811)	(8,630)	13,181
<i>Fund Balance Beginning of Year</i>	26,407	26,407	0
Prior Year Encumbrances Appropriated	3,491	3,491	0
<i>Fund Balance End of Year</i>	<u>\$8,087</u>	<u>\$21,268</u>	<u>\$13,181</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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	<u>\$2,500</u>	<u>\$2,500</u>	<u>\$0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	1,418	1,418	0
Materials and Supplies	<u>1,082</u>	<u>1,080</u>	<u>2</u>
<i>Total Expenditures</i>	<u>2,500</u>	<u>2,498</u>	<u>2</u>
<i>Excess of Revenues Over Expenditures</i>	0	2	2
<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>\$2</u></u>	<u><u>\$2</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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Extracurricular Activities	\$56,517	\$56,762	\$245
Gifts and Donations	45,583	45,583	0
<i>Total Revenues</i>	<u>102,100</u>	<u>102,345</u>	<u>245</u>
<b>Expenditures</b>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	1,800	1,520	\$280
Fringe Benefits	150	5	145
Purchased Services	40,968	40,645	323
Materials and Supplies	20,989	16,163	4,826
Capital Outlay - New	49,215	38,586	10,629
Other	6,989	6,705	284
<i>Total Expenditures</i>	<u>120,111</u>	<u>103,624</u>	<u>16,487</u>
<i>Excess of Revenues Under Expenditures</i>	(18,011)	(1,279)	16,732
<i>Fund Balance Beginning of Year</i>	17,253	17,253	0
Prior Year Encumbrances Appropriated	4,882	4,882	0
<i>Fund Balance End of Year</i>	<u>\$4,124</u>	<u>\$20,856</u>	<u>\$16,732</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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$5,748	\$5,748	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	<u>4,599</u>	<u>4,599</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	1,149	1,149	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>\$1,149</u></u>	<u><u>\$1,149</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*  
*Educational Management Information Systems Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$5,000	\$5,000	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	3,000	3,000	0
Purchased Services	3,000	3,000	0
Materials and Supplies	1,610	1,610	0
<i>Total Expenditures</i>	7,610	7,610	0
<i>Excess of Revenues Under Expenditures</i>	(2,610)	(2,610)	0
<i>Fund Balance Beginning of Year</i>	2,610	2,610	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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$4,000	\$4,000	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	<u>4,000</u>	<u>4,000</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	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>\$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*  
*Textbook Subsidy Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	11,332	11,332	0
<i>Excess of Revenues Under Expenditures</i>	(11,332)	(11,332)	0
<i>Fund Balance Beginning of Year</i>	1,294	1,294	0
Prior Year Encumbrances Appropriated	10,038	10,038	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$6,000	\$6,000	\$0
<b>Expenditures</b>	0	0	0
<i>Excess of Revenues Over Expenditures</i>	6,000	6,000	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	<u>\$6,000</u>	<u>\$6,000</u>	<u>\$0</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Partnership 2000 State Grant Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Materials and Supplies	23	23	0
<i>Excess of Revenues Under Expenditures</i>	(23)	(23)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	23	23	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$4,716	\$4,716	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	8,531	8,531	0
Materials and Supplies	1,000	1,000	0
<i>Total Expenditures</i>	<u>9,531</u>	<u>9,531</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(4,815)	(4,815)	0
<i>Fund Balance Beginning of Year</i>	<u>4,815</u>	<u>4,815</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*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$52,998	\$52,998	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Materials and Supplies	69	69	0
Capital Outlay - New	2,223	2,223	0
Total Instruction	2,292	2,292	0
Support Services:			
Pupils:			
Purchased Services	41,821	41,821	0
Capital Outlay - New	877	877	0
Total Pupils	42,698	42,698	0
Instructional Staff:			
Materials and Supplies	3,688	3,688	0
Administration:			
Salaries and Wages	11,128	11,128	0
Fringe Benefits	1,760	1,760	0
Materials and Supplies	785	785	0
Total Administration	13,673	13,673	0
Total Support Services	60,059	60,059	0
<i>Total Expenditures</i>	62,351	62,351	0
<i>Excess of Revenues Under Expenditures</i>	(9,353)	(9,353)	0
<b>Other Financing Sources</b>			
Advances In	3,007	3,007	0
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(6,346)	(6,346)	0
<i>Fund Balance Beginning of Year</i>	792	792	0
Prior Year Encumbrances Appropriated	6,347	6,347	0
<i>Fund Balance End of Year</i>	\$793	\$793	\$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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$103,309	\$103,309	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	75,243	75,243	0
Fringe Benefits	16,193	16,193	0
<i>Total Expenditures</i>	91,436	91,436	0
<i>Excess of Revenues Over Expenditures</i>	11,873	11,873	0
<b>Other Financing Uses</b>			
Advances Out	(5,264)	(5,264)	0
<i>Excess of Revenues Over Expenditures and Other Financing Uses</i>	6,609	6,609	0
<i>Fund Balance Beginning of Year</i>	212	212	0
<i>Fund Balance End of Year</i>	\$6,821	\$6,821	\$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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$5,000	\$2,915	(\$2,085)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,832	2,832	0
Fringe Benefits	872	872	0
Total Instruction	3,704	3,704	0
Support Services:			
Instructional Staff:			
Salaries and Wages	2,111	2,111	0
<i>Total Expenditures</i>	5,815	5,815	0
<i>Excess of Revenues Under Expenditures</i>	(815)	(2,900)	(2,085)
<i>Fund Balance Beginning of Year</i>	4,943	4,943	0
<i>Fund Balance End of Year</i>	\$4,128	\$2,043	(\$2,085)

**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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$5,816	\$5,816	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	450	450	0
Purchased Services	1,100	1,100	0
Materials and Supplies	3,584	3,584	0
Total Instruction	5,134	5,134	0
Support Services:			
Pupils:			
Purchased Services	848	848	0
Administration:			
Salaries and Wages	600	600	0
Business:			
Salaries and Wages	300	300	0
Total Support Services	1,748	1,748	0
<i>Total Expenditures</i>	6,882	6,882	0
<i>Excess of Revenues Under Expenditures</i>	(1,066)	(1,066)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	1,067	1,067	0
<i>Fund Balance End of Year</i>	\$1	\$1	\$0

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-R Class Size Reduction Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$18,103	\$18,103	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	18,103	18,103	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>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Library Mini Grant Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	6,762	6,762	0
Materials and Supplies	441	441	0
Capital Outlay - New	3,000	3,000	0
<i>Total Expenditures</i>	<u>10,203</u>	<u>10,203</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(10,203)	(10,203)	0
<i>Fund Balance Beginning of Year</i>	3,247	3,247	0
Prior Year Encumbrances Appropriated	<u>6,956</u>	<u>6,956</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 Balances - Budget (Non-GAAP Basis) and Actual*  
*All Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$213,190	\$211,105	(\$2,085)
Extracurricular Activities	68,133	68,378	245
Gifts and Donations	69,965	70,215	250
<i>Total Revenues</i>	<u>351,288</u>	<u>349,698</u>	<u>(1,590)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	25,984	25,984	0
Fringe Benefits	872	872	0
Purchased Services	11,049	7,515	3,534
Materials and Supplies	16,998	16,253	745
Total Regular	<u>54,903</u>	<u>50,624</u>	<u>4,279</u>
Special:			
Salaries and Wages	75,243	75,243	0
Fringe Benefits	16,193	16,193	0
Materials and Supplies	69	69	0
Capital Outlay - New	2,223	2,223	0
Total Special	<u>93,728</u>	<u>93,728</u>	<u>0</u>
Total Instruction	<u>148,631</u>	<u>144,352</u>	<u>4,279</u>
Support Services:			
Pupils:			
Salaries and Wages	3,000	3,000	0
Purchased Services	45,669	45,669	0
Materials and Supplies	1,610	1,610	0
Capital Outlay - New	877	877	0
Total Pupils	<u>51,156</u>	<u>51,156</u>	<u>0</u>
Instructional Staff:			
Salaries and Wages	2,111	2,111	0
Purchased Services	10,762	10,762	0
Materials and Supplies	4,152	4,152	0
Capital Outlay - New	3,000	3,000	0
Total Instructional Staff	<u>\$20,025</u>	<u>\$20,025</u>	<u>\$0</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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Salaries and Wages	\$11,728	\$11,728	\$0
Fringe Benefits	1,760	1,760	0
Materials and Supplies	785	785	0
<b>Total Administration</b>	<b>14,273</b>	<b>14,273</b>	<b>0</b>
Business:			
Salaries and Wages	300	300	0
<b>Total Support Services</b>	<b>85,754</b>	<b>85,754</b>	<b>0</b>
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Materials and Supplies	57,809	44,878	12,931
Sports Oriented Activities:			
Salaries and Wages	1,800	1,520	\$280
Fringe Benefits	150	5	145
Purchased Services	40,968	40,645	323
Materials and Supplies	20,989	16,163	4,826
Capital Outlay - New	49,215	38,586	10,629
Other	6,989	6,705	284
<b>Total Sports Oriented Activities</b>	<b>120,111</b>	<b>103,624</b>	<b>16,487</b>
<b>Total Extracurricular Activities</b>	<b>177,920</b>	<b>148,502</b>	<b>29,418</b>
<b>Total Expenditures</b>	<b>412,305</b>	<b>378,608</b>	<b>33,697</b>
<i>Excess of Revenues Under Expenditures</i>	<i>(61,017)</i>	<i>(28,910)</i>	<i>32,107</i>
<b>Other Financing Sources (Uses)</b>			
Advances In	3,007	3,007	0
Advances Out	(5,264)	(5,264)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(2,257)</b>	<b>(2,257)</b>	<b>0</b>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<i>(63,274)</i>	<i>(31,167)</i>	<i>32,107</i>
<i>Fund Balances Beginning of Year</i>	<i>61,573</i>	<i>61,573</i>	<i>0</i>
Prior Year Encumbrances Appropriated	32,804	32,804	0
<b>Fund Balances End of Year</b>	<b>\$31,103</b>	<b>\$63,210</b>	<b>\$32,107</b>

## 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, 2000*

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u>Totals</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$305,733	\$1,248	\$306,981
Taxes Receivable	<u>224,928</u>	<u>0</u>	<u>224,928</u>
<i>Total Assets</i>	<u>\$530,661</u>	<u>\$1,248</u>	<u>\$531,909</u>
<b>Liabilities</b>			
Accounts Payable	\$2,770	\$0	\$2,770
Deferred Revenue	<u>210,528</u>	<u>0</u>	<u>210,528</u>
<i>Total Liabilities</i>	<u>213,298</u>	<u>0</u>	<u>213,298</u>
<b>Fund Equity</b>			
Fund Balance:			
Reserved for Encumbrances	10,823	0	10,823
Reserved for Property Taxes	14,400	0	14,400
Unreserved, Undesignated	<u>292,140</u>	<u>1,248</u>	<u>293,388</u>
<i>Total Fund Equity</i>	<u>317,363</u>	<u>1,248</u>	<u>318,611</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$530,661</u>	<u>\$1,248</u>	<u>\$531,909</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, 2000*

	Permanent Improvement	School Net Plus	Totals
<b>Revenues</b>			
Taxes	\$127,660	\$0	\$127,660
Intergovernmental	26,554	0	26,554
<i>Total Revenues</i>	154,214	0	154,214
<b>Expenditures</b>			
Capital Outlay	31,345	4,825	36,170
<i>Excess of Revenues Over (Under) Expenditures</i>	122,869	(4,825)	118,044
<b>Other Financing Sources</b>			
Operating Transfers In	3,181	0	3,181
<i>Excess of Revenues and Other Financings Sources Over (Under) Expenditures</i>	126,050	(4,825)	121,225
<i>Fund Balances Beginning of Year</i>	191,313	6,073	197,386
<i>Fund Balances End of Year</i>	<u>\$317,363</u>	<u>\$1,248</u>	<u>\$318,611</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$132,486	\$138,260	\$5,774
Intergovernmental	26,554	26,554	0
<i>Total Revenues</i>	<u>159,040</u>	<u>164,814</u>	<u>5,774</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	5,000	4,970	30
Capital Outlay - New	50,000	32,760	17,240
Total Instruction	55,000	37,730	17,270
Support Services:			
Fiscal:			
Other	4,438	4,438	0
<i>Total Expenditures</i>	<u>59,438</u>	<u>42,168</u>	<u>17,270</u>
<i>Excess of Revenues Over Expenditures</i>	99,602	122,646	23,044
<b>Other Financing Sources</b>			
Operating Transfers In	3,181	3,181	0
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	102,783	125,827	23,044
<i>Fund Balance Beginning of Year</i>	<u>166,313</u>	<u>166,313</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$269,096</u></u>	<u><u>\$292,140</u></u>	<u><u>\$23,044</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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$6,500	\$0	(\$6,500)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	8,108	3,736	4,372
Capital Outlay - New	1,089	1,089	0
<i>Total Expenditures</i>	9,197	4,825	4,372
<i>Excess of Revenues Under Expenditures</i>	(2,697)	(4,825)	(2,128)
<i>Fund Balance Beginning of Year</i>	3,544	3,544	0
Prior Year Encumbrances Appropriated	2,529	2,529	0
<i>Fund Balance End of Year</i>	\$3,376	\$1,248	(\$2,128)

## 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**  
*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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$132,486	\$138,260	\$5,774
Intergovernmental	33,054	26,554	(6,500)
<i>Total Revenues</i>	<u>165,540</u>	<u>164,814</u>	<u>(726)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	13,108	8,706	4,402
Capital Outlay - New	51,089	33,849	17,240
Total Instruction	64,197	42,555	21,642
Support Services:			
Fiscal:			
Other	4,438	4,438	0
<i>Total Expenditures</i>	<u>68,635</u>	<u>46,993</u>	<u>21,642</u>
<i>Excess of Revenues Over Expenditures</i>	96,905	117,821	20,916
<b>Other Financing Sources</b>			
Operating Transfers In	3,181	3,181	0
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	100,086	121,002	20,916
<i>Fund Balances Beginning of Year</i>	169,857	169,857	0
Prior Year Encumbrances Appropriated	2,529	2,529	0
<i>Fund Balances End of Year</i>	<u>\$272,472</u>	<u>\$293,388</u>	<u>\$20,916</u>

## Enterprise Funds

---

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.

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**Berkshire Local School District**

*Combining Balance Sheet*

*All Enterprise Funds*

*June 30, 2000*

	<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	\$1,096	\$1,292	\$2,388
Intergovernmental Receivable	3,700	0	3,700
Inventory Held For Resale	4,161	704	4,865
Materials and Supplies Inventory	1,476	0	1,476
<i>Total Current Assets</i>	<u>10,433</u>	<u>1,996</u>	<u>12,429</u>
<i>Non-Current Assets</i>			
Fixed Assets (Net of Accumulated Depreciation)	64,934	0	64,934
<i>Total Assets</i>	<u><u>\$75,367</u></u>	<u><u>\$1,996</u></u>	<u><u>\$77,363</u></u>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts Payable	\$131	\$0	\$131
Accrued Wages and Benefits	17,156	0	17,156
Interfund Payable	27,000	0	27,000
Intergovernmental Payable	9,113	0	9,113
Deferred Revenue	2,512	0	2,512
<i>Total Current Liabilities</i>	<u>55,912</u>	<u>0</u>	<u>55,912</u>
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	11,272	0	11,272
<i>Total Liabilities</i>	<u>67,184</u>	<u>0</u>	<u>67,184</u>
<b>Fund Equity</b>			
Contributed Capital	217,366	0	217,366
Retained Earnings			
Unreserved (Deficit)	(209,183)	1,996	(207,187)
<i>Total Fund Equity</i>	<u>8,183</u>	<u>1,996</u>	<u>10,179</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$75,367</u></u>	<u><u>\$1,996</u></u>	<u><u>\$77,363</u></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, 2000*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<b>Operating Revenues</b>			
Sales	\$228,123	\$22,717	\$250,840
<b>Operating Expenses</b>			
Salaries	97,540	0	97,540
Fringe Benefits	56,636	0	56,636
Materials and Supplies	15,560	7,572	23,132
Cost of Sales	119,915	14,691	134,606
Depreciation	9,810	0	9,810
<i>Total Operating Expenses</i>	<u>299,461</u>	<u>22,263</u>	<u>321,724</u>
<i>Operating Income (Loss)</i>	<u>(71,338)</u>	<u>454</u>	<u>(70,884)</u>
<b>Non-Operating Revenues</b>			
Federal Donated Commodities	8,238	0	8,238
Operating Grants	35,630	0	35,630
<i>Total Non-Operating Revenues</i>	<u>43,868</u>	<u>0</u>	<u>43,868</u>
<i>Net Income (Loss)</i>	(27,470)	454	(27,016)
<i>Retained Earnings (Deficit) Beginning of Year</i>	<u>(181,713)</u>	<u>1,542</u>	<u>(180,171)</u>
<i>Retained Earnings (Deficit) End of Year</i>	(209,183)	1,996	(207,187)
<i>Contributed Capital Beginning and End of Year</i>	<u>217,366</u>	<u>0</u>	<u>217,366</u>
<i>Total Fund Equity at End of Year</i>	<u><u>\$8,183</u></u>	<u><u>\$1,996</u></u>	<u><u>\$10,179</u></u>

**Berkshire Local School District**  
*Combining Statement of Cash Flows*  
*All Enterprise Funds*  
*For the Fiscal Year Ended June 30, 2000*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$229,602	\$22,717	\$252,319
Cash Payments to Suppliers for Goods and Services	(127,996)	(22,154)	(150,150)
Cash Payments to Employees for Services	(113,587)	0	(113,587)
Cash Payments for Employee Benefits	(50,939)	0	(50,939)
	<u>(62,920)</u>	<u>563</u>	<u>(62,357)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>			
<b>Cash Flows from Noncapital Financing Activities</b>			
Operating Grants Received	37,602	0	37,602
Advances In	25,000	0	25,000
	<u>62,602</u>	<u>0</u>	<u>62,602</u>
<i>Net Cash Provided by Noncapital Financing Activities</i>			
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(318)	563	245
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,414</u>	<u>729</u>	<u>2,143</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$1,096</u></u>	<u><u>\$1,292</u></u>	<u><u>\$2,388</u></u>
 <b><i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</i></b>			
<i>Operating Income (Loss)</i>	<u>(\$71,338)</u>	<u>\$454</u>	<u>(\$70,884)</u>
<b><i>Adjustments:</i></b>			
Depreciation	9,810	0	9,810
Donated Commodities Used During Year	8,238	0	8,238
<b>(Increase) Decrease in Assets:</b>			
Accounts Receivable	1,479	0	1,479
Inventory Held for Resale	393	109	502
Materials and Supplies Inventory	(1,284)	0	(1,284)
<b>Increase (Decrease) in Liabilities:</b>			
Accounts Payable	131	0	131
Accrued Wages and Benefits	(5,904)	0	(5,904)
Compensated Absences Payable	1,129	0	1,129
Intergovernmental Payable	(5,574)	0	(5,574)
	<u>8,418</u>	<u>109</u>	<u>8,527</u>
<i>Total Adjustments</i>			
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$62,920)</u></u>	<u><u>\$563</u></u>	<u><u>(\$62,357)</u></u>

**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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$229,602	\$229,602	\$0
Operating Grants	37,602	37,602	0
<i>Total Revenues</i>	<u>267,204</u>	<u>267,204</u>	<u>0</u>
<b>Expenses</b>			
Salaries:			
Food Service Operations	113,725	113,587	138
Fringe Benefits:			
Food Service Operations	51,242	50,939	303
Materials and Supplies:			
Food Service Operations	127,996	127,996	0
<i>Total Expenses</i>	<u>292,963</u>	<u>292,522</u>	<u>441</u>
<i>Excess of Revenues Under Expenses</i>	(25,759)	(25,318)	441
Advances In	25,000	25,000	0
<i>Excess of Revenues Under Expenses and Advances</i>	(759)	(318)	441
<i>Fund Equity Beginning of Year</i>	<u>1,414</u>	<u>1,414</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$655</u></u>	<u><u>\$1,096</u></u>	<u><u>\$441</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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$22,687	\$22,717	\$30
Charges for Services	13	0	(13)
<i>Total Revenues</i>	22,700	22,717	17
<b>Expenses</b>			
Materials and Supplies:			
Regular Instruction	23,429	22,839	590
<i>Excess of Revenues Under Expenses</i>	(729)	(122)	607
<i>Fund Equity Beginning of Year</i>	729	729	0
<i>Fund Equity End of Year</i>	\$0	\$607	\$607

**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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$252,289	\$252,319	\$30
Charges for Services	13	0	(13)
Operating Grants	37,602	37,602	0
<i>Total Revenues</i>	<u>289,904</u>	<u>289,921</u>	<u>17</u>
<b>Expenses</b>			
Salaries:			
Food Service Operations	113,725	113,587	138
Fringe Benefits:			
Food Service Operations	51,242	50,939	303
Materials and Supplies:			
Regular Instruction	23,429	22,839	590
Food Service Operations	127,996	127,996	0
<i>Total Materials and Supplies</i>	<u>151,425</u>	<u>150,835</u>	<u>590</u>
<i>Total Expenses</i>	<u>316,392</u>	<u>315,361</u>	<u>1,031</u>
<i>Excess of Revenues Under Expenses</i>	(26,488)	(25,440)	1,048
Advances In	25,000	25,000	\$0
<i>Excess of Revenues Under Expenses and Advances</i>	(1,488)	(440)	1,048
<i>Fund Equity Beginning of Year</i>	<u>2,143</u>	<u>2,143</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$655</u></u>	<u><u>\$1,703</u></u>	<u><u>\$1,048</u></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.

***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, 2000*

	<u>Beginning Balance July 1, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2000</u>
<i><b>Student Activities</b></i>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$31,626</u>	<u>\$59,872</u>	<u>\$66,413</u>	<u>\$25,085</u>
<b>Liabilities</b>				
Due to Students	<u>\$31,626</u>	<u>\$59,872</u>	<u>\$66,413</u>	<u>\$25,085</u>
 <i><b>Elementary</b></i>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$4,728</u>	<u>\$1,738</u>	<u>\$1,020</u>	<u>\$5,446</u>
<b>Liabilities</b>				
Undistributed Monies	<u>\$4,728</u>	<u>\$1,738</u>	<u>\$1,020</u>	<u>\$5,446</u>
 <i><b>Total - All Agency Funds</b></i>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$36,354</u>	<u>\$61,610</u>	<u>\$67,433</u>	<u>\$30,531</u>
<b>Liabilities</b>				
Undistributed Monies	\$4,728	\$1,738	\$1,020	\$5,446
Due to Students	<u>31,626</u>	<u>59,872</u>	<u>66,413</u>	<u>25,085</u>
<i>Total Liabilities</i>	<u>\$36,354</u>	<u>\$61,610</u>	<u>\$67,433</u>	<u>\$30,531</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, 2000*

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>
Instruction	\$3,734,083	\$207,033	\$2,337,181	\$1,189,869	\$0
Support Services:					
Pupils	61,220	0	0	61,220	0
Instructional Staff	163,744	0	0	163,744	0
Administration	657,837	11,006	520,644	126,187	0
Fiscal	10,369	0	0	10,369	0
Operation and Maintenance of Plant	913,704	6,850	701,118	181,298	24,438
Pupil Transportation	811,378	0	0	6,304	805,074
Operation of Non-Instructional Services	9,084	0	0	9,084	0
Extracurricular Activities	138,262	80,147	29,847	28,268	0
Total General Fixed Assets	<u>\$6,499,681</u>	<u>\$305,036</u>	<u>\$3,588,790</u>	<u>\$1,776,343</u>	<u>\$829,512</u>

**Berkshire Local School District**  
*Schedule of Changes in General Fixed Assets*  
*By Function*  
*For the Fiscal Year Ended June 30, 2000*

Function	General Fixed Assets July 1, 1999	Additions	Deletions	General Fixed Assets June 30, 2000
Instruction	\$3,701,392	\$103,939	\$71,248	\$3,734,083
Support Services:				
Pupils	51,585	11,118	1,483	61,220
Instructional Staff	152,802	32,687	21,745	163,744
Administration	675,952	0	18,115	657,837
Fiscal	8,374	1,995	0	10,369
Operation and Maintenance of Plant	872,170	63,624	22,090	913,704
Pupil Transportation	944,600	117,038	250,260	811,378
Operation of Non-Instructional Services	9,084	0	0	9,084
Extracurricular Activities	130,331	7,931	0	138,262
Total General Fixed Assets	<u>\$6,546,290</u>	<u>\$338,332</u>	<u>\$384,941</u>	<u>\$6,499,681</u>

**Berkshire Local School District**  
*Schedule of General Fixed Assets*  
*By Source*  
*June 30, 2000*

**General Fixed Assets**

Land and Improvements	\$305,036
Buildings	3,588,790
Furniture and Equipment	1,776,343
Vehicles	<u>829,512</u>
<i>Total General Fixed Assets</i>	<u><u>\$6,499,681</u></u>

**Investments in General Fixed Assets From:**

General Fund	\$6,210,482
Special Revenue Funds	26,989
Capital Projects	<u>262,210</u>
<i>Total Investment in General Fixed Assets</i>	<u><u>\$6,499,681</u></u>

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

	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992	1991
Current:										
Instruction:										
Regular	\$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	\$2,759,958
Special	695,021	613,746	505,154	426,927	445,285	292,623	287,773	260,799	237,554	250,514
Vocational	48,245	49,109	43,371	57,166	55,752	53,545	53,849	46,907	52,610	48,818
Support Services										
Pupils	413,961	371,354	249,819	259,489	254,844	256,268	262,093	222,728	241,123	210,851
Instructional Staff	237,013	214,724	144,236	77,471	65,033	90,046	136,740	129,390	137,910	134,864
Board of Education	28,512	24,891	26,282	17,546	23,597	14,525	17,193	11,675	97,402	87,786
Administration	707,036	565,294	668,741	580,492	614,463	629,757	584,611	536,144	540,479	536,815
Fiscal	263,964	205,152	193,027	183,245	180,898	179,344	179,242	169,278	161,572	149,005
Business	19,987	16,674	9,648	10,944	10,868	0	0	0	0	0
Operation and Maintenance of Plant	986,513	896,663	793,691	683,078	600,205	609,033	733,613	645,086	662,370	622,347
Pupil Transportation	657,231	693,419	621,739	513,033	600,963	594,144	577,592	583,674	574,663	607,890
Operation of Non-Instructional Services	12,808	5,766	4,225	0	0	0	0	0	0	0
Extracurricular Activities	165,823	150,776	136,176	135,464	130,025	122,017	112,367	95,437	85,613	78,496
Debt Service	0	0	0	0	2,709	0	0	0	0	0
Other Financing Uses	3,181	0	0	0	0	10,000	613,000	15,000	52,248	122,845
<b>Total</b>	<b>\$8,108,866</b>	<b>\$7,445,821</b>	<b>\$6,695,824</b>	<b>\$6,593,663</b>	<b>\$6,117,727</b>	<b>\$6,115,047</b>	<b>\$6,774,677</b>	<b>\$5,716,497</b>	<b>\$5,696,536</b>	<b>\$5,610,189</b>

Source: School District Financial Records

(1) 1996 through 2000 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*

	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992	1991
Income Taxes (2)	\$1,072,636	\$990,880	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property and Other Local Taxes	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	2,712,654
Intergovernmental	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	2,415,536
Interest	206,786	157,793	135,300	128,036	100,380	66,251	35,891	40,136	72,329	110,493
Tuition and Fees	24,690	15,995	12,377	2,553	23,438	16,009	9,428	8,545	9,282	23,778
Extra-curricular Activities	43,173	38,000	47,744	65,910	50,139	12,760	12,560	7,893	6,817	10,088
Gifts and Donations	4,716	814	0	1,039	422	0	0	0	0	0
Charges for Services	7,685	8,856	2,770	21,200	26,925	0	0	0	0	0
Rentals	11,429	16,063	14,701	13,583	12,470	0	0	0	0	0
Miscellaneous	88,920	99,939	39,565	0	7,469	43,478	50,936	140,096	109,082	103,646
Other Financing Sources	2,142	1,171	1,216	307	65	30,580	717,820	144,144	67,645	56,992
<b>Total</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>	<b>\$5,433,187</b>

Source: School District Financial Records

(1) 1996 through 2000 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 Seven 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
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. 2000 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)	
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
1991	72,879,790	208,227,971	9,049,470	10,283,489	6,420,800	25,683,200	88,350,060	244,194,660	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 Included in Total Levy		
							School	County	Total
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
1991	54.20	1.50	14.80	0.00	10.35	80.85	1.90	0.55	2.45

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
2000	\$0	\$162,943,150	8,546	0.00%	\$0.00
1999	0	132,740,160	8,546	0.00	0.00
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
1991	451,843	88,350,060	8,546	0.51	52.87

Source:

- (1) School District Financial Records
- (2) Geauga County Auditor
- (3) U.S. Census of Population, 1990 Federal Census

**Berkshire Local School District**  
*Computation of Legal Debt Margin*  
*June 30, 2000*

Assessed Valuation	\$162,943,150
Debt Limit - 9% of Assessed Value (1)	\$14,664,884
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	(30,000)
Amount Available in Debt Service Fund	119,806
Amount of Debt Subject to the Limit	89,806
Overall Debt Margin	\$14,754,690
Debt Limit - .10% of Assessed Value (1)	\$162,943
Amount of Debt Applicable	0
Unvoted Debt Margin	\$162,943

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, 1999*

<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	1,780,000	8.55%	<u>152,208</u>
Total			<u><u>\$182,208</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 1999 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*

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (1)	Ratio of Debt Service to General Fund Expenditures (Percentage)
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
1991	90,000	49,813	139,813	5,610,189	2.49

Source: School District Financial Records

(1) Includes other financing uses.

(2) 1996 through 2000 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>
2000	89,598	8,546	1,375	2.80%
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
1991	81,129	8,546	1,275	4.0

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

**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>
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
1991	5,610,189	1,275	4,400

Source: School District Financial Records.

(1) Includes Other Financing Uses

(2) 1996 through 2000 on GAAP Basis

**Berkshire Local School District**  
*Teacher Education and Experience*  
 June 30, 2000

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	18	7.03%
Bachelor + 15	3	8.20
Bachelor + 30	26	14.85
Master's Degree	22	20.70
Master's + 15	5	4.69
Master's + 30	13	1.95
Total	87	100.00%

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	27	23.44%
6 - 10	9	24.22
11 and Over	51	52.34
	87	100.00%

Source: School District Personnel Records

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

**Comprehensive Annual Financial Report**  
*For the Fiscal Year Ended June 30, 2000*

Prepared by

Treasurer's Office  
Julie Kirby  
Treasurer



**Berkshire Local School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2000*  
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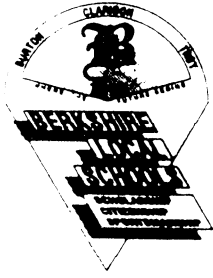
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# Berkshire Local School District

## BOARD OF EDUCATION

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



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Treasurer  
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FAX (440) 834-2058

October 30, 2000

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, 2000. 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 and Organizational Chart of the School District.
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 Burton Village.

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

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/or 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 17, 18, and 19 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**

Economic conditions in the area mirror the broader State and National economies leading to strong tax bases and tax collections. The Troy Township tax abatement area has helped to add new industry to the School District.

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 current providing the School District with approximately \$1,072,000, annually.

Of the School District's general fund operations, 12.63 percent of the general fund revenue is received from income tax and 41.13 percent is received from real estate taxes on residential, commercial and industrial properties and tangible personal property taxpayers with 41.64 percent being received from various forms of State aid including reimbursement of homestead and rollback reductions on property taxes. Investment earnings are 2.43 percent and other revenue are 2.17 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 at least until June 15, 2001.

## **Major Initiatives**

### *Strong Leadership Continues*

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

School Treasurer, Julie A. Kirby, is in her fourteenth 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.

### *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: 95.9 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 15 of 27 indicators.
4. Compared to all Ohio school districts, Berkshire students had a higher passage rate than the group average in 24 of 27 indicators.
5. Berkshire students had a higher passage rate than any other comparison district in three of the 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, 1999 and 2000, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
<b>Revenues</b>					
Income Taxes	\$990,880	\$1,072,636	11.82%	\$81,756	8.25%
Property and Other Local Taxes	3,645,439	3,706,344	40.83	60,905	1.67
Intergovernmental	3,380,014	3,773,548	41.57	393,534	11.64
Interest	157,793	206,786	2.28	48,993	31.05
Tuition and Fees	15,995	24,690	0.27	8,695	54.36
Extracurricular Activities	122,214	111,551	1.23	(10,663)	(8.72)
Gifts and Donations	16,063	74,931	0.83	58,868	366.48
Charges for Services	8,856	7,685	0.08	(1,171)	(13.22)
Rentals	43,976	11,429	0.12	(32,547)	(74.01)
Miscellaneous	99,939	88,920	0.97	(11,019)	(11.03)
<i>Total Revenues</i>	<u>\$8,481,169</u>	<u>\$9,078,520</u>	<u>100.00%</u>	<u>\$597,351</u>	

Intergovernmental revenue reflects a \$393,534 or a 11.64 percent increase due to the School District receiving more State and Federal grants, such as the Ohio Reads Grant and Class Size Reduction Grant.

Interest revenue reflects a \$48,993 or a 31.05 percent increase due to more cash available for investment purposes during fiscal year 2000.

Tuition and fees reflect a \$8,695 or a 54.36 percent increase due to the receipt of outstanding tuition charges collected during fiscal year 2000.

Gifts and donations reflect a \$58,868 or 366.48 percent increase due to more donations being received by the School District.

Rentals revenue reflect a \$32,547 or a 74.01 percent decrease due to the decreased use of the facilities by outside organizations.

The following schedule presents a summary of governmental funds' expenditures for the fiscal years ended June 30, 1999 and 2000, and the amount and percentage of increases and decreases in relation to the prior year's expenditures.

<b>Expenditures</b>	1999 Amount	2000 Amount	Percent of Total	Change	Percent Change
<i>Current:</i>					
Instruction:					
Regular	\$3,682,673	\$3,918,104	45.41%	\$235,431	6.39%
Special	698,092	786,815	9.12	88,723	12.71
Vocational	49,109	48,245	0.56	(864)	(1.76)
Support Services:					
Pupils	403,963	465,117	5.39	61,154	15.14
Instructional Staff	219,601	255,052	2.96	35,451	16.14
Board of Education	24,891	28,512	0.33	3,621	14.55
Administration	576,364	721,396	8.36	145,032	25.16
Fiscal	205,386	263,964	3.06	58,578	28.52
Business	16,974	20,287	0.24	3,313	19.52
Operation and					
Maintenance Of Plant	896,663	986,513	11.43	89,850	10.02
Pupil Transportation	693,419	657,231	7.62	(36,188)	(5.22)
Central	648	0	0.00	(648)	(100.00)
Operation of Non-					
Instructional Services	5,766	12,808	0.15	7,042	122.13
Extracurricular Activities	249,077	301,143	3.49	52,066	20.90
<i>Capital Outlay</i>	89,377	36,170	0.42	(53,207)	(59.53)
<i>Debt Service:</i>					
Principal Retirement	197,461	116,822	1.35	(80,639)	(40.84)
Interest and Fiscal Charges	24,042	10,456	0.12	(13,586)	(56.51)
<i>Total Expenditures</i>	<u>\$8,033,506</u>	<u>\$8,628,635</u>	<u>100.00%</u>	<u>\$595,129</u>	

Administration Support Services reflect a \$145,032 or a 25.16 percent increase due to salary increases for building administrators.

Fiscal Support Services reflect a \$58,578 or a 28.52 percent increase due to a change in recording income tax fees and increases in the County Auditor and Treasurer fees.

Operation of Non-Instructional Services reflect a \$7,042 or a 122.13 percent increase due to reclassification of cafeteria benefits.



Capital Outlay decreased \$53,207 or a 59.53 percent decrease due to extensive ventilation work done in each building and new hot water heaters installed at the high school during fiscal year 1999.

Debt Service Principal Retirement decreased by \$80,639 or 40.84 percent and Interest and Fiscal Charges decreased by \$13,586 or 56.51 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 \$2,040,338 at June 30, 1999 to \$2,445,826 at June 30, 2000. 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 \$27,016 for the fiscal year ended June 30, 2000. Of the proprietary funds, the food service enterprise fund had deficit retained earnings at June 30, 2000 of \$209,183. 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 \$42,464 at June 30, 2000 compared with retained earnings of \$8,519 at June 30, 1999, reflecting a net income of \$33,945.

### **Debt Administration**

At June 30, 2000, general obligation bonds outstanding totaled \$30,000. During fiscal year 2000, \$30,000 of voted general obligation bonds and \$86,822 of energy conservation 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, 2000, was \$206,786 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 property with a \$1,000 deductible and a \$16,800,938 limit for crime 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 Wausau Insurance Companies 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, 2000 was \$6,499,681. 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, 2000. 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) awards a Certificate of Achievement for Excellence in Financial Reporting for a Comprehensive Annual Financial Report. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe our current report conforms to the Certificate of Achievement requirements and we are submitting it to GFOA for consideration.

## **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, 2000*

***Board of Education***

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

***Treasurer***

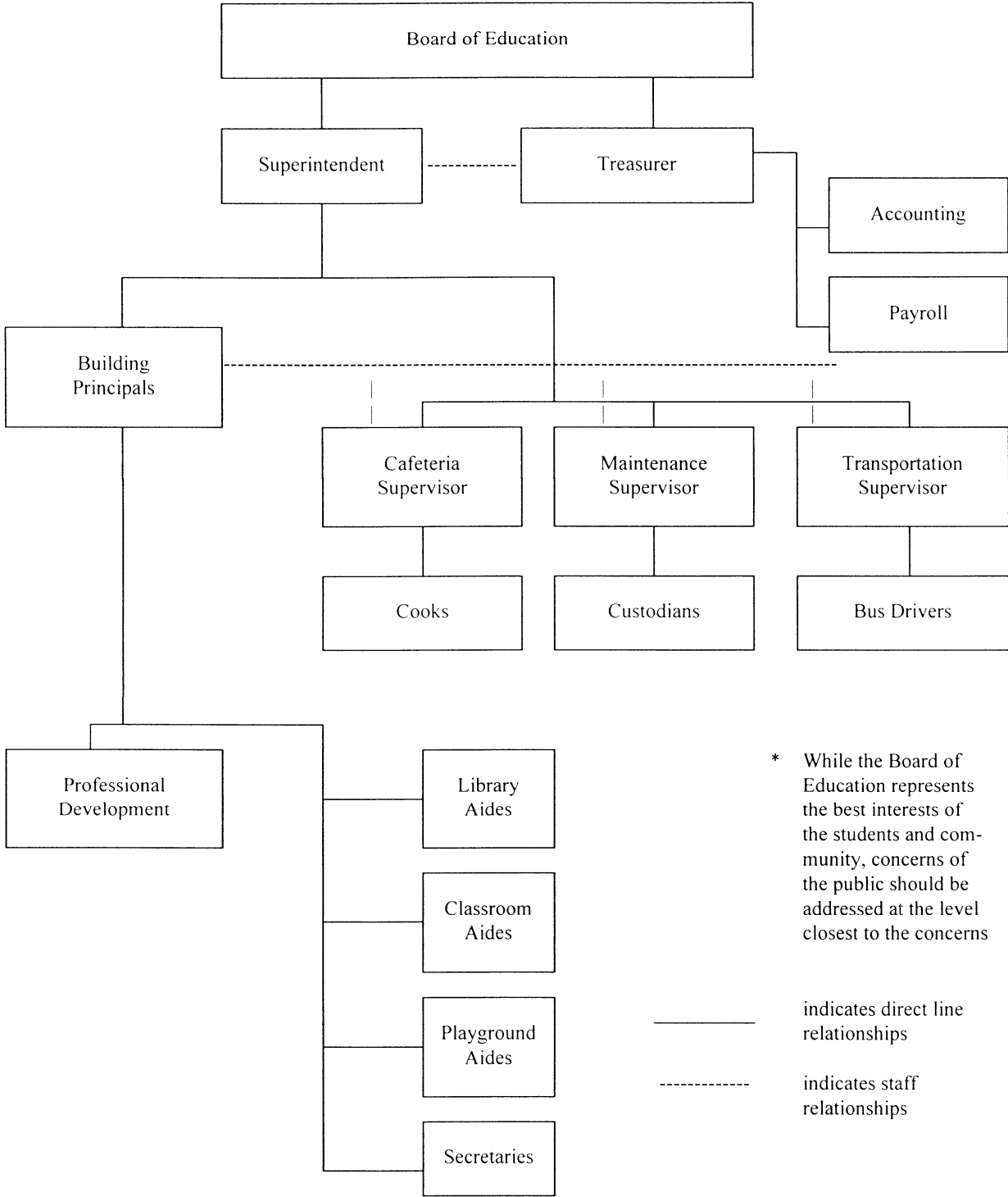
Ms. Julie A. Kirby

***Superintendent***

Mr. Richard Markwardt

**Berkshire Local School District**

*Organizational Chart*



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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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Cleveland OH 44113 - 1801  
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## REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying general-purpose financial statements of the Berkshire Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2000, 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 generally accepted auditing standards 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, Ohio, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2000 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.

Our audit was performed for the purpose of forming 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", written in a cursive style.

**Jim Petro**  
Auditor of State

October 30, 2000



## 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, 2000, 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, 2000*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<i>Assets and Other Debits</i>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,457,752	\$78,466	\$119,806	\$306,981
Receivables:				
Taxes	4,152,674	0	0	224,928
Accounts	8,638	0	0	0
Intergovernmental	0	0	0	0
Interfund Receivable	30,007	0	0	0
Prepaid Items	13,941	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	31,596	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	119,339	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 Obligations	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<i>Total Assets and Other Debits</i>	<u>\$6,813,947</u>	<u>\$78,466</u>	<u>\$119,806</u>	<u>\$531,909</u>

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Obligations	
\$2,388	\$48,281	\$30,531	\$0	\$0	\$3,044,205
0	0	0	0	0	4,377,602
0	0	0	0	0	8,638
3,700	0	0	0	0	3,700
0	0	0	0	0	30,007
0	0	0	0	0	13,941
4,865	0	0	0	0	4,865
1,476	0	0	0	0	33,072
0	0	0	0	0	119,339
64,934	0	0	6,499,681	0	6,564,615
0	0	0	0	116,693	116,693
0	0	0	0	691,069	691,069
<u>\$77,363</u>	<u>\$48,281</u>	<u>\$30,531</u>	<u>\$6,499,681</u>	<u>\$807,762</u>	<u>\$15,007,746</u>

(continued)

**Berkshire Local School District**  
*Combined Balance Sheet*  
*All Fund Types and Account Groups (continued)*  
*June 30, 2000*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<i>Liabilities.</i>				
<i>Fund Equity and Other Credits</i>				
<b>Liabilities</b>				
Accounts Payable	\$6,179	\$0	\$0	\$2,770
Accrued Wages and Benefits	689,911	11,280	0	0
Compensated Absences Payable	8,389	0	0	0
Interfund Payable	0	3,007	0	0
Intergovernmental Payable	188,933	1,115	0	0
Deferred Revenue	3,474,709	0	0	210,528
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
<i>Total Liabilities</i>	4,368,121	15,402	0	213,298
<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	206,395	15,256	0	10,823
Reserved for Inventory	31,596	0	0	0
Reserved for Debt Service:				
Principal	0	0	30,000	0
Interest	0	0	3,113	0
Reserved for Property Taxes	218,800	0	0	14,400
Reserved for Budget Stabilization	119,339	0	0	0
Unreserved:				
Undesignated	1,869,696	47,808	86,693	293,388
<i>Total Fund Equity and Other Credits</i>	2,445,826	63,064	119,806	318,611
<i>Total Liabilities, Fund Equity and Other Credits</i>	\$6,813,947	\$78,466	\$119,806	\$531,909

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	
\$131	\$0	\$0	\$0	\$0	\$9,080
17,156	0	0	0	0	718,347
11,272	0	0	0	710,566	730,227
27,000	0	0	0	0	30,007
9,113	0	0	0	67,196	266,357
2,512	0	0	0	0	3,687,749
0	0	5,446	0	0	5,446
0	0	25,085	0	0	25,085
0	5,817	0	0	0	5,817
0	0	0	0	30,000	30,000
<u>67,184</u>	<u>5,817</u>	<u>30,531</u>	<u>0</u>	<u>807,762</u>	<u>5,508,115</u>
0	0	0	6,499,681	0	6,499,681
217,366	0	0	0	0	217,366
(207,187)	42,464	0	0	0	(164,723)
0	0	0	0	0	232,474
0	0	0	0	0	31,596
0	0	0	0	0	30,000
0	0	0	0	0	3,113
0	0	0	0	0	233,200
0	0	0	0	0	119,339
0	0	0	0	0	2,297,585
<u>10,179</u>	<u>42,464</u>	<u>0</u>	<u>6,499,681</u>	<u>0</u>	<u>9,499,631</u>
<u>\$77,363</u>	<u>\$48,281</u>	<u>\$30,531</u>	<u>\$6,499,681</u>	<u>\$807,762</u>	<u>\$15,007,746</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, 2000*

	General	Special Revenue	Debt Service
<b>Revenues</b>			
Income Tax	\$1,072,636	\$0	\$0
Property and Other Local Taxes	3,491,994	0	86,690
Intergovernmental	3,535,889	211,105	0
Interest	206,786	0	0
Tuition and Fees	24,690	0	0
Extracurricular Activities	43,173	68,378	0
Gifts and Donations	4,716	70,215	0
Charges for Services	7,685	0	0
Rentals	11,429	0	0
Miscellaneous	88,920	0	0
<i>Total Revenues</i>	<u>8,487,918</u>	<u>349,698</u>	<u>86,690</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	3,869,571	48,533	0
Special	695,021	91,794	0
Vocational	48,245	0	0
Support Services:			
Pupils	413,961	51,156	0
Instructional Staff	237,013	18,039	0
Board of Education	28,512	0	0
Administration	707,036	14,360	0
Fiscal	263,964	0	0
Business	19,987	300	0
Operation and Maintenance of Plant	986,513	0	0
Pupil Transportation	657,231	0	0
Operation of Non-Instructional Services	12,808	0	0
Extracurricular Activities	165,823	135,320	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	116,822
Interest and Fiscal Charges	0	0	10,456
<i>Total Expenditures</i>	<u>8,105,685</u>	<u>359,502</u>	<u>127,278</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>382,233</u>	<u>(9,804)</u>	<u>(40,588)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	2,142	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	(3,181)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,039)</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	381,194	(9,804)	(40,588)
<i>Fund Balances Beginning of Year</i>	2,040,338	72,868	160,394
Increase in Reserve for Inventory	24,294	0	0
<i>Fund Balances End of Year</i>	<u>\$2,445,826</u>	<u>\$63,064</u>	<u>\$119,806</u>

See accompanying notes to the general purpose financial statements

Capital Projects	Totals (Memorandum Only)
\$0	\$1,072,636
127,660	3,706,344
26,554	3,773,548
0	206,786
0	24,690
0	111,551
0	74,931
0	7,685
0	11,429
0	88,920
<u>154,214</u>	<u>9,078,520</u>
0	3,918,104
0	786,815
0	48,245
0	465,117
0	255,052
0	28,512
0	721,396
0	263,964
0	20,287
0	986,513
0	657,231
0	12,808
0	301,143
36,170	36,170
0	116,822
0	10,456
<u>36,170</u>	<u>8,628,635</u>
<u>118,044</u>	<u>449,885</u>
0	2,142
3,181	3,181
0	(3,181)
<u>3,181</u>	<u>2,142</u>
121,225	452,027
197,386	2,470,986
0	24,294
<u>\$318,611</u>	<u>\$2,947,307</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, 2000*

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues</b>			
Income Taxes	\$1,069,372	\$1,077,545	\$8,173
Property and Other Local Taxes	3,624,214	3,651,913	27,699
Intergovernmental	3,509,069	3,535,889	26,820
Interest	205,218	206,786	1,568
Tuition and Fees	24,313	24,690	377
Extracurricular Activities	44,822	43,173	(1,649)
Gifts and Donations	4,680	4,716	36
Charges for Services	7,952	6,335	(1,617)
Rentals	15,909	12,005	(3,904)
Miscellaneous	82,113	82,113	0
<i>Total Revenues</i>	<u>8,587,662</u>	<u>8,645,165</u>	<u>57,503</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	4,241,740	3,911,628	330,112
Special	765,079	738,881	26,198
Vocational	57,745	49,394	8,351
Support Services:			
Pupils	487,944	419,916	68,028
Instructional Staff	312,592	240,281	72,311
Board of Education	43,019	38,525	4,494
Administration	799,371	737,500	61,871
Fiscal	292,073	269,760	22,313
Business	23,036	21,390	1,646
Operation and Maintenance of Plant	1,323,568	1,048,025	275,543
Pupil Transportaton	853,277	718,505	134,772
Central	0	0	0
Operation of Non-Instructional Services	27,436	10,335	17,101
Extracurricular Activities	174,075	165,879	8,196
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>9,400,955</u>	<u>8,370,019</u>	<u>1,030,936</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(813,293)</u>	<u>275,146</u>	<u>1,088,439</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	2,142	2,142	0
Advances In	15,264	5,264	(10,000)
Advances Out	(28,007)	(28,007)	0
Operating Transfers In	0	0	0
Operating Transfers Out	(10,000)	(3,181)	6,819
<i>Total Other Financing Sources (Uses)</i>	<u>(20,601)</u>	<u>(23,782)</u>	<u>(3,181)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(833,894)</u>	<u>251,364</u>	<u>1,085,258</u>
<i>Fund Balances Beginning of Year</i>	<u>1,855,837</u>	<u>1,855,837</u>	<u>0</u>
Prior Year Encumbrances Appropriated	257,314	257,314	0
<i>Fund Balances End of Year</i>	<u><u>\$1,279,257</u></u>	<u><u>\$2,364,515</u></u>	<u><u>\$1,085,258</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	83,883	86,690	2,807
213,190	211,105	(2,085)	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
68,133	68,378	245	0	0	0
69,965	70,215	250	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
351,288	349,698	(1,590)	83,883	86,690	2,807
54,903	50,624	4,279	0	0	0
93,728	93,728	0	0	0	0
0	0	0	0	0	0
51,156	51,156	0	0	0	0
20,025	20,025	0	0	0	0
0	0	0	0	0	0
14,273	14,273	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
0	0	0	0	0	0
177,920	148,502	29,418	0	0	0
0	0	0	116,822	116,822	0
0	0	0	10,456	10,456	0
412,305	378,608	33,697	127,278	127,278	0
(61,017)	(28,910)	32,107	(43,395)	(40,588)	2,807
0	0	0	0	0	0
3,007	3,007	0	0	0	0
(5,264)	(5,264)	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(2,257)	(2,257)	0	0	0	0
(63,274)	(31,167)	32,107	(43,395)	(40,588)	2,807
61,573	61,573	0	160,394	160,394	0
32,804	32,804	0	0	0	0
\$31,103	\$63,210	\$32,107	\$116,999	\$119,806	\$2,807

(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, 2000*

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Income Taxes	\$0	\$0	\$0
Property and Other Local Taxes	132,486	138,260	5,774
Intergovernmental	33,054	26,554	(6,500)
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>165,540</u>	<u>164,814</u>	<u>(726)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	64,197	42,555	21,642
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	4,438	4,438	0
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportaton	0	0	0
Central	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>68,635</u>	<u>46,993</u>	<u>21,642</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>96,905</u>	<u>117,821</u>	<u>20,916</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	0	0	0
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers In	3,181	3,181	0
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,181</u>	<u>3,181</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>100,086</u>	<u>121,002</u>	<u>20,916</u>
<i>Fund Balances Beginning of Year</i>	<u>169,857</u>	<u>169,857</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>2,529</u>	<u>2,529</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u>\$272,472</u>	<u>\$293,388</u>	<u>\$20,916</u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,069,372	\$1,077,545	\$8,173
3,840,583	3,876,863	36,280
3,755,313	3,773,548	18,235
205,218	206,786	1,568
24,313	24,690	377
112,955	111,551	(1,404)
74,645	74,931	286
7,952	6,335	(1,617)
15,909	12,005	(3,904)
82,113	82,113	0
<u>9,188,373</u>	<u>9,246,367</u>	<u>57,994</u>
4,360,840	4,004,807	356,033
858,807	832,609	26,198
57,745	49,394	8,351
539,100	471,072	68,028
332,617	260,306	72,311
43,019	38,525	4,494
813,644	751,773	61,871
296,511	274,198	22,313
23,336	21,690	1,646
1,323,568	1,048,025	275,543
853,277	718,505	134,772
0	0	0
27,436	10,335	17,101
351,995	314,381	37,614
116,822	116,822	0
10,456	10,456	0
<u>10,009,173</u>	<u>8,922,898</u>	<u>1,086,275</u>
<u>(820,800)</u>	<u>323,469</u>	<u>1,144,269</u>
2,142	2,142	0
18,271	8,271	(10,000)
(33,271)	(33,271)	0
3,181	3,181	0
(10,000)	(3,181)	6,819
<u>(19,677)</u>	<u>(22,858)</u>	<u>(3,181)</u>
(840,477)	300,611	1,141,088
2,247,661	2,247,661	0
292,647	292,647	0
<u>\$1,699,831</u>	<u>\$2,840,919</u>	<u>\$1,141,088</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, 2000*

	Enterprise	Internal Service	Totals (Memorandum Only)
<b>Operating Revenues</b>			
Sales	\$250,840	\$0	\$250,840
Charges for Services	0	205,740	205,740
<i>Total Operating Revenues</i>	<u>250,840</u>	<u>205,740</u>	<u>456,580</u>
<b>Operating Expenses</b>			
Salaries	97,540	0	97,540
Fringe Benefits	56,636	0	56,636
Purchased Services	0	6,632	6,632
Materials and Supplies	23,132	0	23,132
Cost of Sales	134,606	0	134,606
Depreciation	9,810	0	9,810
Claims	0	165,163	165,163
<i>Total Operating Expenses</i>	<u>321,724</u>	<u>171,795</u>	<u>493,519</u>
<i>Operating Income (Loss)</i>	<u>(70,884)</u>	<u>33,945</u>	<u>(36,939)</u>
<b>Non-Operating Revenues</b>			
Federal Donated Commodities	8,238	0	8,238
Operating Grants	35,630	0	35,630
<i>Total Non-Operating Revenues</i>	<u>43,868</u>	<u>0</u>	<u>43,868</u>
<i>Net Income (Loss)</i>	(27,016)	33,945	6,929
<i>Retained Earnings (Deficit) Beginning of Year</i>	<u>(180,171)</u>	<u>8,519</u>	<u>(171,652)</u>
<i>Retained Earnings (Deficit) End of Year</i>	(207,187)	42,464	(164,723)
<i>Contributed Capital Beginning and End of Year</i>	<u>217,366</u>	<u>0</u>	<u>217,366</u>
<i>Total Fund Equity End of Year</i>	<u><u>\$10,179</u></u>	<u><u>\$42,464</u></u>	<u><u>\$52,643</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, 2000*

	Enterprise	Internal Service		Totals (Memorandum Only)
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$252,319	\$0		\$252,319
Cash Received from Quasi-External Transactions with Other Funds	0	205,740		205,740
Cash Payments to Suppliers for Goods and Services	(150,150)	(7,200)		(157,350)
Cash Payments to Employees for Services	(113,587)	0		(113,587)
Cash Payments for Employee Benefits	(50,939)	0		(50,939)
Cash Payments for Claims	0	(171,715)		(171,715)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(62,357)	26,825		(35,532)
<b>Cash Flows from Noncapital Financing Activities</b>				
Operating Grants Received	37,602	0		37,602
Advances In	25,000	0		25,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	62,602	0		62,602
<i>Net Increase in Cash and Cash Equivalents</i>	245	26,825		27,070
<i>Cash and Cash Equivalents Beginning of Year</i>	2,143	21,456		23,599
<i>Cash and Cash Equivalents End of Year</i>	\$2,388	\$48,281		\$50,669

(continued)

**Berkshire Local School District**  
*Combined Statement of Cash Flows*  
*All Proprietary Fund Types (continued)*  
*For the Fiscal Year Ended June 30, 2000*

	Enterprise	Internal Service	Totals (Memorandum Only)
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</i>			
<i>Operating Income (Loss)</i>	(\$70,884)	\$33,945	(\$36,939)
<i>Adjustments:</i>			
Depreciation	9,810	0	9,810
Donated Commodities Used During Year	8,238	0	8,238
(Increase) Decrease in Assets:			
Accounts Receivable	1,479	0	1,479
Inventory Held for Resale	502	0	502
Materials and Supplies Inventory	(1,284)	0	(1,284)
Increase (Decrease) in Liabilities:			
Accounts Payable	131	(568)	(437)
Accrued Wages and Benefits	(5,904)	0	(5,904)
Compensated Absences Payable	1,129	0	1,129
Intergovernmental Payable	(5,574)	0	(5,574)
Claims Payable	0	(6,552)	(6,552)
<i>Total Adjustments</i>	8,527	(7,120)	1,407
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$62,357)	\$26,825	(\$35,532)

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, 2000*

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$252,289	\$252,319	\$30
Charges for Services	13	0	(13)
Operating Grants	37,602	37,602	0
<i>Total Revenues</i>	<u>289,904</u>	<u>289,921</u>	<u>17</u>
<b>Expenses</b>			
Salaries	113,725	113,587	138
Fringe Benefits	51,242	50,939	303
Purchased Services	0	0	0
Materials and Supplies	151,425	150,835	590
Claims	0	0	0
<i>Total Expenses</i>	<u>316,392</u>	<u>315,361</u>	<u>1,031</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(26,488)	(25,440)	1,048
Advances In	25,000	25,000	0
<i>Excess of Revenues Over (Under) Expenses and Advances</i>	(1,488)	(440)	1,048
<i>Fund Equity Beginning of Year</i>	2,143	2,143	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Equity End of Year</i>	<u>\$655</u>	<u>\$1,703</u>	<u>\$1,048</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, 2000*

	Internal Service Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues</b>			
Sales	\$29	\$0	(\$29)
Charges for Services	205,721	205,740	19
Operating Grants	0	0	0
<i>Total Revenues</i>	<u>205,750</u>	<u>205,740</u>	<u>(10)</u>
<b>Expenses</b>			
Salaries	0	0	0
Fringe Benefits	0	0	0
Purchased Services	54,033	7,271	46,762
Materials and Supplies	0	0	0
Claims	171,715	171,715	0
<i>Total Expenses</i>	<u>225,748</u>	<u>178,986</u>	<u>46,762</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(19,998)	26,754	46,752
Advances In	0	0	0
<i>Excess of Revenues Over (Under) Expenses and Advances</i>	(19,998)	26,754	46,752
<i>Fund Equity Beginning of Year</i>	5,698	5,698	0
Prior Year Encumbrances Appropriated	15,758	15,758	0
<i>Fund Equity End of Year</i>	<u>\$1,458</u>	<u>\$48,210</u>	<u>\$46,752</u>

See accompanying notes to the general purpose financial statements



Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$252,318	\$252,319	\$1
205,734	205,740	6
37,602	37,602	0
495,654	495,661	7
113,725	113,587	138
51,242	50,939	303
54,033	7,271	46,762
151,425	150,835	590
171,715	171,715	0
542,140	494,347	47,793
(46,486)	1,314	47,800
25,000	25,000	0
(21,486)	26,314	47,800
7,841	7,841	0
15,758	15,758	0
<u>\$2,113</u>	<u>\$49,913</u>	<u>\$47,800</u>

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**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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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 1,375 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 17, 18, and 19 to the general purpose financial statements.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**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 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).

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**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 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 operating statements present 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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000 and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded 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 the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported on 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.

***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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**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 2000.

**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.

***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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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During fiscal year 2000, investments were limited to repurchase agreements 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, 2000.

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 \$206,786, which includes \$38,334 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, 2000, 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 21 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 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.



**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***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. Intergovernmental Revenues***

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

**Entitlements**

*General Fund*

- State Foundation Program
- State Property Tax Relief
- School Bus Purchase Reimbursement

**Non-Reimbursable Grants**

*Special Revenue Funds*

- Eisenhower Math and Science
- Education Management Information Systems
- Textbook Subsidy
- Title VI-B
- Title I
- Title VI
- Drug Free Schools
- Teacher Development
- Partnership 2000
- SchoolNet Professional Development
- Ohio Reads

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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Title VI-R  
Library Mini Grant

*Capital Projects Fund*  
SchoolNet Plus

**Reimbursable Grants**

*General Fund*  
Driver Education Reimbursement

*Proprietary Funds*  
National School Lunch Program  
Government Donated Commodities

Grants and entitlements amounted to approximately forty-two percent of the School District's operating revenue during the 2000 fiscal year.

***J. 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."

***K. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the 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 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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***L. 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.

***M. 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.

***N. 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, property taxes, budget stabilization, and debt service principal and interest.

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.

***O. 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 proprietary funds' fixed assets are considered contributed capital. At June 30, 2000, the School District had contributed capital of \$217,366. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***P. 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.

***Q. 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 - Fund Deficits**

The following funds had deficit fund balances/retained earnings at June 30, 2000:

**Special Revenue Funds**

Title VI-B	\$2,302
Title I	5,070
Title VI-R Class Size Reduction	118

**Enterprise Fund**

Food Service	209,183
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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.

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 4 - 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

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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	\$381,194	(\$9,804)	(\$40,588)	\$121,225
Revenue Accruals	157,247	0	0	10,600
Expenditure Accruals	(51,758)	(3,850)	0	2,770
Advances In	5,264	3,007	0	0
Advances Out	(28,007)	(5,264)	0	0
Encumbrances	(212,576)	(15,256)	0	(13,593)
Budget Basis	\$251,364	(\$31,167)	(\$40,588)	\$121,002

Net Income (Loss)/Excess of Revenues  
Over (Under) Expenses  
All Proprietary Fund Types

	Enterprise	Internal Service
GAAP Basis	(\$27,016)	\$33,945
Revenue Accrual	(4,787)	0
Expense Accrual	(2,762)	(7,120)
Advances In	25,000	0
Depreciation	9,810	0
Encumbrances	(685)	(71)
Budget Basis	(\$440)	\$26,754

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 5 - 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;
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);

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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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 (\$104,669) and the bank balance was \$15,080. 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.

	Category 2	Fair Value
Repurchase Agreement	\$1,520,666	\$1,520,666
STAROhio		1,747,522
Total		\$3,268,188

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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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	\$3,163,544	\$0
Investments Which are Part of a Cash Management Pool		
Repurchase Agreement	(1,520,666)	1,520,666
STAROhio	(1,747,522)	1,747,522
Cash on hand	(25)	0
	(\$104,669)	\$3,268,188
GASB Statement 3		

**Note 6 - 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 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

2000 real property taxes are levied after April 1, 2000, on the assessed value listed as of January 1, 2000, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

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. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000, and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true value.



**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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The assessed values upon which fiscal year 2000 taxes were collected are:

	1999 Second Half Collections		2000 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$113,874,170	85.79%	\$142,245,480	87.30%
Public Utility	8,730,000	6.58	8,150,600	5.00
Tangible Personal Property	10,135,990	7.63	12,547,070	7.70
Total Assessed Value	<u>\$132,740,160</u>	<u>100.00%</u>	<u>\$162,943,150</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, 2000, are available to finance fiscal year 2001 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, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$233,200 and is recognized as revenue. \$218,800 was available to the general fund and \$14,400 to the permanent improvement fund.

**Note 7 - 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.

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

Receivables at June 30, 1999, consisted of property, accounts (rent, billings for user charged services, and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

The food service enterprise fund had an intergovernmental receivable of \$3,700.

**Note 9 - Fixed Assets**

A summary of the enterprise funds' fixed assets at June 30, 2000, follows:

Furniture and Equipment	\$182,104
Less Accumulated Depreciation	(117,170)
	\$64,934
Net Fixed Assets	\$64,934

A summary of the changes in general fixed assets during fiscal year 2000 follows:

Asset Category	Balance at 7/1/99	Additions	Deletions	Balance at 6/30/00
Land and Improvements	\$303,836	\$1,200	\$0	\$305,036
Buildings	3,558,729	51,001	20,940	3,588,790
Furniture and Equipment	1,720,235	169,849	113,741	1,776,343
Vehicles	963,490	116,282	250,260	829,512
Totals	\$6,546,290	\$338,332	\$384,941	\$6,499,681

**Note 10 - Defined Benefit Pension Plans**

**A. School Employees Retirement System**

The School District contributes to the School Employees System of Ohio (SERS), a cost-sharing multiple employer defined pension plan. 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 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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1999, 7.7 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$65,616, \$75,481, and \$123,489 respectively; 50.82 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$32,267 representing the unpaid contribution for fiscal year 2000, 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 participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides 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 43215-3371.

For the fiscal year ended June 30, 2000, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. 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, 2000, 1999, and 1998, were \$241,906, \$214,007, and \$308,350 respectively; 80.25 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$47,769 representing the unpaid contribution for fiscal year 2000, 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, 2000, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 11 - 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-certificated 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 System based on authority granted by State statute. Both systems are funded 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 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, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District this amount equaled \$322,542 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available) the balance in the Fund was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 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, 2000, employer contributions to fund health care benefits were 8.50 percent of covered payroll, an increase of 2.2 percent for fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established as \$12,400. For the School District, the amount to fund health care benefits, including surcharge, during the 2000 fiscal year equaled \$124,334.

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 annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1999, (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 12 - 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 285 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 13 - Interfund Transactions**

Interfund balances at June 30, 2000 consist of the following individual fund receivables and payables:

Fund Type/Fund	Interfund Receivable	Interfund Payable
<b>General Fund</b>	\$30,007	\$0
<b>Special Revenue Fund</b>		
Title VI-B	0	3,007
<b>Enterprise Fund</b>		
Food Service	0	27,000
<i>Total</i>	\$30,007	\$30,007

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 14 - Risk Management**

***A. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, 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 Wausau 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	\$16,800,938
	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
Wausau Insurance	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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
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***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 19). 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 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 \$59.73 per family coverage or \$19.94 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 \$5,817 reported in the internal service fund at June 30, 2000 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 1998, 1999 and 2000 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
1998	\$0	\$62,726	\$54,552	\$8,174
1999	8,174	96,985	92,790	12,369
2000	12,369	165,163	171,715	5,817

**Berkshire Local School District**  
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**Note 15 -Long Term Obligations**

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	Principal Outstanding 6/30/99	Additions	Deductions	Principal Outstanding 6/30/00
<b>General Obligation Bonds</b>				
1997 6.25%				
Energy Conservation Bond	\$35,320	\$0	(\$35,320)	\$0
1998 6.10%				
Energy Conservation Bond	51,502	0	(51,502)	0
1980 10.375%				
Vocational Building	60,000	0	(30,000)	30,000
<i>Total General Obligation Bonds</i>	146,822	0	(116,822)	30,000
Pension Obligation	77,694	67,196	(77,694)	67,196
Compensated Absences	593,093	117,473	0	710,566
<i>Total General Long-Term Obligations</i>	<u>\$817,609</u>	<u>\$184,669</u>	<u>(\$194,516)</u>	<u>\$807,762</u>

***Vocational Building General Obligation Bonds*** On December 1, 1980, Berkshire Local 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 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.

***Energy Conservation Improvement Bonds*** On January 15, 1997, Berkshire Local School District issued \$200,000 in general obligation bonds for the purpose of H.B. 264 Energy Improvements. The bonds were issued with final maturity at October 1, 1999. The bonds were paid from the debt service fund.

On October 1, 1997, Berkshire Local School District issued \$200,000 in general obligation bonds for the purpose of H.B. 264 Energy Improvements. The bonds were issued with final maturity at October 1, 1999. The bonds were paid from the debt service fund.

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, 2000, was \$14,664,884 with an unvoted debt margin of \$162,943. The remaining general obligation bonds outstanding at June 30, 2000 will be retired in 2001 with a payment of \$30,000 of principal and \$3,113 of interest.

**Note 16 - 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, 2000.



**Berkshire Local School District**  
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	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$228,123	\$22,717	\$250,840
Operating Expenses			
less Depreciation	289,651	22,263	311,914
Depreciation Expense	9,810	0	9,810
Operating Income (Loss)	(71,338)	454	(70,884)
Donated Commodities	8,238	0	8,238
Operating Grants	35,630	0	35,630
Net Income (Loss)	(27,470)	454	(27,016)
Net Working Capital	(45,479)	1,996	(43,483)
Total Assets	75,367	1,996	77,363
Total Equity	8,183	1,996	10,179
Encumbrances	685	0	685

**Note 17 - 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.

***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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***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 2000, the School District paid \$750 to the Council. Financial information can be obtained by contacting Joseph Lesak, the Executive Secretary of the Ohio Schools Council at 155 Center Road, Bedford, Ohio 44146.

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.

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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 18 - 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, Pam Schamberg Clerk/Treasurer, PO Box 427, Burton, Ohio 44021.

**Note 19 - 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 20 - Contingencies**

**A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000

**B. Litigation**

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

**Note 21 - Set asides**

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the 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. The School District is also required to set aside money for budget stabilization.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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, 1999	\$97,146	\$0	\$0
Current Year Set-aside Requirement	22,193	179,008	179,008
Qualifying Disbursements	0	(296,529)	(243,929)
Set-aside Balance Carried Forward to Future Fiscal Years	\$119,339	(\$117,521)	(\$64,921)
Set-aside Reserve Balance as of June 30, 2000	\$119,339	\$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 \$119,339.

**Note 22 - 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, 2000, the School District received \$3,069,902 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.

**Berkshire Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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.

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**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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Income Taxes	\$1,069,372	\$1,077,545	\$8,173
Property and Other Local Taxes	3,624,214	3,651,913	27,699
Intergovernmental	3,509,069	3,535,889	26,820
Interest	205,218	206,786	1,568
Tuition and Fees	24,313	24,690	377
Extracurricular Activities	44,822	43,173	(1,649)
Gifts and Donations	4,680	4,716	36
Charges for Services	7,952	6,335	(1,617)
Rentals	15,909	12,005	(3,904)
Miscellaneous	82,113	82,113	0
<i>Total Revenues</i>	<i>8,587,662</i>	<i>8,645,165</i>	<i>57,503</i>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,921,619	2,864,478	57,141
Fringe Benefits	772,569	765,772	6,797
Purchased Services	134,404	110,021	24,383
Materials and Supplies	352,767	113,363	239,404
Capital Outlay - New	45,213	43,210	2,003
Capital Outlay - Replacement	15,168	14,784	384
Total Regular	4,241,740	3,911,628	330,112
Special:			
Salaries and Wages	337,098	328,317	8,781
Fringe Benefits	101,898	99,771	2,127
Purchased Services	317,920	308,169	9,751
Materials and Supplies	8,163	2,624	5,539
Total Special	765,079	738,881	26,198
Vocational:			
Salaries and Wages	35,234	34,704	530
Fringe Benefits	10,638	10,227	411
Purchased Services	200	0	200
Materials and Supplies	10,473	3,263	7,210
Capital Outlay - Replacement	1,200	1,200	0
Total Vocational	57,745	49,394	8,351
Total Instruction	\$5,064,564	\$4,699,903	\$364,661

(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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$282,510	\$269,486	\$13,024
Fringe Benefits	81,922	78,100	3,822
Purchased Services	47,997	34,570	13,427
Materials and Supplies	53,882	18,573	35,309
Capital Outlay - New	1,633	1,633	0
Capital Outlay - Replacement	20,000	17,554	2,446
Total Pupils	<u>487,944</u>	<u>419,916</u>	<u>68,028</u>
Instructional Staff:			
Salaries and Wages	103,708	102,500	1,208
Fringe Benefits	33,944	32,744	1,200
Purchased Services	46,583	40,685	5,898
Materials and Supplies	68,449	21,367	47,082
Capital Outlay - New	59,158	42,273	16,885
Capital Outlay - Replacement	750	712	38
Total Instructional Staff	<u>312,592</u>	<u>240,281</u>	<u>72,311</u>
Board of Education:			
Salaries and Wages	3,480	3,480	0
Fringe Benefits	607	547	60
Purchased Services	27,809	26,653	1,156
Materials and Supplies	4,561	1,420	3,141
Other	6,562	6,425	137
Total Board of Education	<u>43,019</u>	<u>38,525</u>	<u>4,494</u>
Administration:			
Salaries and Wages	547,074	533,758	13,316
Fringe Benefits	176,799	158,612	18,187
Purchased Services	59,091	36,475	22,616
Materials and Supplies	9,783	3,530	6,253
Capital Outlay - New	252	252	0
Capital Outlay - Replacement	1,733	234	1,499
Other	4,639	4,639	0
Total Administration	<u>\$799,371</u>	<u>\$737,500</u>	<u>\$61,871</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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Fiscal:			
Salaries and Wages	\$117,933	\$110,027	\$7,906
Fringe Benefits	36,741	35,531	1,210
Purchased Services	16,905	13,176	3,729
Materials and Supplies	8,894	2,767	6,127
Capital Outlay - Replacement	2,000	1,995	5
Other	<u>109,600</u>	<u>106,264</u>	<u>3,336</u>
Total Fiscal	<u>292,073</u>	<u>269,760</u>	<u>22,313</u>
Business:			
Other	<u>23,036</u>	<u>21,390</u>	<u>1,646</u>
Operation and Maintenance of Plant:			
Salaries and Wages	326,026	316,590	9,436
Fringe Benefits	102,810	101,556	1,254
Purchased Services	470,949	440,720	30,229
Materials and Supplies	345,835	114,630	231,205
Capital Outlay - New	55,542	52,335	3,207
Capital Outlay - Replacement	<u>22,406</u>	<u>22,194</u>	<u>212</u>
Total Operation and Maintenance of Plant	<u>1,323,568</u>	<u>1,048,025</u>	<u>275,543</u>
Pupil Transportation:			
Salaries and Wages	296,496	292,853	3,643
Fringe Benefits	117,300	116,839	461
Purchased Services	107,699	96,729	10,970
Materials and Supplies	177,888	58,534	119,354
Capital Outlay - New	17,412	17,068	344
Capital Outlay - Replacement	<u>136,482</u>	<u>136,482</u>	<u>0</u>
Total Pupil Transportation	<u>853,277</u>	<u>718,505</u>	<u>134,772</u>
Total Support Services	<u>4,134,880</u>	<u>3,493,902</u>	<u>640,978</u>
Operation of Non-Instructional Services			
Community Services:			
Salaries and Wages	405	405	0
Fringe Benefits	7,734	7,072	662
Materials and Supplies	9,297	2,858	6,439
Capital Outlay - Replacement	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total Operation of Non-Instructional Services	<u>\$27,436</u>	<u>\$10,335</u>	<u>\$17,101</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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Salaries and Wages	\$16,617	\$14,835	\$1,782
Fringe Benefits	<u>7,750</u>	<u>6,848</u>	<u>902</u>
Total Academic and Subject Oriented Activities	<u>24,367</u>	<u>21,683</u>	<u>2,684</u>
Sports Oriented Activities:			
Salaries and Wages	126,568	122,320	4,248
Fringe Benefits	<u>15,429</u>	<u>14,319</u>	<u>1,110</u>
Total Sports Oriented Activities	<u>141,997</u>	<u>136,639</u>	<u>5,358</u>
School and Public Service Co-Curricular Activities			
Salaries and Wages	6,771	6,658	113
Fringe Benefits	<u>940</u>	<u>899</u>	<u>41</u>
Total School and Public Service Co-Curricular Activities	<u>7,711</u>	<u>7,557</u>	<u>154</u>
Total Extracurricular Activities	<u>174,075</u>	<u>165,879</u>	<u>8,196</u>
<i>Total Expenditures</i>	<u>9,400,955</u>	<u>8,370,019</u>	<u>1,030,936</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(813,293)</u>	<u>275,146</u>	<u>1,088,439</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	2,142	2,142	0
Advances In	15,264	5,264	(10,000)
Advances Out	(28,007)	(28,007)	0
Operating Transfers Out	<u>(10,000)</u>	<u>(3,181)</u>	<u>6,819</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(20,601)</u>	<u>(23,782)</u>	<u>(3,181)</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(833,894)</u>	<u>251,364</u>	<u>1,085,258</u>
<i>Fund Balance Beginning of Year</i>	1,855,837	1,855,837	0
Prior Year Encumbrances Appropriated	<u>257,314</u>	<u>257,314</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,279,257</u></u>	<u><u>\$2,364,515</u></u>	<u><u>\$1,085,258</u></u>

## 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.

*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.

*Partnership 2000 State Grant Fund* This fund accounts for State monies to assist teachers in improving their skills.

*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.

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

*Library Mini Grant* This fund accounts for Federal monies used for library enhancements.

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**Berkshire Local School District**

*Combining Balance Sheet*

*All Special Revenue Funds*

*June 30, 2000*

	<u>Public School Support</u>	<u>Martha Holden Jennings Grant</u>	<u>Athletic and Music</u>	<u>Teacher Development</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$30,232</u>	<u>\$2</u>	<u>\$24,881</u>	<u>\$1,150</u>
<b>Liabilities</b>				
Accrued Wages and Benefits	\$0	\$0	\$0	\$0
Interfund Payable	0	0	0	0
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>240</u>	<u>43</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>240</u>	<u>43</u>
<b>Fund Equity</b>				
Fund Balance:				
Reserved for Encumbrances	8,964	0	4,025	0
Unreserved, Undesignated (Deficit)	<u>21,268</u>	<u>2</u>	<u>20,616</u>	<u>1,107</u>
<i>Total Fund Equity (Deficit)</i>	<u>30,232</u>	<u>2</u>	<u>24,641</u>	<u>1,107</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$30,232</u>	<u>\$2</u>	<u>\$24,881</u>	<u>\$1,150</u>

(continued)

**Berkshire Local School District**  
*Combining Balance Sheet*  
*All Special Revenue Funds (continued)*  
*June 30, 2000*

	<u>Textbook Subsidy</u>	<u>Ohio Reads Grant</u>	<u>Eisenhower Math and Science Grant</u>	<u>Title VI-B</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$900</u>	<u>\$6,000</u>	<u>\$4,277</u>	<u>\$792</u>
<b>Liabilities</b>				
Accrued Wages and Benefits	\$0	\$0	\$0	\$0
Interfund Payable	0	0	0	3,007
Intergovernmental Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>87</u>
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,094</u>
<b>Fund Equity</b>				
Fund Balance:				
Reserved for Encumbrances	900	0	0	0
Unreserved, Undesignated (Deficit)	<u>0</u>	<u>6,000</u>	<u>4,277</u>	<u>(2,302)</u>
<i>Total Fund Equity (Deficit)</i>	<u>900</u>	<u>6,000</u>	<u>4,277</u>	<u>(2,302)</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$900</u>	<u>\$6,000</u>	<u>\$4,277</u>	<u>\$792</u>



<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools Grant</u>	<u>Title VI-R Class Size Reduction</u>	<u>Totals</u>
<u>\$6,820</u>	<u>\$2,043</u>	<u>\$1,369</u>	<u>\$0</u>	<u>\$78,466</u>
\$11,280	\$0	\$0	\$0	\$11,280
0	0	0	0	3,007
610	0	17	118	1,115
<u>11,890</u>	<u>0</u>	<u>17</u>	<u>118</u>	<u>15,402</u>
0	0	1,368	0	15,257
(5,070)	2,043	(16)	(118)	47,807
<u>(5,070)</u>	<u>2,043</u>	<u>1,352</u>	<u>(118)</u>	<u>63,064</u>
<u>\$6,820</u>	<u>\$2,043</u>	<u>\$1,369</u>	<u>\$0</u>	<u>\$78,466</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, 2000*

	<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	\$2,500	\$0	\$5,748
Extracurricular Activities	11,616	0	56,762	0
Gifts and Donations	24,632	0	45,583	0
<i>Total Revenues</i>	<u>36,248</u>	<u>2,500</u>	<u>102,345</u>	<u>5,748</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	0	2,498	0	4,641
Special	0	0	0	0
<b>Support Services:</b>				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Business	0	0	0	0
Extracurricular Activities	35,481	0	99,839	0
<i>Total Expenditures</i>	<u>35,481</u>	<u>2,498</u>	<u>99,839</u>	<u>4,641</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	767	2	2,506	1,107
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>29,465</u>	<u>0</u>	<u>22,135</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$30,232</u></u>	<u><u>\$2</u></u>	<u><u>\$24,641</u></u>	<u><u>\$1,107</u></u>

<u>Educational Management Information Systems</u>	<u>SchoolNet Professional Development</u>	<u>Textbook Subsidy</u>	<u>Ohio Reads Grant</u>	<u>Partnership 2000 State Grant</u>	<u>Eisenhower Math and Science Grant</u>
\$5,000	\$4,000	\$0	\$6,000	\$0	\$4,716
0	0	0	0	0	0
0	0	0	0	0	0
<u>5,000</u>	<u>4,000</u>	<u>0</u>	<u>6,000</u>	<u>0</u>	<u>4,716</u>
0	0	10,432	0	0	5,254
0	0	0	0	0	0
7,610	0	0	0	0	0
0	4,000	0	0	23	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>7,610</u>	<u>4,000</u>	<u>10,432</u>	<u>0</u>	<u>23</u>	<u>5,254</u>
(2,610)	0	(10,432)	6,000	(23)	(538)
<u>2,610</u>	<u>0</u>	<u>11,332</u>	<u>0</u>	<u>23</u>	<u>4,815</u>
<u>\$0</u>	<u>\$0</u>	<u>\$900</u>	<u>\$6,000</u>	<u>\$0</u>	<u>\$4,277</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, 2000

	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools Grant</u>
<b>Revenues</b>				
Intergovernmental	\$52,998	\$103,309	\$2,915	\$5,816
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
<i>Total Revenues</i>	<u>52,998</u>	<u>103,309</u>	<u>2,915</u>	<u>5,816</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	3,704	3,783
Special	2,292	89,502	0	0
Support Services:				
Pupils	42,698	0	0	848
Instructional Staff	1,702	0	2,111	0
Administration	13,760	0	0	600
Business	0	0	0	300
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>60,452</u>	<u>89,502</u>	<u>5,815</u>	<u>5,531</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(7,454)	13,807	(2,900)	285
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>5,152</u>	<u>(18,877)</u>	<u>4,943</u>	<u>1,067</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$2,302)</u></u>	<u><u>(\$5,070)</u></u>	<u><u>\$2,043</u></u>	<u><u>\$1,352</u></u>

<u>Title VI-R Class Size Reduction</u>	<u>Library Mini-Grant</u>	<u>Totals</u>
\$18,103	\$0	\$211,105
0	0	68,378
0	0	70,215
<u>18,103</u>	<u>0</u>	<u>349,698</u>
18,221	0	48,533
0	0	91,794
0	0	51,156
0	10,203	18,039
0	0	14,360
0	0	300
0	0	135,320
<u>18,221</u>	<u>10,203</u>	<u>359,502</u>
(118)	(10,203)	(9,804)
<u>0</u>	<u>10,203</u>	<u>72,868</u>
<u>(\$118)</u>	<u>\$0</u>	<u>\$63,064</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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Extracurricular Activities	\$11,616	\$11,616	\$0
Gifts and Donations	24,382	24,632	250
<i>Total Revenues</i>	35,998	36,248	250
<b>Expenditures</b>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	57,809	44,878	12,931
<i>Excess of Revenues Under Expenditures</i>	(21,811)	(8,630)	13,181
<i>Fund Balance Beginning of Year</i>	26,407	26,407	0
Prior Year Encumbrances Appropriated	3,491	3,491	0
<i>Fund Balance End of Year</i>	<u>\$8,087</u>	<u>\$21,268</u>	<u>\$13,181</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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$2,500	\$2,500	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	1,418	1,418	0
Materials and Supplies	1,082	1,080	2
<i>Total Expenditures</i>	2,500	2,498	2
<i>Excess of Revenues Over Expenditures</i>	0	2	2
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$2	\$2

**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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Extracurricular Activities	\$56,517	\$56,762	\$245
Gifts and Donations	45,583	45,583	0
<i>Total Revenues</i>	<u>102,100</u>	<u>102,345</u>	<u>245</u>
<b>Expenditures</b>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	1,800	1,520	\$280
Fringe Benefits	150	5	145
Purchased Services	40,968	40,645	323
Materials and Supplies	20,989	16,163	4,826
Capital Outlay - New	49,215	38,586	10,629
Other	6,989	6,705	284
<i>Total Expenditures</i>	<u>120,111</u>	<u>103,624</u>	<u>16,487</u>
<i>Excess of Revenues Under Expenditures</i>	(18,011)	(1,279)	16,732
<i>Fund Balance Beginning of Year</i>	17,253	17,253	0
Prior Year Encumbrances Appropriated	4,882	4,882	0
<i>Fund Balance End of Year</i>	<u>\$4,124</u>	<u>\$20,856</u>	<u>\$16,732</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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$5,748	\$5,748	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	<u>4,599</u>	<u>4,599</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	1,149	1,149	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>\$1,149</u></u>	<u><u>\$1,149</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*  
*Educational Management Information Systems Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$5,000	\$5,000	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	3,000	3,000	0
Purchased Services	3,000	3,000	0
Materials and Supplies	1,610	1,610	0
<i>Total Expenditures</i>	7,610	7,610	0
<i>Excess of Revenues Under Expenditures</i>	(2,610)	(2,610)	0
<i>Fund Balance Beginning of Year</i>	2,610	2,610	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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$4,000	\$4,000	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	<u>4,000</u>	<u>4,000</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	0	0	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>\$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*  
*Textbook Subsidy Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	11,332	11,332	0
<i>Excess of Revenues Under Expenditures</i>	(11,332)	(11,332)	0
<i>Fund Balance Beginning of Year</i>	1,294	1,294	0
Prior Year Encumbrances Appropriated	10,038	10,038	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Intergovernmental	\$6,000	\$6,000	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	6,000	6,000	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>\$6,000</u></u>	<u><u>\$6,000</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*  
*Partnership 2000 State Grant Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Materials and Supplies	23	23	0
<i>Excess of Revenues Under Expenditures</i>	(23)	(23)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	23	23	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$4,716	\$4,716	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	8,531	8,531	0
Materials and Supplies	1,000	1,000	0
<i>Total Expenditures</i>	9,531	9,531	0
<i>Excess of Revenues Under Expenditures</i>	(4,815)	(4,815)	0
<i>Fund Balance Beginning of Year</i>	4,815	4,815	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-B Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$52,998	\$52,998	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Materials and Supplies	69	69	0
Capital Outlay - New	2,223	2,223	0
Total Instruction	2,292	2,292	0
Support Services:			
Pupils:			
Purchased Services	41,821	41,821	0
Capital Outlay - New	877	877	0
Total Pupils	42,698	42,698	0
Instructional Staff:			
Materials and Supplies	3,688	3,688	0
Administration:			
Salaries and Wages	11,128	11,128	0
Fringe Benefits	1,760	1,760	0
Materials and Supplies	785	785	0
Total Administration	13,673	13,673	0
Total Support Services	60,059	60,059	0
<i>Total Expenditures</i>	62,351	62,351	0
<i>Excess of Revenues Under Expenditures</i>	(9,353)	(9,353)	0
<b>Other Financing Sources</b>			
Advances In	3,007	3,007	0
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(6,346)	(6,346)	0
<i>Fund Balance Beginning of Year</i>	792	792	0
Prior Year Encumbrances Appropriated	6,347	6,347	0
<i>Fund Balance End of Year</i>	\$793	\$793	\$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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$103,309	\$103,309	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	75,243	75,243	0
Fringe Benefits	16,193	16,193	0
<i>Total Expenditures</i>	91,436	91,436	0
<i>Excess of Revenues Over Expenditures</i>	11,873	11,873	0
<b>Other Financing Uses</b>			
Advances Out	(5,264)	(5,264)	0
<i>Excess of Revenues Over Expenditures and Other Financing Uses</i>	6,609	6,609	0
<i>Fund Balance Beginning of Year</i>	212	212	0
<i>Fund Balance End of Year</i>	\$6,821	\$6,821	\$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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$5,000	\$2,915	(\$2,085)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,832	2,832	0
Fringe Benefits	872	872	0
Total Instruction	3,704	3,704	0
Support Services:			
Instructional Staff:			
Salaries and Wages	2,111	2,111	0
<i>Total Expenditures</i>	5,815	5,815	0
<i>Excess of Revenues Under Expenditures</i>	(815)	(2,900)	(2,085)
<i>Fund Balance Beginning of Year</i>	4,943	4,943	0
<i>Fund Balance End of Year</i>	\$4,128	\$2,043	(\$2,085)

**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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$5,816	\$5,816	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	450	450	0
Purchased Services	1,100	1,100	0
Materials and Supplies	3,584	3,584	0
Total Instruction	5,134	5,134	0
Support Services:			
Pupils:			
Purchased Services	848	848	0
Administration:			
Salaries and Wages	600	600	0
Business:			
Salaries and Wages	300	300	0
Total Support Services	1,748	1,748	0
<i>Total Expenditures</i>	6,882	6,882	0
<i>Excess of Revenues Under Expenditures</i>	(1,066)	(1,066)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	1,067	1,067	0
<i>Fund Balance End of Year</i>	\$1	\$1	\$0

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-R Class Size Reduction Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$18,103	\$18,103	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	18,103	18,103	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>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Library Mini Grant Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	6,762	6,762	0
Materials and Supplies	441	441	0
Capital Outlay - New	3,000	3,000	0
<i>Total Expenditures</i>	<u>10,203</u>	<u>10,203</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(10,203)	(10,203)	0
<i>Fund Balance Beginning of Year</i>	3,247	3,247	0
Prior Year Encumbrances Appropriated	<u>6,956</u>	<u>6,956</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 Balances - Budget (Non-GAAP Basis) and Actual*  
*All Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$213,190	\$211,105	(\$2,085)
Extracurricular Activities	68,133	68,378	245
Gifts and Donations	69,965	70,215	250
<i>Total Revenues</i>	<u>351,288</u>	<u>349,698</u>	<u>(1,590)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	25,984	25,984	0
Fringe Benefits	872	872	0
Purchased Services	11,049	7,515	3,534
Materials and Supplies	16,998	16,253	745
Total Regular	<u>54,903</u>	<u>50,624</u>	<u>4,279</u>
Special:			
Salaries and Wages	75,243	75,243	0
Fringe Benefits	16,193	16,193	0
Materials and Supplies	69	69	0
Capital Outlay - New	2,223	2,223	0
Total Special	<u>93,728</u>	<u>93,728</u>	<u>0</u>
Total Instruction	<u>148,631</u>	<u>144,352</u>	<u>4,279</u>
Support Services:			
Pupils:			
Salaries and Wages	3,000	3,000	0
Purchased Services	45,669	45,669	0
Materials and Supplies	1,610	1,610	0
Capital Outlay - New	877	877	0
Total Pupils	<u>51,156</u>	<u>51,156</u>	<u>0</u>
Instructional Staff:			
Salaries and Wages	2,111	2,111	0
Purchased Services	10,762	10,762	0
Materials and Supplies	4,152	4,152	0
Capital Outlay - New	3,000	3,000	0
Total Instructional Staff	<u>\$20,025</u>	<u>\$20,025</u>	<u>\$0</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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Salaries and Wages	\$11,728	\$11,728	\$0
Fringe Benefits	1,760	1,760	0
Materials and Supplies	785	785	0
<b>Total Administration</b>	<b>14,273</b>	<b>14,273</b>	<b>0</b>
Business:			
Salaries and Wages	300	300	0
<b>Total Support Services</b>	<b>85,754</b>	<b>85,754</b>	<b>0</b>
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Materials and Supplies	57,809	44,878	12,931
Sports Oriented Activities:			
Salaries and Wages	1,800	1,520	\$280
Fringe Benefits	150	5	145
Purchased Services	40,968	40,645	323
Materials and Supplies	20,989	16,163	4,826
Capital Outlay - New	49,215	38,586	10,629
Other	6,989	6,705	284
<b>Total Sports Oriented Activities</b>	<b>120,111</b>	<b>103,624</b>	<b>16,487</b>
<b>Total Extracurricular Activities</b>	<b>177,920</b>	<b>148,502</b>	<b>29,418</b>
<b>Total Expenditures</b>	<b>412,305</b>	<b>378,608</b>	<b>33,697</b>
<i>Excess of Revenues Under Expenditures</i>	<i>(61,017)</i>	<i>(28,910)</i>	<i>32,107</i>
<b>Other Financing Sources (Uses)</b>			
Advances In	3,007	3,007	0
Advances Out	(5,264)	(5,264)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(2,257)</b>	<b>(2,257)</b>	<b>0</b>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<i>(63,274)</i>	<i>(31,167)</i>	<i>32,107</i>
<b>Fund Balances Beginning of Year</b>	<b>61,573</b>	<b>61,573</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>32,804</b>	<b>32,804</b>	<b>0</b>
<b>Fund Balances End of Year</b>	<b>\$31,103</b>	<b>\$63,210</b>	<b>\$32,107</b>

## 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, 2000*

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u>Totals</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$305,733	\$1,248	\$306,981
Taxes Receivable	<u>224,928</u>	<u>0</u>	<u>224,928</u>
<i>Total Assets</i>	<u>\$530,661</u>	<u>\$1,248</u>	<u>\$531,909</u>
<b>Liabilities</b>			
Accounts Payable	\$2,770	\$0	\$2,770
Deferred Revenue	<u>210,528</u>	<u>0</u>	<u>210,528</u>
<i>Total Liabilities</i>	<u>213,298</u>	<u>0</u>	<u>213,298</u>
<b>Fund Equity</b>			
Fund Balance:			
Reserved for Encumbrances	10,823	0	10,823
Reserved for Property Taxes	14,400	0	14,400
Unreserved, Undesignated	<u>292,140</u>	<u>1,248</u>	<u>293,388</u>
<i>Total Fund Equity</i>	<u>317,363</u>	<u>1,248</u>	<u>318,611</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$530,661</u>	<u>\$1,248</u>	<u>\$531,909</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, 2000*

	Permanent Improvement	School Net Plus	Totals
<b>Revenues</b>			
Taxes	\$127,660	\$0	\$127,660
Intergovernmental	26,554	0	26,554
<i>Total Revenues</i>	154,214	0	154,214
<b>Expenditures</b>			
Capital Outlay	31,345	4,825	36,170
<i>Excess of Revenues Over (Under) Expenditures</i>	122,869	(4,825)	118,044
<b>Other Financing Sources</b>			
Operating Transfers In	3,181	0	3,181
<i>Excess of Revenues and Other Financings Sources Over (Under) Expenditures</i>	126,050	(4,825)	121,225
<i>Fund Balances Beginning of Year</i>	191,313	6,073	197,386
<i>Fund Balances End of Year</i>	<u>\$317,363</u>	<u>\$1,248</u>	<u>\$318,611</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$132,486	\$138,260	\$5,774
Intergovernmental	26,554	26,554	0
<i>Total Revenues</i>	<u>159,040</u>	<u>164,814</u>	<u>5,774</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	5,000	4,970	30
Capital Outlay - New	50,000	32,760	17,240
Total Instruction	55,000	37,730	17,270
Support Services:			
Fiscal:			
Other	4,438	4,438	0
<i>Total Expenditures</i>	<u>59,438</u>	<u>42,168</u>	<u>17,270</u>
<i>Excess of Revenues Over Expenditures</i>	99,602	122,646	23,044
<b>Other Financing Sources</b>			
Operating Transfers In	3,181	3,181	0
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	102,783	125,827	23,044
<i>Fund Balance Beginning of Year</i>	<u>166,313</u>	<u>166,313</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$269,096</u></u>	<u><u>\$292,140</u></u>	<u><u>\$23,044</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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$6,500	\$0	(\$6,500)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	8,108	3,736	4,372
Capital Outlay - New	1,089	1,089	0
<i>Total Expenditures</i>	9,197	4,825	4,372
<i>Excess of Revenues Under Expenditures</i>	(2,697)	(4,825)	(2,128)
<i>Fund Balance Beginning of Year</i>	3,544	3,544	0
Prior Year Encumbrances Appropriated	2,529	2,529	0
<i>Fund Balance End of Year</i>	\$3,376	\$1,248	(\$2,128)

## 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**  
*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, 2000*

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$132,486	\$138,260	\$5,774
Intergovernmental	33,054	26,554	(6,500)
<i>Total Revenues</i>	<u>165,540</u>	<u>164,814</u>	<u>(726)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	13,108	8,706	4,402
Capital Outlay - New	51,089	33,849	17,240
Total Instruction	64,197	42,555	21,642
Support Services:			
Fiscal:			
Other	4,438	4,438	0
<i>Total Expenditures</i>	<u>68,635</u>	<u>46,993</u>	<u>21,642</u>
<i>Excess of Revenues Over Expenditures</i>	96,905	117,821	20,916
<b>Other Financing Sources</b>			
Operating Transfers In	3,181	3,181	0
<i>Excess of Revenues and Other Financing Sources Over Expenditures</i>	100,086	121,002	20,916
<i>Fund Balances Beginning of Year</i>	169,857	169,857	0
Prior Year Encumbrances Appropriated	2,529	2,529	0
<i>Fund Balances End of Year</i>	<u><u>\$272,472</u></u>	<u><u>\$293,388</u></u>	<u><u>\$20,916</u></u>

## Enterprise Funds

---

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.

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**Berkshire Local School District**

*Combining Balance Sheet*

*All Enterprise Funds*

*June 30, 2000*

	<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	\$1,096	\$1,292	\$2,388
Intergovernmental Receivable	3,700	0	3,700
Inventory Held For Resale	4,161	704	4,865
Materials and Supplies Inventory	1,476	0	1,476
<i>Total Current Assets</i>	<u>10,433</u>	<u>1,996</u>	<u>12,429</u>
<i>Non-Current Assets</i>			
Fixed Assets (Net of Accumulated Depreciation)	64,934	0	64,934
<i>Total Assets</i>	<u><u>\$75,367</u></u>	<u><u>\$1,996</u></u>	<u><u>\$77,363</u></u>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts Payable	\$131	\$0	\$131
Accrued Wages and Benefits	17,156	0	17,156
Interfund Payable	27,000	0	27,000
Intergovernmental Payable	9,113	0	9,113
Deferred Revenue	2,512	0	2,512
<i>Total Current Liabilities</i>	<u>55,912</u>	<u>0</u>	<u>55,912</u>
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	11,272	0	11,272
<i>Total Liabilities</i>	<u>67,184</u>	<u>0</u>	<u>67,184</u>
<b>Fund Equity</b>			
Contributed Capital	217,366	0	217,366
Retained Earnings			
Unreserved (Deficit)	(209,183)	1,996	(207,187)
<i>Total Fund Equity</i>	<u>8,183</u>	<u>1,996</u>	<u>10,179</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$75,367</u></u>	<u><u>\$1,996</u></u>	<u><u>\$77,363</u></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, 2000*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<b>Operating Revenues</b>			
Sales	\$228,123	\$22,717	\$250,840
<b>Operating Expenses</b>			
Salaries	97,540	0	97,540
Fringe Benefits	56,636	0	56,636
Materials and Supplies	15,560	7,572	23,132
Cost of Sales	119,915	14,691	134,606
Depreciation	9,810	0	9,810
<i>Total Operating Expenses</i>	<u>299,461</u>	<u>22,263</u>	<u>321,724</u>
<i>Operating Income (Loss)</i>	<u>(71,338)</u>	<u>454</u>	<u>(70,884)</u>
<b>Non-Operating Revenues</b>			
Federal Donated Commodities	8,238	0	8,238
Operating Grants	35,630	0	35,630
<i>Total Non-Operating Revenues</i>	<u>43,868</u>	<u>0</u>	<u>43,868</u>
<i>Net Income (Loss)</i>	(27,470)	454	(27,016)
<i>Retained Earnings (Deficit) Beginning of Year</i>	<u>(181,713)</u>	<u>1,542</u>	<u>(180,171)</u>
<i>Retained Earnings (Deficit) End of Year</i>	(209,183)	1,996	(207,187)
<i>Contributed Capital Beginning and End of Year</i>	<u>217,366</u>	<u>0</u>	<u>217,366</u>
<i>Total Fund Equity at End of Year</i>	<u><u>\$8,183</u></u>	<u><u>\$1,996</u></u>	<u><u>\$10,179</u></u>

**Berkshire Local School District**  
*Combining Statement of Cash Flows*  
*All Enterprise Funds*  
*For the Fiscal Year Ended June 30, 2000*

	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	\$229,602	\$22,717	\$252,319
Cash Payments to Suppliers for Goods and Services	(127,996)	(22,154)	(150,150)
Cash Payments to Employees for Services	(113,587)	0	(113,587)
Cash Payments for Employee Benefits	(50,939)	0	(50,939)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(62,920)	563	(62,357)
<b>Cash Flows from Noncapital Financing Activities</b>			
Operating Grants Received	37,602	0	37,602
Advances In	25,000	0	25,000
<i>Net Cash Provided by Noncapital Financing Activities</i>	62,602	0	62,602
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(318)	563	245
<i>Cash and Cash Equivalents Beginning of Year</i>	1,414	729	2,143
<i>Cash and Cash Equivalents End of Year</i>	\$1,096	\$1,292	\$2,388
<b><i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</i></b>			
<i>Operating Income (Loss)</i>	(\$71,338)	\$454	(\$70,884)
<b><i>Adjustments:</i></b>			
Depreciation	9,810	0	9,810
Donated Commodities Used During Year	8,238	0	8,238
<b><i>(Increase) Decrease in Assets:</i></b>			
Accounts Receivable	1,479	0	1,479
Inventory Held for Resale	393	109	502
Materials and Supplies Inventory	(1,284)	0	(1,284)
<b><i>Increase (Decrease) in Liabilities:</i></b>			
Accounts Payable	131	0	131
Accrued Wages and Benefits	(5,904)	0	(5,904)
Compensated Absences Payable	1,129	0	1,129
Intergovernmental Payable	(5,574)	0	(5,574)
<i>Total Adjustments</i>	8,418	109	8,527
<i>Net Cash Provided by (Used for) Operating Activities</i>	(\$62,920)	\$563	(\$62,357)

**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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$229,602	\$229,602	\$0
Operating Grants	37,602	37,602	0
<i>Total Revenues</i>	<u>267,204</u>	<u>267,204</u>	<u>0</u>
<b>Expenses</b>			
Salaries:			
Food Service Operations	113,725	113,587	138
Fringe Benefits:			
Food Service Operations	51,242	50,939	303
Materials and Supplies:			
Food Service Operations	127,996	127,996	0
<i>Total Expenses</i>	<u>292,963</u>	<u>292,522</u>	<u>441</u>
<i>Excess of Revenues Under Expenses</i>	(25,759)	(25,318)	441
Advances In	25,000	25,000	0
<i>Excess of Revenues Under Expenses and Advances</i>	(759)	(318)	441
<i>Fund Equity Beginning of Year</i>	<u>1,414</u>	<u>1,414</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$655</u></u>	<u><u>\$1,096</u></u>	<u><u>\$441</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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$22,687	\$22,717	\$30
Charges for Services	13	0	(13)
<i>Total Revenues</i>	22,700	22,717	17
<b>Expenses</b>			
Materials and Supplies:			
Regular Instruction	23,429	22,839	590
<i>Excess of Revenues Under Expenses</i>	(729)	(122)	607
<i>Fund Equity Beginning of Year</i>	729	729	0
<i>Fund Equity End of Year</i>	\$0	\$607	\$607

**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, 2000*

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$252,289	\$252,319	\$30
Charges for Services	13	0	(13)
Operating Grants	37,602	37,602	0
<i>Total Revenues</i>	<u>289,904</u>	<u>289,921</u>	<u>17</u>
<b>Expenses</b>			
Salaries:			
Food Service Operations	113,725	113,587	138
Fringe Benefits:			
Food Service Operations	51,242	50,939	303
Materials and Supplies:			
Regular Instruction	23,429	22,839	590
Food Service Operations	127,996	127,996	0
<i>Total Materials and Supplies</i>	<u>151,425</u>	<u>150,835</u>	<u>590</u>
<i>Total Expenses</i>	<u>316,392</u>	<u>315,361</u>	<u>1,031</u>
<i>Excess of Revenues Under Expenses</i>	(26,488)	(25,440)	1,048
Advances In	25,000	25,000	\$0
<i>Excess of Revenues Under Expenses and Advances</i>	(1,488)	(440)	1,048
<i>Fund Equity Beginning of Year</i>	<u>2,143</u>	<u>2,143</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$655</u></u>	<u><u>\$1,703</u></u>	<u><u>\$1,048</u></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.

***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, 2000*

	<u>Beginning Balance July 1, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2000</u>
<i><b>Student Activities</b></i>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$31,626</u>	<u>\$59,872</u>	<u>\$66,413</u>	<u>\$25,085</u>
<b>Liabilities</b>				
Due to Students	<u>\$31,626</u>	<u>\$59,872</u>	<u>\$66,413</u>	<u>\$25,085</u>
 <i><b>Elementary</b></i>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$4,728</u>	<u>\$1,738</u>	<u>\$1,020</u>	<u>\$5,446</u>
<b>Liabilities</b>				
Undistributed Monies	<u>\$4,728</u>	<u>\$1,738</u>	<u>\$1,020</u>	<u>\$5,446</u>
 <i><b>Total - All Agency Funds</b></i>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	<u>\$36,354</u>	<u>\$61,610</u>	<u>\$67,433</u>	<u>\$30,531</u>
<b>Liabilities</b>				
Undistributed Monies	\$4,728	\$1,738	\$1,020	\$5,446
Due to Students	<u>31,626</u>	<u>59,872</u>	<u>66,413</u>	<u>25,085</u>
<i>Total Liabilities</i>	<u>\$36,354</u>	<u>\$61,610</u>	<u>\$67,433</u>	<u>\$30,531</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, 2000*

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>
Instruction	\$3,734,083	\$207,033	\$2,337,181	\$1,189,869	\$0
Support Services:					
Pupils	61,220	0	0	61,220	0
Instructional Staff	163,744	0	0	163,744	0
Administration	657,837	11,006	520,644	126,187	0
Fiscal	10,369	0	0	10,369	0
Operation and Maintenance of Plant	913,704	6,850	701,118	181,298	24,438
Pupil Transportation	811,378	0	0	6,304	805,074
Operation of Non-Instructional Services	9,084	0	0	9,084	0
Extracurricular Activities	138,262	80,147	29,847	28,268	0
Total General Fixed Assets	<u>\$6,499,681</u>	<u>\$305,036</u>	<u>\$3,588,790</u>	<u>\$1,776,343</u>	<u>\$829,512</u>

**Berkshire Local School District**  
*Schedule of Changes in General Fixed Assets*  
*By Function*  
*For the Fiscal Year Ended June 30, 2000*

Function	General Fixed Assets July 1, 1999	Additions	Deletions	General Fixed Assets June 30, 2000
Instruction	\$3,701,392	\$103,939	\$71,248	\$3,734,083
Support Services:				
Pupils	51,585	11,118	1,483	61,220
Instructional Staff	152,802	32,687	21,745	163,744
Administration	675,952	0	18,115	657,837
Fiscal	8,374	1,995	0	10,369
Operation and Maintenance of Plant	872,170	63,624	22,090	913,704
Pupil Transportation	944,600	117,038	250,260	811,378
Operation of Non-Instructional Services	9,084	0	0	9,084
Extracurricular Activities	130,331	7,931	0	138,262
Total General Fixed Assets	<u>\$6,546,290</u>	<u>\$338,332</u>	<u>\$384,941</u>	<u>\$6,499,681</u>

**Berkshire Local School District**  
*Schedule of General Fixed Assets*  
*By Source*  
*June 30, 2000*

**General Fixed Assets**

Land and Improvements	\$305,036
Buildings	3,588,790
Furniture and Equipment	1,776,343
Vehicles	<u>829,512</u>
<i>Total General Fixed Assets</i>	<u><u>\$6,499,681</u></u>

**Investments in General Fixed Assets From:**

General Fund	\$6,210,482
Special Revenue Funds	26,989
Capital Projects	<u>262,210</u>
<i>Total Investment in General Fixed Assets</i>	<u><u>\$6,499,681</u></u>

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

	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992	1991
Current:										
Instruction:										
Regular	\$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	\$2,759,958
Special	695,021	613,746	505,154	426,927	445,285	292,623	287,773	260,799	237,554	250,514
Vocational	48,245	49,109	43,371	57,166	55,752	53,545	53,849	46,907	52,610	48,818
Support Services										
Pupils	413,961	371,354	249,819	259,489	254,844	256,268	262,093	222,728	241,123	210,851
Instructional Staff	237,013	214,724	144,236	77,471	65,033	90,046	136,740	129,390	137,910	134,864
Board of Education	28,512	24,891	26,282	17,546	23,597	14,525	17,193	11,675	97,402	87,786
Administration	707,036	565,294	668,741	580,492	614,463	629,757	584,611	536,144	540,479	536,815
Fiscal	263,964	205,152	193,027	183,245	180,898	179,344	179,242	169,278	161,572	149,005
Business	19,987	16,674	9,648	10,944	10,868	0	0	0	0	0
Operation and Maintenance of Plant	986,513	896,663	793,691	683,078	600,205	609,033	733,613	645,086	662,370	622,347
Pupil Transportation	657,231	693,419	621,739	513,033	600,963	594,144	577,592	583,674	574,663	607,890
Operation of Non-Instructional Services	12,808	5,766	4,225	0	0	0	0	0	0	0
Extracurricular Activities	165,823	150,776	136,176	135,464	130,025	122,017	112,367	95,437	85,613	78,496
Debt Service	0	0	0	0	2,709	0	0	0	0	0
Other Financing Uses	3,181	0	0	0	0	10,000	613,000	15,000	52,248	122,845
<b>Total</b>	<b>\$8,108,866</b>	<b>\$7,445,821</b>	<b>\$6,695,824</b>	<b>\$6,593,663</b>	<b>\$6,117,727</b>	<b>\$6,115,047</b>	<b>\$6,774,677</b>	<b>\$5,716,497</b>	<b>\$5,696,536</b>	<b>\$5,610,189</b>

Source: School District Financial Records

(1) 1996 through 2000 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*

	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992	1991
Income Taxes (2)	\$1,072,636	\$990,880	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property and Other Local Taxes	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	2,712,654
Intergovernmental	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	2,415,536
Interest	206,786	157,793	135,300	128,036	100,380	66,251	35,891	40,136	72,329	110,493
Tuition and Fees	24,690	15,995	12,377	2,553	23,438	16,009	9,428	8,545	9,282	23,778
Extra-curricular Activities	43,173	38,000	47,744	65,910	50,139	12,760	12,560	7,893	6,817	10,088
Gifts and Donations	4,716	814	0	1,039	422	0	0	0	0	0
Charges for Services	7,685	8,856	2,770	21,200	26,925	0	0	0	0	0
Rentals	11,429	16,063	14,701	13,583	12,470	0	0	0	0	0
Miscellaneous	88,920	99,939	39,565	0	7,469	43,478	50,936	140,096	109,082	103,646
Other Financing Sources	2,142	1,171	1,216	307	65	30,580	717,820	144,144	67,645	56,992
<b>Total</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>	<b>\$5,433,187</b>

Source: School District Financial Records

(1) 1996 through 2000 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 Seven 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
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. 2000 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)	
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
1991	72,879,790	208,227,971	9,049,470	10,283,489	6,420,800	25,683,200	88,350,060	244,194,660	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 Included in Total Levy		
							School	County	Total
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
1991	54.20	1.50	14.80	0.00	10.35	80.85	1.90	0.55	2.45

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
2000	\$0	\$162,943,150	8,546	0.00%	\$0.00
1999	0	132,740,160	8,546	0.00	0.00
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
1991	451,843	88,350,060	8,546	0.51	52.87

Source:

- (1) School District Financial Records
- (2) Geauga County Auditor
- (3) U.S. Census of Population, 1990 Federal Census

**Berkshire Local School District**  
*Computation of Legal Debt Margin*  
*June 30, 2000*

Assessed Valuation	\$162,943,150
Debt Limit - 9% of Assessed Value (1)	\$14,664,884
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	(30,000)
Amount Available in Debt Service Fund	119,806
Amount of Debt Subject to the Limit	89,806
Overall Debt Margin	\$14,754,690
Debt Limit - .10% of Assessed Value (1)	\$162,943
Amount of Debt Applicable	0
Unvoted Debt Margin	\$162,943

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, 1999*

<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	1,780,000	8.55%	<u>152,208</u>
Total			<u><u>\$182,208</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 1999 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*

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (1)	Ratio of Debt Service to General Fund Expenditures (Percentage)
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
1991	90,000	49,813	139,813	5,610,189	2.49

Source: School District Financial Records

(1) Includes other financing uses.

(2) 1996 through 2000 on GAAP Basis.

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

Year	Geauga County Population (1)	Berkshire LSD Area Population (2)	School Enrollment (3)	Unemployment Rate (4)
2000	89,598	8,546	1,375	2.80%
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
1991	81,129	8,546	1,275	4.0

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



**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>
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
1991	5,610,189	1,275	4,400

Source: School District Financial Records.

(1) Includes Other Financing Uses

(2) 1996 through 2000 on GAAP Basis

**Berkshire Local School District**  
*Teacher Education and Experience*  
 June 30, 2000

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	18	7.03%
Bachelor + 15	3	8.20
Bachelor + 30	26	14.85
Master's Degree	22	20.70
Master's + 15	5	4.69
Master's + 30	13	1.95
Total	87	100.00%

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	27	23.44%
6 - 10	9	24.22
11 and Over	51	52.34
	87	100.00%

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  
DECEMBER 12, 2000**