



Dave Yost • Auditor of State

**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

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**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE30, 2018**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education</i>		
<i>Child Nutrition Cluster</i>		
School Breakfast Program	10.553	\$26,523
National School Lunch Program	10.555	106,637
National School Lunch Program- Non-Cash Assistance	10.555	21,499
Total- National School Lunch Program		<u>128,136</u>
Total U.S. Department of Agriculture/Child Nutrition Cluster		<u>154,659</u>
U.S. DEPARTMENT OF EDUCATION:		
<i>Passed Through Ohio Department of Education:</i>		
Title I Grant to Local Educational Agencies	84.010	39,586
		<u>240,440</u>
Total- Title I Grants to Local Educational Agencies		<u>280,026</u>
Special Education: Grants to States	84.027	280,946
Supporting Effective Instruction State Grant	84.367	43,000
Student Support and Academic Enrichment Program	84.424	6,140
Total U.S. Department of Education		<u>610,112</u>
Total Expenditures of Federal Awards		<u>\$764,771</u>

The accompanying notes are an integral part of this schedule.

**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Federal Awards Expenditures Schedule (the Schedule) includes the federal award activity of Berkshire Local School District, Geauga County, Ohio (the District) under programs of the federal government for the year ended June 30, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Berkshire Local School District, Geauga County, Ohio (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 22, 2018 wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State
Columbus, Ohio

October 22, 2018



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Berkshire Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Berkshire Local School District's major federal programs for the year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Berkshire Local School District, Geauga County, Ohio complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Report on the Federal Awards Expenditures Schedule Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Berkshire Local School District, Geauga County, Ohio (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated October 22, 2018. Our opinion also explained that the District adopted Governmental Accounting Standard No. 75 during the year. We conducted our audit to opine on the District's basic financial statements as a whole. The federal awards expenditures schedule presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

October 22, 2018

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**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	<ul style="list-style-type: none"> ➤ Title I Grants to Local Educational Agencies, CFDA 84.010; ➤ Supporting Effective Instruction State Grant, CFDA 84.367.
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2018

Berkshire Local School District
Burton, Ohio

Berkshire Local School District Burton, Ohio

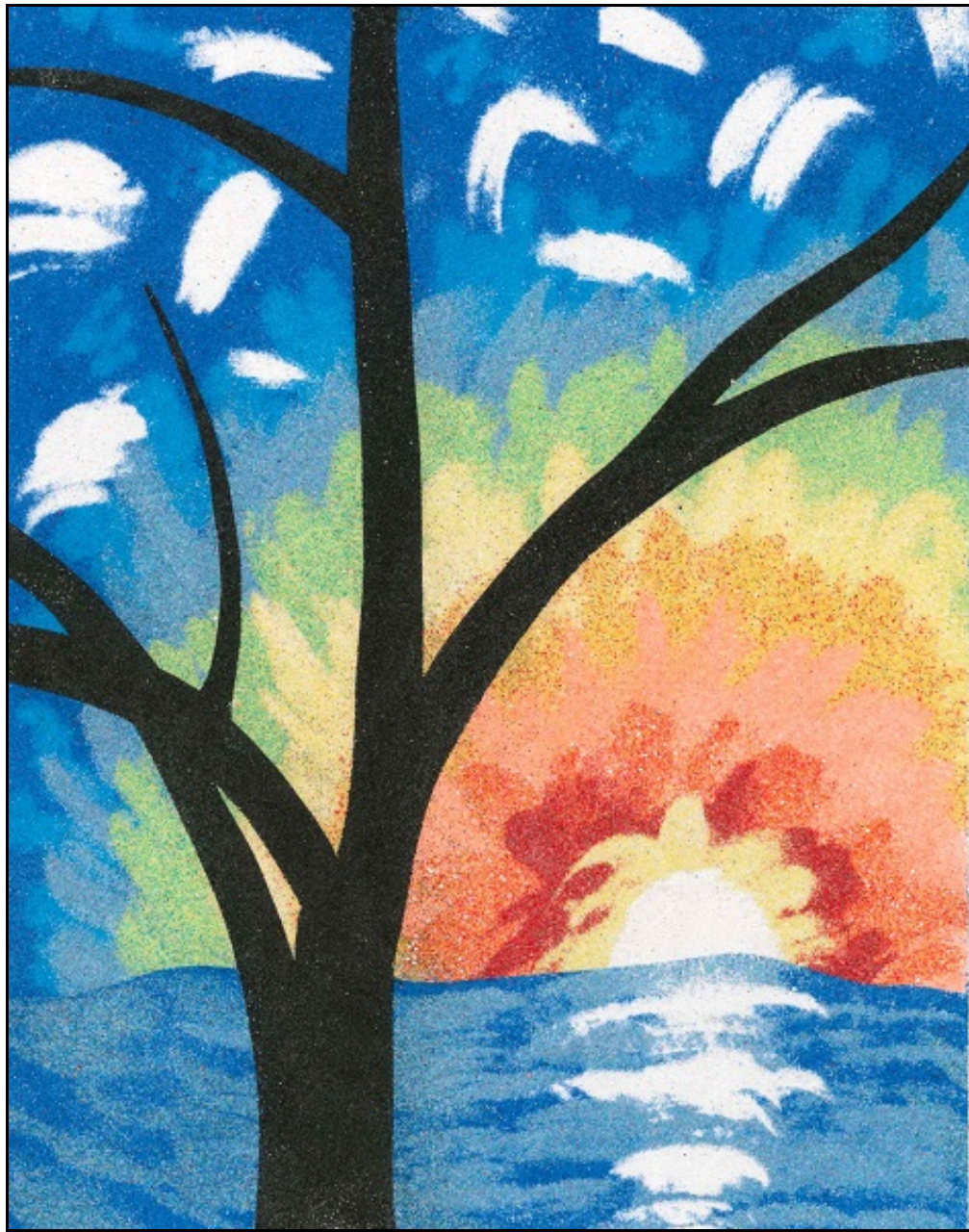
COMPREHENSIVE ANNUAL FINANCIAL REPORT



Hanna Fabian – 10th grade
Berkshire High School

For the Fiscal Year Ended June 30, 2018

*Prepared by Beth A. McCaffrey
Treasurer*



Katrina Ostrander-11th grade
Berkshire High School

Introductory Section

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Berkshire Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
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Berkshire Local School District

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

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

October 22, 2018

Board of Education Members
Berkshire Local School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Berkshire Local School District (the "School District") for the fiscal year ended June 30, 2018. This CAFR enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of the fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Under Ohio law, regular audits are required to be performed on all financial related operations of the School District. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For fiscal year 2018, the School District was audited by the Auditor of State's Office. Their unmodified opinion is included in the financial section of this CAFR.

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

The School District

The Berkshire Local School District is located in eastern Geauga County and encompasses seventy (70) square miles which includes Burton Village and the Townships of Burton, Claridon and Troy. The School District operates under a locally-elected Board form of government. This Board manages the School District's three instructional/support facilities staffed by 64.5 non-certificated employees, 91 certificated full time teaching personnel and 7 administrative employees to provide services to 1,235 students and other community members.

The School District was established in June 1967 and is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. Under these provisions, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at-large for staggered four year terms. Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code to provide services mandated by State and Federal agencies.

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

- Berkshire Junior Senior High School built in 1936, with additions in 1973 and 2002, houses 598 students from grades 7 through 12.
- Burton Elementary School built in 1959, with an addition in 1962, and modular addition in 2009, houses 442 students from grades kindergarten through 6.
- Ledgemont Elementary School built in 1981 houses 195 students from grades kindergarten through 6.

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

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

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

Economic Condition and Outlook

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

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

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

Burton is host to Century Village. This museum is open year round sharing a part of history with over twenty historically accurate buildings on sixty-five acres, 20,000 museum artifacts that depict a Western Reserve Village from 1798 to 1900 and a working farm with a sugar bush maintained for making maple

syrup. Many events and festivals are held bringing in thousands of visitors to the area each year including music festivals, Civil War reenactments and the Apple Butter Festival. The Great Geauga County Fair, the oldest fair in Ohio, is held Labor Day weekend and shares the country atmosphere with over 100,000 visitors each year. Many events are real crowd pleasers such as the rooster flying contest hosted by Dick Goddard, cow milking, the demolition derby, and the battle of the fire departments. Two large antique fairs are held on the fairgrounds every May and September, as are other events throughout the year bringing in many visitors to the area and adding to the local economy.

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

School District Local Funding

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

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

During fiscal year 2018, the School District maintained a restrictive budget and monitored costs to end the fiscal year with a conservative balance. The School District has continued to closely monitor expenditures as a result of declining revenue and anticipated revenue losses in the coming years. Various cost cutting measures including sharing transportation arrangements with other nearby districts when feasible. These efforts were made to attempt to keep ahead of the rising cost of utilities and fuel and building maintenance repairs. The School District is striving to maintain a quality education for its students within a tight budget.

Long-Term Planning

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

Relevant Financial Policies

It is the School District's responsibility to provide essential services for its citizens while managing and safeguarding public funds. Specific policies are key tools that help management make sound financial decisions. The Investment Policy and the Capital Asset Policy are two of these key management tools. An

investment policy is necessary for effective cash management and is essential to good fiscal management. This is particularly true as mounting costs and expanding programs have placed ever increasing pressures on the School District's revenues. Investment returns on funds not immediately required can help to reduce this pressure. Effective cash management of these funds requires an investment policy be well founded and uncompromisingly applied. The Treasurer manages the investment of the School District's funds by adhering to the Investment Policy that has been approved by the Board of Education. Any financial institution that holds School District funds must also agree to the requirements of this policy. This policy details the objectives and rules for the safekeeping of the School District's funds.

The main objective of the capital asset policy is to maintain and safeguard the School District's assets. The policy is implemented to help management control fixed and moveable property for more effective asset accountability and interdepartmental utilization, valuing of assets for insurance coverage (for proof of loss and replacement of assets), financial projections of depreciated assets for use in future capital expenditures and to determine the actual cost of a function of the School District, and asset accountability for increased security of vulnerable equipment.

Major Initiatives

Strategic Planning/Long-term Financial Goals

In May 2018, the School District approved a 3.65 mill bond levy to construct a Pre K through 12 school on Kent State Geauga's campus. The building will be built in conjunction with the Ohio Facilities Construction Commission (OFCC) with Berkshire contributing forty-five percent of building costs and the State of Ohio contributing fifty-five percent.

The School District expanded their open enrollment policy in 2012 to include students at the Kindergarten through sixth grade levels. For fiscal year 2018, an additional one hundred sixty-eight students open enrolled to the School District. The School District will continue the expanded open enrollment policy in the 2018/2019 school year.

No Child Left Behind Compliance

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

Federal Projects

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

Educational Programs and Facilities Improvements

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

During the 2018 school year, the School District's curriculum included a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and vocational programs. Advanced placement courses are offered at the high school in Biology, Calculus, Literature and Chemistry. The high

school offers over 180 courses on the main campus with over 50 additional vocational offerings at Auburn Career Center.

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

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Berkshire Local School District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

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

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

Respectfully submitted,



Beth A. McCaffrey
Treasurer



John Stoddard
Superintendent

Berkshire Local School District

Principal Officials

June 30, 2018

Board of Education

James BoydPresident
Robin Stanley Vice-President
John Manfredi Member
Barbara Raikes Member
Bryan Wadsworth..... Member

Treasurer

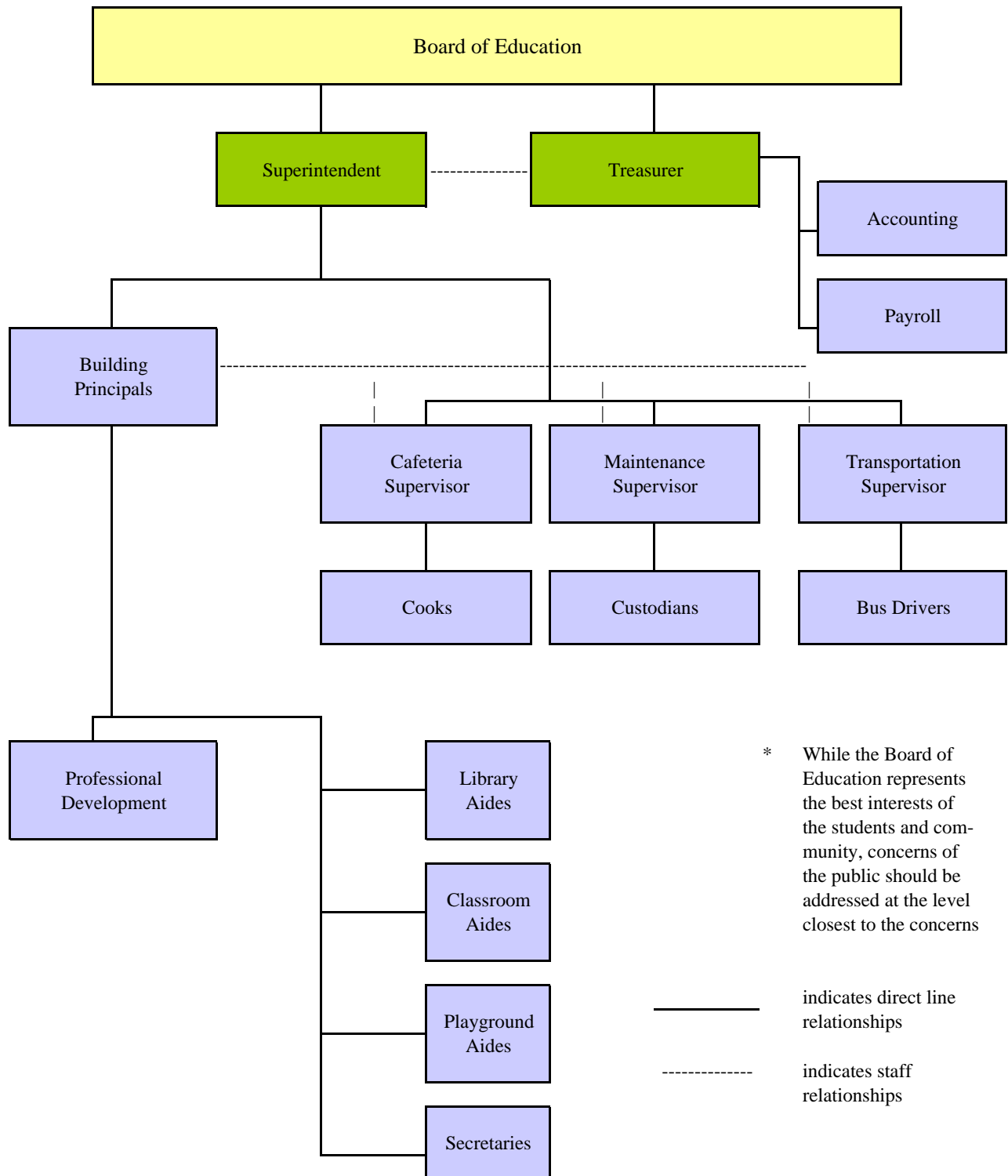
Mrs. Beth A. McCaffrey

Superintendent

Mr. John Stoddard

Berkshire Local School District

Organizational Chart





Government Finance Officers Association

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

Presented to

**Berkshire Local School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO



Elise Tiber-5th grade
Burton Elementary

Financial Section

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Berkshire Local School District, Geauga County, Ohio (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Berkshire Local School District, Geauga County, Ohio, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

October 22, 2018

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Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

The management's discussion and analysis of Berkshire Local School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key Financial Highlights for fiscal year 2018 are as follows:

- Total net position of governmental activities increased \$8,153,117 which represents a 52.74 percent increase from fiscal year 2017. The decrease in net pension liability contributed to this increase.
- Total revenues of \$19,088,048 were comprised of general revenues in the amount of \$16,059,695 or 84.13 percent and program specific revenues from charges for services, grants and contributions in the amount of \$3,028,353 or 15.87 percent.
- The School District leased four new buses in fiscal year 2018, through the general fund. The School District fully implemented its technology plan with every student having a Chromebook or iPad assigned for their use. District wide improvements included repairs to asphalt and roofs throughout the School District. These purchases were made through the permanent improvement levy.

Using the Basic Financial Statements

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

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Berkshire Local School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While these statements contain information about the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

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

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

Reporting the School District's Most Significant Funds

The analysis of the School District's major funds begins on page 13. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the permanent improvement capital projects fund.

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

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

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

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2018 compared to 2017:

Table 1
 Net Position
 Governmental Activities

	2018	2017	Change
Assets			
Current and Other Assets	\$14,724,993	\$13,039,897	\$1,685,096
Capital Assets	4,391,739	4,231,509	160,230
Total Assets	19,116,732	17,271,406	1,845,326
Deferred Outflows of Resources			
Pension	4,827,355	4,170,952	656,403
OPEB	164,887	31,482	133,405
Total Deferred Outflows of Resources	4,992,242	4,202,434	789,808
Liabilities			
Current and Other Liabilities	1,843,989	1,622,284	(221,705)
Long-term Liabilities:			
Due Within One Year	479,547	443,850	(35,697)
Due in More Than One year:			
Net Pension Liability	16,032,304	22,231,155	6,198,851
Net OPEB Liability	3,608,037	4,572,126	964,089
Other Amounts	1,232,951	1,126,678	(106,273)
Total Liabilities	23,196,828	29,996,093	6,799,265
Deferred Inflows of Resources			
Property Taxes	5,834,230	5,240,264	(593,966)
Pension	1,902,515	1,696,375	(206,140)
OPEB	481,176	0	(481,176)
Total Deferred Inflows of Resources	8,217,921	6,936,639	(1,281,282)
Net Position			
Net Investment in Capital Assets	3,807,745	3,723,349	84,396
Restricted	524,796	328,298	196,498
Unrestricted	(11,638,316)	(19,510,539)	7,872,223
Total Net Position	(\$7,305,775)	(\$15,458,892)	\$8,153,117

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
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The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the School District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from (\$10,918,248) to (\$15,458,892).

By comparing assets and liabilities, one can see the overall position of the School District has increased as evidenced by the increase in net position. Management continues to diligently plan expenses, staying carefully within the School District's revenues in an effort to maintain the durations between its levy requests. Current Assets increased due to both increases in available cash balances as well as an increase in property tax receivables due to the new levy the School District will start collecting during the second half of fiscal year 2019. The decrease in the net pension liability resulted from changes in assumptions and benefit terms.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2018 and 2017.

Table 2
 Changes in Net Position
 Governmental Activities

	2018	2017	Change
Revenues			
Program Revenues			
Charges for Services and Sales	\$1,654,964	\$1,483,242	\$171,722
Operating Grants and Contributions	1,373,389	1,051,494	321,895
Total Program Revenues	<u>3,028,353</u>	<u>2,534,736</u>	<u>493,617</u>
General Revenues			
Property Taxes	7,001,454	7,674,552	(673,098)
Income Taxes	2,937,699	2,984,250	(46,551)
Grants and Entitlements	6,065,494	6,318,925	(253,431)
Interest	30,407	11,681	18,726
Miscellaneous	24,641	27,067	(2,426)
Total General Revenues	<u>16,059,695</u>	<u>17,016,475</u>	<u>(956,780)</u>
Total Revenues	<u>\$19,088,048</u>	<u>\$19,551,211</u>	<u>(\$463,163)</u>

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Table 2
Changes in Net Position (continued)
Governmental Activities

	2018	2017	Change
Program Expenses			
Instruction:			
Regular	\$3,722,465	\$8,703,253	\$4,980,788
Special	1,515,813	2,078,373	562,560
Vocational	15,774	77,369	61,595
Student Intervention	118,139	198,011	79,872
Support Services:			
Pupil	825,590	1,001,316	175,726
Instructional Staff	286,129	326,916	40,787
Board of Education	189,277	138,441	(50,836)
Administration	675,288	1,235,711	560,423
Fiscal	386,853	485,976	99,123
Business	2,779	56	(2,723)
Operation and Maintenance of Plant	1,452,423	1,517,178	64,755
Pupil Transportation	1,108,515	1,419,591	311,076
Operation of Non-Instructional Services:			
Community Services	38,015	41,561	3,546
Food Service Operations	306,146	376,625	70,479
Extracurricular Activities	277,691	530,337	252,646
Interest and Fiscal Charges	14,034	10,871	(3,163)
Total Expenses	<u>10,934,931</u>	<u>18,141,585</u>	<u>7,206,654</u>
Increase (Decrease) in Net Position	8,153,117	1,409,626	6,743,491
Net Position Beginning of Year	<u>(15,458,892)</u>	N/A	
Net Position End of Year	<u><u>(\$7,305,775)</u></u>	<u><u>(\$15,458,892)</u></u>	<u><u>\$8,153,117</u></u>

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$31,482 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$572,878. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Total 2018 program expenses under GASB 75	\$10,934,931
Negative OPEB expense under GASB 75	572,878
2018 contractually required contribution	43,440
Adjusted 2018 program expenses	11,551,249
Total 2017 program expenses under GASB 45	18,141,585
Decrease in program expenses not related to OPEB	(\$6,590,336)

The largest component of the decrease in program expenses results from changes in assumptions and benefit terms related to pensions. STRS adopted certain assumption changes, including a reduction in their discount rate, and also voted to suspend cost of living adjustments (COLA). SERS decreased their COLA assumption. (See Note 16) As a result of these changes, pension expense decreased from \$1,406,495 in fiscal year 2017 to a negative pension expense of \$5,521,388 for fiscal year 2018. The allocation of the fiscal year 2018 negative pension expense to program expenses is as follows:

Program Expenses	<u>2018 Program Expenses Related to Negative Pension Expense</u>
Instruction:	
Regular	(\$3,644,949)
Special	(402,948)
Vocational	(45,286)
Student Intervention	(49,201)
Support Services:	
Pupil	(229,674)
Instructional Staff	(107,032)
Board of Education	0
Administration	(559,027)
Fiscal	(42,144)
Business	0
Operation and	
Maintenance of Plant	(102,187)
Pupil Transportation	(118,744)
Operation of	
Non-Instructional Services:	
Community Services	0
Food Service Operations	(35,582)
Extracurricular Activities	(184,614)
Interest and Fiscal Charges	0
Total Expenses	(\$5,521,388)

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service.

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

Overall revenues decreased during fiscal year 2018 due to decreases in property tax collections due to timing of annual collections and decreases to Grants and Entitlements.

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

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

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Table 3
 Total and Net Cost of Program Services
 Governmental Activities

	2018		2017	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction:				
Regular	\$3,722,465	(\$1,700,444)	\$8,703,253	(\$7,064,420)
Special	1,515,813	(1,030,610)	2,078,373	(1,665,612)
Vocational	15,774	(10,605)	77,369	(72,358)
Student Intervention	118,139	(118,139)	198,011	(198,011)
Support Services:				
Pupil	825,590	(822,435)	1,001,316	(997,166)
Instructional Staff	286,129	(190,125)	326,916	(299,455)
Board of Education	189,277	(189,277)	138,441	(138,441)
Administration	675,288	(669,888)	1,235,711	(1,230,311)
Fiscal	386,853	(386,853)	485,976	(485,976)
Business	2,779	(2,779)	56	(56)
Operation and Maintenance of Plant	1,452,423	(1,449,341)	1,517,178	(1,517,178)
Pupil Transportation	1,108,515	(1,025,619)	1,419,591	(1,333,962)
Operation of Community Services	38,015	(18,979)	41,561	(28,298)
Operation of Food Services	306,146	(64,240)	376,625	(101,944)
Extracurricular Activities	277,691	(213,210)	530,337	(462,790)
Interest and Fiscal Charges	14,034	(14,034)	10,871	(10,871)
Total	\$10,934,931	(\$7,906,578)	\$18,141,585	(\$15,606,849)

The School District's Funds

Information regarding the School District's major funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$19,016,508 and expenditures of \$18,049,766. The general fund increase in fund balance was less than the prior year increase due to decreases in property tax collections as well as an increase in transfers to other funds. The permanent improvement fund balance decreased due to increases in operation and maintenance costs. The School District has developed a five-year plan of improvements and continues to stay within revenue projections. As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, property and income taxes from the communities that comprise the School District are the largest revenue source, accounting for 52 percent of total governmental revenue.

General Fund Budgeting Highlights

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

During the course of fiscal year 2018, the School District amended its general fund budget several times. The School District uses a site-based budgeting system designed to tightly control total site budgets, but provide flexibility for site management.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

The School District ended the fiscal year \$22,456 higher than budgeted ending fund balance. This is due in large part to the School District's continued commitment to provide a quality education while still controlling the costs of a quality education.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2018 balances compared to 2017:

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

	2018	2017
Land	\$110,281	\$110,281
Land Improvements	44,334	59,222
Building and Improvements	2,783,372	2,778,386
Furniture, Fixtures and Equipment	345,305	380,708
Vehicles	1,108,447	902,912
<i>Total Capital Assets</i>	\$4,391,739	\$4,231,509

The School District leased four new buses. This increase was offset by the annual depreciation. Ohio law requires school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2018, this amounted to \$221,452. See Note 13 to the basic financial statements for additional information on the School District's capital assets and Note 23 for additional information regarding required set-asides.

Debt

The School District had no bonded debt in fiscal year 2018. The School District initiated capital leases in the amount of \$342,928 during the fiscal year. The outstanding capital lease balance as of the end of fiscal year 2018 was \$583,994. See Note 19 to the basic financial statements for additional information regarding long-term obligations.

School District Outlook

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

Management must continue to diligently plan expenses, staying carefully within the School District's financial forecast. Additional revenues must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the life of the levies.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

In December 2016, the Governor signed House Bill 148, as part of House Bill 438, which presents some unique opportunities to the School District. The bill provides classroom facilities assistance to certain school districts resulting from consolidation or merger. Because Berkshire underwent a territory transfer from Ledgemont Local Schools in 2015, we qualify for this facility assistance. The Bill provides for up to fifty-five percent funding towards the construction of school facilities. This funding can be used for renovation and new construction. The formula offers schools up to a twenty-five percent reduction due to consolidation and up to ten percent reduction if the school constructs a building on land owned by a state institution. As a result of this formula, The School District's local share of costs will be forty-five percent. In May of 2018, the School District approved a 3.65 mill bond levy to construct a new Pre-K through 12 building. The building will be constructed on vacant property owned by Kent State University Geauga in cooperation with the Ohio Schools Construction Commission. Kent State Geauga will enter into a ninety-nine year lease with the School District during fiscal year 2019.

The School District has committed itself to financial and educational excellence for many years to come. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 2000. Due to budget constraints during fiscal year 2009, the School District decided to forgo publishing a Comprehensive Annual Financial Report (CAFR) for one year and only publish the required Basic Financial Statements. The School District received the GFOA award for its report for fiscal year 2017 and has submitted this report to GFOA for consideration.

In conclusion, the Berkshire Local School District is in a period posing both significant challenges and opportunities. Management is committed to working with all stakeholders to craft solutions that will most effectively use the available resources to continue to provide an excellent education to the students of the School District.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Beth A. McCaffrey, in the Treasurer's Office, at Berkshire Local School District, 14259 Claridon Troy Road, P.O. Box 364, Burton, Ohio 44021. beth.mccaffrey@berkshireschools.org

Berkshire Local School District

Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$4,919,344
Restricted Cash and Cash Equivalents	39,468
Accounts Receivable	33,949
Intergovernmental Receivable	133,510
Prepaid Items	21,067
Inventory Held for Resale	3,668
Materials and Supplies Inventory	1,604
Income Taxes Receivable	1,513,494
Property Taxes Receivable	8,058,889
Nondepreciable Capital Assets	110,281
Depreciable Capital Assets, Net	<u>4,281,458</u>
<i>Total Assets</i>	<u>19,116,732</u>
Deferred Outflows of Resources	
Pension	4,827,355
OPEB	<u>164,887</u>
<i>Total Deferred Inflows of Resources</i>	<u>4,992,242</u>
Liabilities	
Accounts Payable	383,269
Accrued Wages and Benefits	1,117,326
Intergovernmental Payable	290,496
Matured Compensated Absences Payable	3,656
Claims Payable	49,242
Long-Term Liabilities:	
Due Within One Year	479,547
Due In More Than One Year:	
Net Pension Liability (See Note 16)	16,032,304
Net OPEB Liability (See Note 17)	3,608,037
Other Amounts	<u>1,232,951</u>
<i>Total Liabilities</i>	<u>23,196,828</u>
Deferred Inflows of Resources	
Property Taxes	5,834,230
Pension	1,902,515
OPEB	<u>481,176</u>
<i>Total Deferred Inflows of Resources</i>	<u>8,217,921</u>
Net Position	
Net Investment in Capital Assets	3,807,745
Restricted for:	
Capital Projects	156,056
Set Asides	39,468
Other Purposes	329,272
Unrestricted (Deficit)	<u>(11,638,316)</u>
<i>Total Net Position</i>	<u>(\$7,305,775)</u>

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2018

	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
			Governmental Activities	
Governmental Activities				
Instruction:				
Regular	\$3,722,465	\$1,440,310	\$581,711	(\$1,700,444)
Special	1,515,813	0	485,203	(1,030,610)
Vocational	15,774	0	5,169	(10,605)
Student Intervention	118,139	0	0	(118,139)
Support Services:				
Pupil	825,590	0	3,155	(822,435)
Instructional Staff	286,129	26,071	69,933	(190,125)
Board of Education	189,277	0	0	(189,277)
Administration	675,288	0	5,400	(669,888)
Fiscal	386,853	0	0	(386,853)
Business	2,779	0	0	(2,779)
Operation and Maintenance of Plant	1,452,423	0	3,082	(1,449,341)
Pupil Transportation	1,108,515	0	82,896	(1,025,619)
Operation of Community Services	38,015	19,036	0	(18,979)
Operation of Food Services	306,146	108,746	133,160	(64,240)
Extracurricular Activities	277,691	60,801	3,680	(213,210)
Interest and Fiscal Charges	14,034	0	0	(14,034)
Totals	\$10,934,931	\$1,654,964	\$1,373,389	(7,906,578)
General Revenues				
Property Taxes Levied for:				
				6,653,880
				347,574
				2,937,699
Grants and Entitlements not Restricted to				
				6,065,494
				30,407
				24,641
				<u>16,059,695</u>
				8,153,117
				<u>(15,458,892)</u>
				<u>(\$7,305,775)</u>

See accompanying notes to the basic financial statements

Berkshire Local School District

Balance Sheet

Governmental Funds

June 30, 2018

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$4,492,154	\$102,041	\$294,831	\$4,889,026
Restricted Assets:				
Equity in Pooled Cash and				
Cash Equivalents	49,451	0	0	49,451
Accounts Receivable	33,949	0	0	33,949
Interfund Receivable	16,005	0	0	16,005
Intergovernmental Receivable	37,379	0	96,131	133,510
Prepaid Items	20,742	0	325	21,067
Inventory Held for Resale	0	0	3,668	3,668
Materials and Supplies Inventory	0	0	1,604	1,604
Income Taxes Receivable	1,513,494	0	0	1,513,494
Property Taxes Receivable	7,147,664	372,770	538,455	8,058,889
<i>Total Assets</i>	<u>\$13,310,838</u>	<u>\$474,811</u>	<u>\$935,014</u>	<u>\$14,720,663</u>
Liabilities				
Accounts Payable	\$310,908	\$55,200	\$17,161	\$383,269
Accrued Wages and Benefits	1,063,651	0	53,675	1,117,326
Interfund Payable	0	0	16,005	16,005
Intergovernmental Payable	284,764	0	5,732	290,496
Matured Compensated Absences Payable	1,850	0	1,806	3,656
<i>Total Liabilities</i>	<u>1,661,173</u>	<u>55,200</u>	<u>94,379</u>	<u>1,810,752</u>
Deferred Inflows of Resources				
Property Taxes	5,032,220	263,555	538,455	5,834,230
Unavailable Revenue	1,187,217	41,415	0	1,228,632
<i>Total Deferred Inflows of Resources</i>	<u>6,219,437</u>	<u>304,970</u>	<u>538,455</u>	<u>7,062,862</u>
Fund Balance				
Nonspendable	30,725	0	1,929	32,654
Restricted	39,468	114,641	319,289	473,398
Committed	252,601	0	0	252,601
Assigned	778,860	0	0	778,860
Unassigned	4,328,574	0	(19,038)	4,309,536
<i>Total Fund Balances</i>	<u>5,430,228</u>	<u>114,641</u>	<u>302,180</u>	<u>5,847,049</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$13,310,838</u>	<u>\$474,811</u>	<u>\$935,014</u>	<u>\$14,720,663</u>

See accompanying notes to the basic financial statements

Berkshire Local School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2018*

Total Governmental Fund Balances	\$5,847,049
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,391,739
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.	
Property Taxes	850,259
Income Taxes	<u>378,373</u>
Total	1,228,632
The net pension liability and net OPEB liability are not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	4,827,355
Deferred Inflows - Pension	(1,902,515)
Net Pension Liability	(16,032,304)
Deferred Outflows - OPEB	164,887
Deferred Inflows - OPEB	(481,176)
Net OPEB Liability	<u>(3,608,037)</u>
Total	(17,031,790)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	(28,907)
Long-term liabilities payable, such as compensated absences and capital leases, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,712,498)</u>
<i>Net Position of Governmental Activities</i>	<u><u>(\$7,305,775)</u></u>

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Income Taxes	\$2,945,799	\$0	\$0	\$2,945,799
Property Taxes	6,577,893	343,921	0	6,921,814
Intergovernmental	6,314,137	43,679	773,083	7,130,899
Interest	30,407	0	0	30,407
Tuition and Fees	1,438,138	0	26,071	1,464,209
Extracurricular Activities	6,783	0	54,018	60,801
Contributions and Donations	44,926	0	263,058	307,984
Charges for Services	0	0	127,782	127,782
Rentals	2,172	0	0	2,172
Miscellaneous	24,641	0	0	24,641
<i>Total Revenues</i>	<u>17,384,896</u>	<u>387,600</u>	<u>1,244,012</u>	<u>19,016,508</u>
Expenditures				
Current:				
Instruction:				
Regular	7,746,927	47,691	292,528	8,087,146
Special	1,688,556	0	282,101	1,970,657
Vocational	70,890	0	0	70,890
Student Intervention	181,607	0	0	181,607
Support Services:				
Pupil	1,075,923	0	12,378	1,088,301
Instructional Staff	373,012	0	51,092	424,104
Board of Education	189,277	0	0	189,277
Administration	1,336,470	0	5,400	1,341,870
Fiscal	437,957	5,876	0	443,833
Business	2,779	0	0	2,779
Operation and Maintenance of Plant	1,211,357	352,833	0	1,564,190
Pupil Transportation	1,174,976	0	728	1,175,704
Operation of Community Services	0	0	38,015	38,015
Operation of Food Services	0	0	331,936	331,936
Extracurricular Activities	405,973	0	99,774	505,747
Capital Outlay	349,645	0	2,937	352,582
Debt Service:				
Principal Retirement	235,016	32,078	0	267,094
Interest and Fiscal Charges	10,292	3,742	0	14,034
<i>Total Expenditures</i>	<u>16,490,657</u>	<u>442,220</u>	<u>1,116,889</u>	<u>18,049,766</u>
<i>Excess of Revenues Over (Under)</i> <i>Expenditures</i>	<u>894,239</u>	<u>(54,620)</u>	<u>127,123</u>	<u>966,742</u>
Other Financing Sources (Uses)				
Inception of Capital Lease	342,928	0	0	342,928
Transfers In	0	0	95,000	95,000
Transfers Out	(620,000)	0	0	(620,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(277,072)</u>	<u>0</u>	<u>95,000</u>	<u>(182,072)</u>
<i>Net Change in Fund Balances</i>	617,167	(54,620)	222,123	784,670
<i>Fund Balances Beginning of Year</i>	<u>4,813,061</u>	<u>169,261</u>	<u>80,057</u>	<u>5,062,379</u>
<i>Fund Balances End of Year</i>	<u>\$5,430,228</u>	<u>\$114,641</u>	<u>\$302,180</u>	<u>\$5,847,049</u>

See accompanying notes to the basic financial statements

Berkshire Local School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2018*

Net Change in Fund Balances - Total Governmental Funds \$784,670

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

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

Capital Outlay	467,574
Depreciation	<u>(307,344)</u>

Total	160,230
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	79,640
Income Taxes	<u>(8,100)</u>

Total	71,540
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows

Pension	1,127,726
OPEB	43,440

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

Pension	5,521,388
OPEB	572,878

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

(342,928)

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

267,094

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(66,136)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

13,215

Change in Net Position of Governmental Activities

\$8,153,117

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Income Taxes	\$2,977,178	\$2,970,097	\$2,970,097	\$0
Property Taxes	6,364,049	6,590,093	6,590,093	0
Intergovernmental	6,316,966	6,300,093	6,307,281	7,188
Interest	11,000	23,000	30,407	7,407
Tuition and Fees	850,000	1,387,192	1,387,192	0
Extracurricular Activities	0	0	1,671	1,671
Contributions and Donations	296,736	3,155	3,155	0
Rentals	0	2,172	2,172	0
Miscellaneous	0	24,907	24,641	(266)
<i>Total Revenues</i>	<u>16,815,929</u>	<u>17,300,709</u>	<u>17,316,709</u>	<u>16,000</u>
Expenditures				
Current:				
Instruction:				
Regular	8,017,613	7,608,717	7,607,951	766
Special	2,030,242	1,734,696	1,734,338	358
Vocational	71,149	71,313	71,304	9
Student Intervention	143,522	186,921	186,921	0
Support Services:				
Pupil	949,119	1,063,214	1,062,560	654
Instructional Staff	532,731	399,144	399,043	101
Board of Education	138,932	196,087	194,965	1,122
Administration	1,362,176	1,336,205	1,334,455	1,750
Fiscal	483,160	443,830	443,343	487
Business	1,500	1,671	1,671	0
Operation and Maintenance of Plant	1,175,976	1,233,462	1,233,121	341
Pupil Transportation	1,314,094	1,416,387	1,415,520	867
Extracurricular Activities	383,522	371,042	371,041	1
Capital Outlay	149,663	156,380	156,380	0
<i>Total Expenditures</i>	<u>16,753,399</u>	<u>16,219,069</u>	<u>16,212,613</u>	<u>6,456</u>
<i>Excess of Revenues Over Expenditures</i>	<u>62,530</u>	<u>1,081,640</u>	<u>1,104,096</u>	<u>22,456</u>
Other Financing Uses				
Advances Out	0	(597)	(597)	0
Transfers Out	(774,467)	(715,582)	(715,582)	0
<i>Total Other Financing Uses</i>	<u>(774,467)</u>	<u>(716,179)</u>	<u>(716,179)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(711,937)</u>	<u>365,461</u>	<u>387,917</u>	<u>22,456</u>
<i>Fund Balance Beginning of Year</i>	<u>3,124,469</u>	<u>3,124,469</u>	<u>3,124,469</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>314,970</u>	<u>314,970</u>	<u>314,970</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,727,502</u></u>	<u><u>\$3,804,900</u></u>	<u><u>\$3,827,356</u></u>	<u><u>\$22,456</u></u>

See accompanying notes to the basic financial statements

Berkshire Local School District

Statement of Fund Net Position

Internal Service Fund

June 30, 2018

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$20,335
Liabilities	
Claims Payable	<u>49,242</u>
Net Position	
Unrestricted (Deficit)	<u><u>(\$28,907)</u></u>

See accompanying notes to the basic financial statements

Berkshire Local School District
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2018*

	Insurance
Operating Revenues	
Charges for Services	\$122,782
Operating Expenses	
Purchased Services	1,000
Claims	633,567
<i>Total Operating Expenses</i>	634,567
<i>Loss Before Transfers</i>	(511,785)
Transfers In	525,000
<i>Change in Net Position</i>	13,215
<i>Net Position, (Deficit) Beginning of Year</i>	(42,122)
<i>Net Position (Deficit), End of Year</i>	(\$28,907)

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2018

	Insurance
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$122,782
Cash Payments for Goods and Services	(1,000)
Cash Payments for Claims	(631,249)
<i>Net Cash Used for Operating Activities</i>	(509,467)
Cash Flows from Noncapital Financing Activities	
Transfers In	525,000
<i>Net Increase in Cash and Cash Equivalents</i>	15,533
<i>Cash and Cash Equivalents, Beginning of Year</i>	4,802
<i>Cash and Cash Equivalents, End of Year</i>	\$20,335
 Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(\$511,785)
Adjustments:	
Decrease in Claims Payable	2,318
<i>Net Cash Used for Operating Activities</i>	(\$509,467)

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private Purpose Trust	
	Scholarships	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$41,030	\$59,840
Liabilities		
Due to Students	0	\$52,947
Undistributed Monies	0	6,893
<i>Total Liabilities</i>	0	\$59,840
Net Position		
Held in Trust for Scholarships	41,030	
<i>Total Net Position</i>	\$41,030	

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
June 30, 2018

	Private Purpose Trust
	<u>Scholarships</u>
Additions	
Gifts and Contributions	\$3,479
Deductions	
Payments in Accordance with Trust Agreements	<u>8,900</u>
<i>Change in Net Position</i>	(5,421)
Net Position Beginning of Year	<u>46,451</u>
Net Position End of Year	<u><u>\$41,030</u></u>

See accompanying notes to the basic financial statements

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1 - Description of the School District and Reporting Entity

Berkshire Local School District (the “School District”) operates under a locally elected Board form of government and provides educational services as authorized by state and/or federal agencies. This Board controls the School District’s four instructional/support facilities staffed by 64.5 non-certified employees, 91 certified full time teaching personnel and 7 administrative employees to provide services to 1,235 students and other community members.

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

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

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Berkshire Local School District, this includes the agencies and departments that provide the following services: general operations, food service and student related activities of the School District.

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

The School District is associated with three jointly governed organizations, one related organization and one insurance purchasing pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Ohio Schools Council Association, the Burton Public Library and the Ohio Association of School Business Officials Workers’ Compensation Group Rating Program. These organizations are presented in Notes 20, 21 and 22 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District’s accounting policies are described below.

Berkshire Local School District
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A. Basis of Presentation

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

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

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

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

B. Fund Accounting

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

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

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

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

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

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

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

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

C. Measurement Focus

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

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

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and statements for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

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

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 16 and 17.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and income taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities fund on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 16 and 17)

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2018, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the fiscal year 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2018 amounted to \$30,407 which includes \$2,444 assigned from other funds.

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

F. Restricted Assets

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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H. Inventory

Materials and supplies inventory is presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption. Inventory held for resale is presented at lower of cost or market and consists of donated and purchased food held for resale.

I. Capital Assets

The School District's only capital assets are general capital assets. General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by back-trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The capitalization threshold is two thousand five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land Improvements	20 years
Buildings and Improvements	21 - 50 years
Furniture and Fixtures	5 - 25 years
Vehicles	8 - 15 years

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

The entire compensated absence liability is reported on the government-wide financial statements.

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On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the fund(s) from which the employees who have resigned or retired will be paid.

K. Pensions/Other Postemployment Benefits (OPEB)

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

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

M. Internal Activity

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

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

N. Fund Balance

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

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

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

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by State statute. The Board of Education has assigned fund balance for uniform school supplies, rotary, public school support, the school improvement model and to cover a gap between estimated revenue and appropriations in fiscal year 2019's budget.

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

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

O. Net Position

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

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

P. Operating Revenues and Expenses

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

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Q. Estimates

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

R. Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds. The Treasurer has been given authority to allocate board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statement reflect the amounts in the certificate when the original and final appropriations were passed by the Board of Education.

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

Note 3 – Change in Accounting Principle

For fiscal year 2018, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

For fiscal year 2018, the School District also implemented the Governmental Accounting Standards Board's (GASB) *Implementation Guide No. 2017-1*. These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2017:

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Net Position June 30, 2017	(\$10,918,248)
Adjustments:	
Net OPEB Liability	(4,572,126)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>31,482</u>
Restated Net Position July 1, 2017	<u><u>(\$15,458,892)</u></u>

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 4 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
4. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).
5. Budgetary revenues and expenditures of the uniform school supplies fund, special rotary, public school support, school improvement model, unclaimed funds and termination benefit funds are reclassified to the general fund for GAAP reporting.

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

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Net Change in Fund Balance

GAAP Basis	\$617,167
Net Adjustment for Revenue Accruals	(509,418)
Net Adjustment for Expenditure Accruals	639,676
Perspective Difference:	
Uniform School Supplies	855
Special Rotary	(2,265)
Public School Support	1,632
Termination Benefit	20,137
Advances Out	597
Encumbrances	<u>(380,464)</u>
Budget Basis	<u><u>\$387,917</u></u>

Note 5 - Deposits and Investments

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

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

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

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

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, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2018, \$1,999,680 of the School District's total bank balance of \$5,059,606 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of June 30, 2018, the School District's only investment was in STAR Ohio which is measured at net asset value per share. This investment has an average maturity of 48.9 days.

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For the Fiscal Year Ended June 30, 2018

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

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

Note 6 - Property Taxes

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

Property taxes include amounts levied against all real property and public utility property located in the School District. Real property tax revenues received in calendar year 2018 represents collections of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed value listed as of January 1, 2017, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2018 represents collections of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 become a lien December 31, 2016, were levied after April 1, 2017 and are collected in 2018 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Geauga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2018 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2018 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2018 was \$1,306,600 in the general fund and \$67,800 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2017, was \$1,318,800 in the general fund and \$68,000 in the permanent improvement capital projects fund. The difference was in the timing and collection by the County Auditor.

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

Berkshire Local School District
Notes to the Basic Financial Statements
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The assessed values upon which the fiscal year 2018 taxes were collected are:

	2017 Second		2018 First	
	Half Collections		Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$330,602,850	96.45 %	\$326,534,950	96.12 %
Public Utility Personal	12,627,620	3.55	13,172,320	3.88
Total	\$343,230,470	100.00 %	\$339,707,270	100.00 %
Full tax rate per \$1,000 of assessed valuation	\$52.30		\$52.30	

Note 7 – Tax Abatements

Pursuant to Ohio Revised Code Chapter 5709, Geauga County established a community reinvestment area (CRA) during 2016 to provide property tax abatements to encourage employment growth in the County. The School District’s property taxes will be reduced under this agreement; however, there was no deduction in the School District’s property taxes during 2018 related to this abatement due to the timing of the construction. Beginning in February 2019, the taxpayer will make payment in lieu of taxes payments (PILOT) to the School District, in the amount of 50 percent of the real estate taxes due each year. These payments will continue for the term of the CRA.

Note 8 - Accountability

At June 30, 2018, the insurance internal service fund had a deficit fund balance of \$28,907 and the food service special revenue fund had a deficit fund balance of \$17,109. Management is currently analyzing the insurance fund’s operations to determine appropriate steps to alleviate the deficit. The deficit in the special revenue fund resulted from adjustments for accrued liabilities and will be eliminated once the obligations are paid in full. The general fund is liable for any deficit in these funds and provides transfers when cash is required, rather than when accruals occur.

Note 9 - Receivables

Receivables at June 30, 2018, consisted of taxes, accounts (rent, student fees and tuition) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. At June 30, 2018, the General fund and the Title I, Title IIA, Straight A and Title IV special revenue funds had intergovernmental receivables of \$37,379, \$59,265, \$31,228, \$538 and \$5,100, respectively.

Note 10 - Income Tax

The School District levies a voted tax of 1 percent for general operations on the earned income of residents and of estates. The tax was effective on January 1, 2008, and is a continuing tax. Employers of residents are

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

Note 11 – Fund Balances

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

Fund Balances	General	Permanent Improvement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Inventory	\$0	\$0	\$1,604	\$1,604
Prepaid Items	20,742	0	325	21,067
Unclaimed Funds	9,983	0	0	9,983
<i>Total Nonspendable</i>	<u>30,725</u>	<u>0</u>	<u>1,929</u>	<u>32,654</u>
<i>Restricted for</i>				
Capital Projects	0	114,641	0	114,641
Set Asides - Construction and Renovation	39,468	0	0	39,468
Other Purposes				
Other Grants	0	0	239,044	239,044
Athletic and Music	0	0	4,216	4,216
Title I	0	0	24,414	24,414
Title IIA	0	0	13,573	13,573
Latchkey	0	0	7,139	7,139
Device Protection	0	0	25,356	25,356
Educational Foundation	0	0	145	145
Leighton	0	0	2,779	2,779
Title IV	0	0	2,623	2,623
<i>Total Restricted</i>	<u>39,468</u>	<u>114,641</u>	<u>319,289</u>	<u>473,398</u>
<i>Committed to</i>				
Employee Retirements	252,601	0	0	252,601
<i>Assigned to</i>				
Uniform School Supplies	53,856	0	0	53,856
Rotary - assigned to community services	1,780	0	0	1,780
Public School Support	32,545	0	0	32,545
School Improvement Model	25	0	0	25
FY 2019 Operations	690,654	0	0	690,654
<i>Total Assigned</i>	<u>778,860</u>	<u>0</u>	<u>0</u>	<u>778,860</u>
<i>Unassigned (Deficit)</i>	<u>4,328,574</u>	<u>0</u>	<u>(19,038)</u>	<u>4,309,536</u>
<i>Total Fund Balances</i>	<u><u>\$5,430,228</u></u>	<u><u>\$114,641</u></u>	<u><u>\$302,180</u></u>	<u><u>\$5,847,049</u></u>

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 12 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2018.

B. School Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by the schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statement impact is not determinable, at this time. Management believes this may result in either a receivable to or a liability of the School District.

C. Litigation

The School District is not party to legal proceedings.

Note 13 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Nondepreciable Capital Assets				
Land	\$110,281	\$0	\$0	\$110,281
Depreciable Capital Assets				
Land Improvements	778,532	0	0	778,532
Buildings and Improvements	8,573,958	117,810	0	8,691,768
Furniture and Fixtures	1,577,777	6,836	0	1,584,613
Vehicles	1,765,949	342,928	0	2,108,877
<i>Total at Historical Cost</i>	<u>12,696,216</u>	<u>467,574</u>	<u>0</u>	<u>13,163,790</u>
Less: Accumulated Depreciation				
Land Improvements	(719,310)	(14,888)	0	(734,198)
Buildings and Improvements	(5,795,572)	(112,824)	0	(5,908,396)
Furniture and Fixtures	(1,197,069)	(42,239)	0	(1,239,308)
Vehicles	(863,037)	(137,393)	0	(1,000,430)
<i>Total Accumulated Depreciation</i>	<u>(8,574,988)</u>	<u>(307,344) *</u>	<u>0</u>	<u>(8,882,332)</u>
<i>Depreciable Capital Assets, Net of Accumulated Depreciation</i>	<u>4,121,228</u>	<u>160,230</u>	<u>0</u>	<u>4,281,458</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$4,231,509</u>	<u>\$160,230</u>	<u>\$0</u>	<u>\$4,391,739</u>

Berkshire Local School District
Notes to the Basic Financial Statements
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* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$120,867
Special	1,027
Support Services:	
Pupil	11
Administration	7,342
Fiscal	111
Operation and Maintenance of Plant	20,329
Pupil Transportation	146,722
Operation of Food Services	843
Extracurricular Activities	10,092
Total Depreciation Expense	\$307,344

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 2018, the School District participated in the Ohio Schools Council insurance program which contracted with Ohio Casualty. Ohio Casualty acts as the carrier and the coverage provided is as follows:

Type of Coverage	Amount
Building and Contents - replacement cost	\$37,817,462
Crime Insurance	50,000
Forgery or Alteration	75,000
Automobile Liability	6,000,000
Uninsured Motorists	1,000,000
General Liability	
Per Occurrence	n/a
Total per year	8,000,000
Commercial Umbrella	8,000,000

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

B. Workers' Compensation

For fiscal year 2018, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 22). 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

Berkshire Local School District
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For the Fiscal Year Ended June 30, 2018

the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService provides administrative, cost control and actuarial services to the GRP.

C. Other Employee Benefits

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

The claims liability of \$49,242 reported in the internal service fund at June 30, 2018 is based on an estimate by the third party administrator and on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Management's expectation is the claims liabilities will be paid within one year. Changes in the fund's claims liability amount for 2017 and 2018 were:

	Beginning of Year	Year Claims	Claim Payments	Balance at End of Year
2017	\$38,767	\$466,466	\$458,309	\$46,924
2018	46,924	633,567	631,249	49,242

Note 15 - Employee Benefits

A. Compensated Absences

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

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

B. Life / Medical Insurance

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

Note 16 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 17 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a

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For the Fiscal Year Ended June 30, 2018

publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining .5 percent was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$273,824 for fiscal year 2018. Of this amount \$18,358 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$853,902 for fiscal year 2018. Of this amount \$168,082 is reported as an intergovernmental payable.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability Prior Measurement Date	0.05933930%	0.05344026%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.05576930%</u>	<u>0.05346284%</u>	
Change in Proportionate Share	<u>-0.00357000%</u>	<u>0.00002258%</u>	
Proportionate Share of the Net Pension Liability	\$3,332,093	\$12,700,211	\$16,032,304
Pension Expense	(\$382,266)	(\$5,139,122)	(\$5,521,388)

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$143,402	\$490,422	\$633,824
Changes of assumptions	172,305	2,777,676	2,949,981
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	0	115,824	115,824
School District contributions subsequent to the measurement date	<u>273,824</u>	<u>853,902</u>	<u>1,127,726</u>
Total Deferred Outflows of Resources	<u>\$589,531</u>	<u>\$4,237,824</u>	<u>\$4,827,355</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$102,359	\$102,359
Net difference between projected and actual earnings on pension plan investments	15,817	419,122	434,939
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>485,553</u>	<u>879,664</u>	<u>1,365,217</u>
Total Deferred Inflows of Resources	<u>\$501,370</u>	<u>\$1,401,145</u>	<u>\$1,902,515</u>

\$1,127,726 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Berkshire Local School District
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For the Fiscal Year Ended June 30, 2018

Fiscal Year Ending June 30:	SERS	STRS	Total
2019	(\$127,126)	\$336,286	\$209,160
2020	13,152	906,434	919,586
2021	5,989	518,186	524,175
2022	(77,678)	221,871	144,193
Total	(\$185,663)	\$1,982,777	\$1,797,114

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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The most recent experience study was completed for the five year period ended June 30, 2015.

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

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

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

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$4,624,078	\$3,332,093	\$2,249,791

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Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

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Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$18,205,322	\$12,700,211	\$8,062,982

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Note 17 - Defined Benefit OPEB Plans

See Note 16 for a description of the net OPEB liability.

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the School District's surcharge obligation was \$33,298.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$43,440 for fiscal year 2018. Of this amount \$33,978 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B

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premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS Ohio did not allocate any employer contributions to post-employment health care.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability was based on the School District's share of contributions to the OPEB plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.06013700%	0.05346284%	
Proportion of the Net OPEB Liability			
Current Measurement Date	0.05671620%	0.05344026%	
Change in Proportionate Share	-0.00342080%	-0.00002258%	
Proportionate Share of the Net			
OPEB Liability	\$1,522,114	\$2,085,923	\$3,608,037
OPEB Expense	\$63,460	(\$636,338)	(\$572,878)

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$120,412	\$120,412
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	0	1,035	1,035
School District contributions subsequent to the measurement date	<u>43,440</u>	<u>0</u>	<u>43,440</u>
Total Deferred Outflows of Resources	<u>\$43,440</u>	<u>\$121,447</u>	<u>\$164,887</u>
Deferred Inflows of Resources			
Changes of assumptions	\$144,441	\$168,028	\$312,469
Net difference between projected and actual earnings on OPEB plan investments	4,020	89,157	93,177
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>75,530</u>	<u>0</u>	<u>75,530</u>
Total Deferred Inflows of Resources	<u>\$223,991</u>	<u>\$257,185</u>	<u>\$481,176</u>

\$43,440 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2019	(\$80,704)	(\$30,052)	(\$110,756)
2020	(80,704)	(30,052)	(110,756)
2021	(61,576)	(30,052)	(91,628)
2022	(1,007)	(30,053)	(31,060)
2023	0	(7,763)	(7,763)
Thereafter	<u>0</u>	<u>(7,766)</u>	<u>(7,766)</u>
Total	<u>(\$223,991)</u>	<u>(\$135,738)</u>	<u>(\$359,729)</u>

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56 percent
Prior Measurement Date	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.63 percent
Prior Measurement Date	2.98 percent
Medical Trend Assumption	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 16.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to

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become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
School District's proportionate share of the net OPEB liability	\$1,838,146	\$1,522,114	\$1,271,735

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
School District's proportionate share of the net OPEB liability	\$1,235,081	\$1,522,114	\$1,902,006

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6 to 11 percent initial, 4.5 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale

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MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 16.

Discount Rate The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

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	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's proportionate share of the net OPEB liability	\$2,800,318	\$2,085,923	\$1,521,317
		Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$1,449,210	\$2,085,923	\$2,923,912

Note 18 – Encumbrances

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

General Fund	\$380,464
Permanent Improvement	55,200
Other Governmental Funds	18,586
Total	\$454,250

Note 19 - Long Term Obligations

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

	Principal Outstanding 7/1/2017	Additions	Reductions	Principal Outstanding 6/30/2018	Amount Due in One Year
Governmental Activities					
Net Pension Liability:					
STRS	\$17,888,067	\$0	\$5,187,856	\$12,700,211	\$0
SERS	4,343,088	0	1,010,995	3,332,093	0
Total Net Pension Liability	22,231,155	0	6,198,851	16,032,304	0
Net OPEB Liability:					
STRS	2,857,999	0	772,076	2,085,923	0
SERS	1,714,127	0	192,013	1,522,114	0
Total Net OPEB Liability	4,572,126	0	964,089	3,608,037	0
Capital Leases	508,160	342,928	267,094	583,994	210,303
Compensated Absences	1,062,368	471,670	405,534	1,128,504	269,244
<i>Total Governmental Activities</i>					
<i>Long-Term Liabilities</i>	\$28,373,809	\$814,598	\$7,835,568	\$21,352,839	\$479,547

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Capital leases will be paid from the general fund and the permanent improvement capital projects fund. The compensated absences payable will be paid from the general fund and the food service special revenue funds. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Note 16 and 17.

The School District's overall debt margin was \$29,388,146 with an unvoted debt margin of \$326,535 at June 30, 2018.

Note 20 - Jointly Governed Organizations

A. Auburn Career Center

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

B. Lake Geauga Computer Association

The Lake Geauga Computer Association (the "LGCA") is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its eighteen member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on the School District's continued participation. During fiscal year 2018, the School District paid \$65,847 to LGCA. Financial information can be obtained from the Lake Geauga Computer Association, 8221 Auburn Road, Painesville, Ohio 44077.

C. Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization among 126 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2018, the School District paid \$38,188 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6373 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Constellation has been selected as the supplier and program manager. There are currently 156 participants in the program including the Berkshire School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

Note 21 - Related Organization

Burton Public Library The Burton Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Berkshire Local School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Burton Public Library, Rebecca Herrick Clerk/Treasurer, PO Box 427, Burton, Ohio 44021.

Note 22 - Insurance Purchasing Pool

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

Note 23 - Set Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. The School District plans to use these monies for construction and renovation.

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

	Budget Stabilization Reserve	Capital Improvements Reserve
Set-aside Reserve Balance as of June 30, 2017	\$39,468	\$0
Current Year Set-aside Requirement	0	221,452
Qualifying Disbursements	0	(1,005,961)
Totals	\$39,468	(\$784,509)
Set-aside Balance Carried Forward to Future Fiscal Years	\$39,468	\$0
Set-aside Reserve Balance as of June 30, 2018	\$39,468	\$0

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

Note 24 – Interfund Transactions

A. Interfund Transfers

Transfers made during the year ended June 30, 2018 were as follows:

	Transfers From
Transfers To	General
Other Governmental Funds	\$95,000
Internal Service Fund:	
Self Insurance	525,000
<i>Total Transfers</i>	\$620,000

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

B. Interfund Balances

Interfund balances at June 30, 2018, consisted of an interfund receivable in the general fund and interfund payables in other governmental funds of \$16,005. The interfund loan was made to support the programs of the special revenue funds pending the receipt of grant money. The interfund balance will be repaid within one year.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 25 – Leases

During fiscal year 2018, the School District entered into a capital lease to purchase school buses in the amount of \$172,104 at an interest rate of 3.42 percent and \$170,824 at an interest rate of 4.99 percent. In prior years the School District entered into capital leases for stadium bleachers and school buses. The assets acquired through the capital leases were capitalized at the present value of the minimum lease payments at the time the lease was entered into.

The assets acquired through the capital lease are as follows:

	Governmental Activities
Asset:	
Buildings and Improvements	\$110,721
Vehicles	1,167,357
Less: Accumulated depreciation	(231,234)
Total	\$936,123

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

Fiscal Year	Governmental Activities
2019	\$231,463
2020	197,064
2021	126,700
2022	74,345
Total Minimum Lease Payments	629,572
Less amount representing Interest	(45,578)
Present value of minimum Lease Payment	\$583,994

Note 26 – Subsequent Event

In July 2018, the Ohio Facilities Construction Commission formally funded the future construction of a new Pre-K through 12 building on vacant property owned by Kent State University Geauga.

In October 2018, Kent State University and the School District executed a lease agreement and USDA issued bonds for the School District in the amount of \$28,000,000 for a period of 38 years and an interest rate of 3.5 percent.

Required Supplementary Information

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

	2018	2017	2016 (2)
School District's Proportion of the Net Pension Liability	0.05576930%	0.05933930%	0.07041020%
School District's Proportionate Share of the Net Pension Liability	\$3,332,093	\$4,343,089	\$4,017,674
School District's Covered Payroll	\$1,855,793	\$1,863,114	\$2,100,581
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	179.55%	233.11%	191.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%

(1) Information prior to 2014 is not available.

(2) Includes information for Ledgement Local School. Ledgement's 2014 proportion of the net pension liability was 0.023684 percent and the proportionate share of the NPL was \$1,198,633.

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

See accompanying notes to the required supplementary information

<u>2015</u>	<u>2014</u>
0.04853100%	0.04853100%
\$2,456,125	\$2,885,983
\$1,430,917	\$1,292,878
171.65%	223.22%
71.70%	65.52%

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

	2018	2017
School District's Proportion of the Net OPEB Liability	0.05671620%	0.06013700%
School District's Proportionate Share of the Net OPEB Liability	\$1,522,114	\$1,714,127
School District's Covered Payroll	\$1,855,793	\$1,863,114
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	82.02%	92.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

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

	2018	2017	2016 (2)
School District's Proportion of the Net Pension Liability	0.05346284%	0.05344026%	0.05868257%
School District's Proportionate Share of the Net Pension Liability	\$12,700,211	\$17,888,066	\$16,218,145
School District's Covered Payroll	\$5,876,614	\$6,346,229	\$5,833,423
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered - Payroll	216.11%	281.87%	278.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%

(1) Information prior to 2014 is not available.

(2) Includes information for Ledgement Local School. Ledgement's 2014 proportion of the net pension liability was 0.01549221 percent and the proportionate share of the NPL was \$3,768,242.

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

See accompanying notes to the required supplementary information

2015	2014
0.04199643%	0.04199643%
\$10,214,985	\$12,168,024
\$4,261,443	\$4,615,200
239.71%	263.65%
74.70%	69.30%

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

	2018	2017
School District's Proportion of the Net OPEB Liability	0.05344026%	0.05346284%
School District's Proportionate Share of the Net OPEB Liability	\$2,085,923	\$2,857,999
School District's Covered Payroll	\$5,876,614	\$6,346,229
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered - Payroll	35.50%	45.03%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

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

	<u>2018</u>	<u>2017</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
Net Pension Liability				
Contractually Required Contribution	\$273,824	\$259,811	\$260,836	\$276,857
Contributions in Relation to the Contractually Required Contribution	<u>(273,824)</u>	<u>(259,811)</u>	<u>(260,836)</u>	<u>(276,857)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (2)	\$2,028,326	\$1,855,793	\$1,863,114	\$2,100,581
Pension Contributions as a Percentage of Covered Payroll	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>
Net OPEB Liability				
Contractually Required Contribution (3)	\$43,440	\$31,482	\$30,443	\$52,981
Contributions in Relation to the Contractually Required Contribution	<u>(43,440)</u>	<u>(31,482)</u>	<u>(30,443)</u>	<u>(52,981)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll (3)	<u>2.14%</u>	<u>1.70%</u>	<u>1.63%</u>	<u>2.52%</u>
Total Contributions as a Percentage of Covered Payroll (3)	<u>15.64%</u>	<u>15.70%</u>	<u>15.63%</u>	<u>15.70%</u>

(1) Includes information for Ledgemont Local School.

(2) The School District's covered payroll is the same for Pension and OPEB.

(3) Includes Surcharge

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
\$198,387	\$178,934	\$189,898	\$182,255	\$192,434	\$147,205
<u>(198,387)</u>	<u>(178,934)</u>	<u>(189,898)</u>	<u>(182,255)</u>	<u>(192,434)</u>	<u>(147,205)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,430,917	\$1,292,878	\$1,411,882	\$1,449,924	\$1,421,228	\$1,495,985
<u>13.86%</u>	<u>13.84%</u>	<u>13.45%</u>	<u>12.57%</u>	<u>13.54%</u>	<u>9.84%</u>
\$26,286	\$26,352	\$30,515	\$43,172	\$29,275	\$84,806
<u>(26,286)</u>	<u>(26,352)</u>	<u>(30,515)</u>	<u>(43,172)</u>	<u>(29,275)</u>	<u>(84,806)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.84%</u>	<u>2.04%</u>	<u>2.16%</u>	<u>2.98%</u>	<u>2.06%</u>	<u>5.67%</u>
<u>15.70%</u>	<u>15.88%</u>	<u>15.61%</u>	<u>15.55%</u>	<u>15.60%</u>	<u>15.51%</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016 (1)</u>	<u>2015 (1)</u>
Net Pension Liability				
Contractually Required Contribution	\$853,902	\$822,726	\$888,472	\$816,679
Contributions in Relation to the Contractually Required Contribution	<u>(853,902)</u>	<u>(822,726)</u>	<u>(888,472)</u>	<u>(816,679)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (2)	\$6,099,300	\$5,876,614	\$6,346,229	\$5,833,423
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

(1) Includes information for Ledgemont Local School.

See accompanying notes to the required supplementary information

2014	2013	2012	2011	2010	2009
\$553,988	\$599,976	\$657,680	\$639,654	\$643,094	\$573,936
(553,988)	(599,976)	(657,680)	(639,654)	(643,094)	(573,936)
\$0	\$0	\$0	\$0	\$0	\$0
\$4,261,443	\$4,615,200	\$5,059,077	\$4,920,415	\$4,946,877	\$4,414,892
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
\$42,614	\$46,152	\$50,591	\$49,204	\$49,469	\$44,149
(42,614)	(46,152)	(50,591)	(49,204)	(49,469)	(44,149)
\$0	\$0	\$0	\$0	\$0	\$0
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Berkshire Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Net Pension Liability

Changes in Assumptions – SERS

For fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

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

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

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

Changes in Assumptions - STRS

Amounts reported for fiscal year 2018 incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

	Fiscal Year 2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

For fiscal year 2018 post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70% of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled

Berkshire Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Net OPEB Liability

Changes in Assumptions – SERS

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:	
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

Combining Statements and Individual Fund Schedules

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

Device Insurance The fund accounts for and reports fees restricted for the replacement of School District owned devices when damaged.

Educational Foundation The fund accounts for and reports restricted revenue donated to the School District for the advancement of School District initiatives.

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

Title IV Fund The fund accounts for and reports for Federal monies restricted to assist the School District provide student support and academic enrichment.

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

(continued)

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (Continued)

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

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

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

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

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

Nonmajor Debt Service Fund

The Debt Service fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

Debt Service Fund The fund accounts for and report restricted property taxes for the payment of school improvement general obligation bond, principal, interest and related costs. The fund did not have any budgetary activity in fiscal year 2018; therefore, budgetary information is not provided. Also, the fund did not have any activity to report on the governmental fund financial statements in fiscal year 2018.

Berkshire Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$294,831	\$0	\$294,831
Intergovernmental Receivable	96,131	0	96,131
Prepaid Items	325	0	325
Inventory Held for Resale	3,668	0	3,668
Materials and Supplies Inventory	1,604	0	1,604
Property Taxes Receivable	0	538,455	538,455
<i>Total Assets</i>	<u>\$396,559</u>	<u>\$538,455</u>	<u>\$935,014</u>
Liabilities			
Accounts Payable	\$17,161	\$0	\$17,161
Accrued Wages and Benefits	53,675	0	53,675
Interfund Payable	16,005	0	16,005
Intergovernmental Payable	5,732	0	5,732
Matured Compensated Absences Payable	1,806	0	1,806
<i>Total Liabilities</i>	<u>94,379</u>	<u>0</u>	<u>94,379</u>
Deferred Inflows of Resources			
Property Taxes	0	538,455	538,455
Fund Balances			
Nonspendable	1,929	0	1,929
Restricted	319,289	0	319,289
Unassigned (Deficit)	(19,038)	0	(19,038)
<i>Total Fund Balances (Deficit)</i>	<u>302,180</u>	<u>0</u>	<u>302,180</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$396,559</u>	<u>\$538,455</u>	<u>\$935,014</u>

Berkshire Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Food Service	Other Grants	Athletics and Music
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,641	\$249,276	\$6,289
Intergovernmental Receivable	0	0	0
Prepaid Items	325	0	0
Inventory Held for Resale	3,668	0	0
Materials and Supplies Inventory	1,604	0	0
<i>Total Assets</i>	<u>\$8,238</u>	<u>\$249,276</u>	<u>\$6,289</u>
Liabilities			
Accounts Payable	\$46	\$10,232	\$2,073
Accrued Wages and Benefits	18,824	0	0
Interfund Payable	597	0	0
Intergovernmental Payable	4,074	0	0
Matured Compensated Absences Payable	1,806	0	0
<i>Total Liabilities</i>	<u>25,347</u>	<u>10,232</u>	<u>2,073</u>
Fund Balances			
Nonspendable	1,929	0	0
Restricted	0	239,044	4,216
Unassigned (Deficit)	(19,038)	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(17,109)</u>	<u>239,044</u>	<u>4,216</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$8,238</u>	<u>\$249,276</u>	<u>\$6,289</u>

(continued)

Berkshire Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2018

	Title I	Title IIA	Straight A
Assets			
Equity in Pooled Cash and			
Cash Equivalents	\$0	\$0	\$0
Intergovernmental Receivable	59,265	31,228	538
Prepaid Items	0	0	0
Inventory Held for Resale	0	0	0
Materials and Supplies Inventory	0	0	0
<i>Total Assets</i>	<u>\$59,265</u>	<u>\$31,228</u>	<u>\$538</u>
Liabilities			
Accounts Payable	\$0	\$2,600	\$0
Accrued Wages and Benefits	34,851	0	0
Interfund Payable	0	13,630	538
Intergovernmental Payable	0	1,425	0
Matured Compensated Absences Payable	0	0	0
<i>Total Liabilities</i>	<u>34,851</u>	<u>17,655</u>	<u>538</u>
Fund Balances			
Nonspendable	0	0	0
Restricted	24,414	13,573	0
Unassigned (Deficit)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>24,414</u>	<u>13,573</u>	<u>0</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$59,265</u>	<u>\$31,228</u>	<u>\$538</u>

Latchkey	Device Insurance	Educational Foundation	Leighton	Title IV	Total Nonmajor Special Revenue Funds
\$7,408	\$25,503	\$935	\$2,779	\$0	\$294,831
0	0	0	0	5,100	96,131
0	0	0	0	0	325
0	0	0	0	0	3,668
0	0	0	0	0	1,604
<u>\$7,408</u>	<u>\$25,503</u>	<u>\$935</u>	<u>\$2,779</u>	<u>\$5,100</u>	<u>\$396,559</u>
\$36	\$147	\$790	\$0	\$1,237	\$17,161
0	0	0	0	0	53,675
0	0	0	0	1,240	16,005
233	0	0	0	0	5,732
0	0	0	0	0	1,806
<u>269</u>	<u>147</u>	<u>790</u>	<u>0</u>	<u>2,477</u>	<u>94,379</u>
0	0	0	0	0	1,929
7,139	25,356	145	2,779	2,623	319,289
0	0	0	0	0	(19,038)
<u>7,139</u>	<u>25,356</u>	<u>145</u>	<u>2,779</u>	<u>2,623</u>	<u>302,180</u>
<u>\$7,408</u>	<u>\$25,503</u>	<u>\$935</u>	<u>\$2,779</u>	<u>\$5,100</u>	<u>\$396,559</u>

Berkshire Local School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2018

	Food Service	Other Grants	Athletics and Music	ONEnet
Revenues				
Intergovernmental	\$133,160	\$0	\$0	\$5,400
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	54,018	0
Contributions and Donations	0	253,000	3,680	0
Charges for Services	108,746	0	0	0
<i>Total Revenues</i>	<u>241,906</u>	<u>253,000</u>	<u>57,698</u>	<u>5,400</u>
Expenditures				
Current:				
Instruction:				
Regular	0	17,748	0	0
Special	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	5,400
Pupil Transportation	0	0	0	0
Operation of Community Services	0	0	0	0
Operation of Food Services	331,936	0	0	0
Extracurricular Activities	0	0	99,774	0
Capital Outlay	0	0	0	0
<i>Total Expenditures</i>	<u>331,936</u>	<u>17,748</u>	<u>99,774</u>	<u>5,400</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(90,030)	235,252	(42,076)	0
Other Financing Sources				
Transfers In	70,000	0	25,000	0
<i>Net Change in Fund Balances</i>	(20,030)	235,252	(17,076)	0
<i>Fund Balances Beginning of Year</i>	2,921	3,792	21,292	0
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$17,109)</u>	<u>\$239,044</u>	<u>\$4,216</u>	<u>\$0</u>

<u>Title VI-B</u>	<u>Title I</u>	<u>Title IIA</u>	<u>Straight A</u>	<u>Latchkey</u>	<u>Device Insurance</u>	<u>Educational Foundation</u>
\$280,946	\$279,144	\$59,933	\$4,500	\$0	\$0	\$0
0	0	0	0	0	26,071	0
0	0	0	0	0	0	0
0	0	0	0	0	0	3,082
0	0	0	0	19,036	0	0
<u>280,946</u>	<u>279,144</u>	<u>59,933</u>	<u>4,500</u>	<u>19,036</u>	<u>26,071</u>	<u>3,082</u>
0	270,280	0	4,500	0	0	0
280,946	1,155	0	0	0	0	0
0	9,018	3,360	0	0	0	0
0	0	43,000	0	0	715	0
0	0	0	0	0	0	0
0	728	0	0	0	0	0
0	0	0	0	17,209	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	2,937
<u>280,946</u>	<u>281,181</u>	<u>46,360</u>	<u>4,500</u>	<u>17,209</u>	<u>715</u>	<u>2,937</u>
0	(2,037)	13,573	0	1,827	25,356	145
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	(2,037)	13,573	0	1,827	25,356	145
<u>0</u>	<u>26,451</u>	<u>0</u>	<u>0</u>	<u>5,312</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$24,414</u>	<u>\$13,573</u>	<u>\$0</u>	<u>\$7,139</u>	<u>\$25,356</u>	<u>\$145</u>

(continued)

Berkshire Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2018

	Leighton	Title IV	Total Nonmajor Special Revenue Funds
Revenues			
Intergovernmental	\$0	\$10,000	\$773,083
Tuition and Fees	0	0	26,071
Extracurricular Activities	0	0	54,018
Contributions and Donations	3,296	0	263,058
Charges for Services	0	0	127,782
<i>Total Revenues</i>	<u>3,296</u>	<u>10,000</u>	<u>1,244,012</u>
Expenditures			
Current:			
Instruction:			
Regular	0	0	292,528
Special	0	0	282,101
Support Services:			
Pupil	0	0	12,378
Instructional Staff	0	7,377	51,092
Administration	0	0	5,400
Pupil Transportation	0	0	728
Operation of Community Services	20,806	0	38,015
Operation of Food Services	0	0	331,936
Extracurricular Activities	0	0	99,774
Capital Outlay	0	0	2,937
<i>Total Expenditures</i>	<u>20,806</u>	<u>7,377</u>	<u>1,116,889</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(17,510)	2,623	127,123
Other Financing Sources			
Transfers In	0	0	95,000
<i>Net Change in Fund Balances</i>	(17,510)	2,623	222,123
<i>Fund Balances Beginning of Year</i>	<u>20,289</u>	<u>0</u>	<u>80,057</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,779</u>	<u>\$2,623</u>	<u>\$302,180</u>

Combining Statements - Fiduciary Funds

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

Private Purpose Trust

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

Agency Funds

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

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

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

Berkshire Local School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2018

	Beginning Balance 7/1/17	Additions	Deductions	Ending Balance 6/30/18
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$54,352	\$59,199	\$54,202	\$59,349
Liabilities				
Due to Students	\$47,950	\$59,199	\$54,202	\$52,947
Undistributed Monies	6,402	0	0	6,402
Total Liabilities	\$54,352	\$59,199	\$54,202	\$59,349
<i>Elementary</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$427	\$7,979	\$7,915	\$491
Liabilities				
Undistributed Monies	\$427	\$7,979	\$7,915	\$491
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$54,779	\$67,178	\$62,117	\$59,840
Liabilities				
Due to Students	\$47,950	\$59,199	\$54,202	\$52,947
Undistributed Monies	6,829	7,979	7,915	6,893
Total Liabilities	\$54,779	\$67,178	\$62,117	\$59,840

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

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Income Taxes	\$2,977,178	\$2,970,097	\$2,970,097	\$0
Property Taxes	6,364,049	6,590,093	6,590,093	0
Intergovernmental	6,316,966	6,300,093	6,307,281	7,188
Interest	11,000	23,000	30,407	7,407
Tuition and Fees	850,000	1,387,192	1,387,192	0
Extracurricular Activities	0	0	1,671	1,671
Contributions and Donations	296,736	3,155	3,155	0
Rentals	0	2,172	2,172	0
Miscellaneous	0	24,907	24,641	(266)
<i>Total Revenues</i>	<u>16,815,929</u>	<u>17,300,709</u>	<u>17,316,709</u>	<u>16,000</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,129,470	4,173,553	4,173,553	0
Fringe Benefits	1,267,055	1,274,682	1,274,574	108
Purchased Services	2,432,876	2,014,109	2,013,858	251
Materials and Supplies	171,195	137,789	137,402	387
Capital Outlay	17,017	8,584	8,564	20
Total Regular	<u>8,017,613</u>	<u>7,608,717</u>	<u>7,607,951</u>	<u>766</u>
Special:				
Salaries and Wages	526,550	565,920	565,920	0
Fringe Benefits	165,774	184,851	184,664	187
Purchased Services	1,317,613	965,582	965,453	129
Materials and Supplies	20,305	18,343	18,301	42
Total Special	<u>2,030,242</u>	<u>1,734,696</u>	<u>1,734,338</u>	<u>358</u>
Vocational:				
Salaries and Wages	59,706	61,776	61,776	0
Fringe Benefits	8,405	9,537	9,528	9
Materials and Supplies	3,038	0	0	0
Total Vocational	<u>71,149</u>	<u>71,313</u>	<u>71,304</u>	<u>9</u>
Student Intervention:				
Salaries and Wages	100,064	142,849	142,849	0
Fringe Benefits	43,458	44,072	44,072	0
Total Student Intervention	<u>143,522</u>	<u>186,921</u>	<u>186,921</u>	<u>0</u>
Total Instruction	<u>\$10,262,526</u>	<u>\$9,601,647</u>	<u>\$9,600,514</u>	<u>\$1,133</u>

(continued)

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	\$514,694	\$577,119	\$576,916	\$203
Fringe Benefits	236,668	238,218	237,991	227
Purchased Services	191,025	243,106	243,027	79
Materials and Supplies	6,732	4,771	4,626	145
Total Pupil	949,119	1,063,214	1,062,560	654
Instructional Staff:				
Salaries and Wages	92,127	103,941	103,939	2
Fringe Benefits	23,635	26,056	25,985	71
Purchased Services	290,422	149,228	149,228	0
Materials and Supplies	70,218	52,640	52,629	11
Capital Outlay	56,329	67,279	67,262	17
Total Instructional Staff	532,731	399,144	399,043	101
Board of Education:				
Salaries and Wages	15,300	11,375	11,375	0
Fringe Benefits	4,594	2,404	2,360	44
Purchased Services	97,446	152,673	152,577	96
Materials and Supplies	3,566	3,552	3,174	378
Capital Outlay	270	28	0	28
Other	17,756	26,055	25,479	576
Total Board of Education	138,932	196,087	194,965	1,122
Administration:				
Salaries and Wages	697,364	662,232	661,569	663
Fringe Benefits	267,586	284,174	283,872	302
Purchased Services	25,331	27,560	27,401	159
Materials and Supplies	2,793	4,256	4,099	157
Capital Outlay	0	243	243	0
Other	369,102	357,740	357,271	469
Total Administration	\$1,362,176	\$1,336,205	\$1,334,455	\$1,750

(continued)

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fiscal:				
Salaries and Wages	\$179,317	\$172,289	\$172,169	\$120
Fringe Benefits	70,105	72,652	72,632	20
Purchased Services	10,510	6,566	6,566	0
Materials and Supplies	5,313	4,981	4,977	4
Other	217,915	187,342	186,999	343
Total Fiscal	<u>483,160</u>	<u>443,830</u>	<u>443,343</u>	<u>487</u>
Business:				
Other	1,500	1,671	1,671	0
Operation and Maintenance of Plant:				
Salaries and Wages	453,128	444,690	444,681	9
Fringe Benefits	165,861	174,856	174,820	36
Purchased Services	507,034	557,003	556,708	295
Materials and Supplies	49,953	56,913	56,912	1
Total Operation and Maintenance of Plant	<u>1,175,976</u>	<u>1,233,462</u>	<u>1,233,121</u>	<u>341</u>
Pupil Transportation:				
Salaries and Wages	563,215	595,141	595,140	1
Fringe Benefits	289,960	288,726	288,417	309
Purchased Services	152,052	159,634	159,633	1
Materials and Supplies	97,606	122,606	122,050	556
Capital Outlay	211,261	250,280	250,280	0
Total Pupil Transportation	<u>1,314,094</u>	<u>1,416,387</u>	<u>1,415,520</u>	<u>867</u>
Total Support Services	<u>5,957,688</u>	<u>6,090,000</u>	<u>6,084,678</u>	<u>5,322</u>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	21,956	34,803	34,803	0
Fringe Benefits	6,187	6,606	6,605	1
Total Academic and Subject Oriented Activities	<u>28,143</u>	<u>41,409</u>	<u>41,408</u>	<u>1</u>
Sports Oriented Activities:				
Salaries and Wages	282,821	275,718	275,718	0
Fringe Benefits	62,878	43,626	43,626	0
Total Sports Oriented Activities	<u>\$345,699</u>	<u>\$319,344</u>	<u>\$319,344</u>	<u>\$0</u>

(continued)

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
School and Public Service Co-Curricular Activities:				
Salaries and Wages	\$8,573	\$8,945	\$8,945	\$0
Fringe Benefits	1,107	1,344	1,344	0
Total School and Public Service Co-Curricular Activities	<u>9,680</u>	<u>10,289</u>	<u>10,289</u>	<u>0</u>
Total Extracurricular Activities	<u>383,522</u>	<u>371,042</u>	<u>371,041</u>	<u>1</u>
Capital Outlay:				
Purchased Services	40,000	44,500	44,500	0
Capital Outlay	109,663	111,880	111,880	0
Total Capital Outlay	<u>149,663</u>	<u>156,380</u>	<u>156,380</u>	<u>0</u>
<i>Total Expenditures</i>	<u>16,753,399</u>	<u>16,219,069</u>	<u>16,212,613</u>	<u>6,456</u>
<i>Excess of Revenues Over Expenditures</i>	<u>62,530</u>	<u>1,081,640</u>	<u>1,104,096</u>	<u>22,456</u>
Other Financing Uses				
Advances Out	0	(597)	(597)	0
Transfers Out	(774,467)	(715,582)	(715,582)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(774,467)</u>	<u>(716,179)</u>	<u>(716,179)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(711,937)	365,461	387,917	22,456
<i>Fund Balance Beginning of Year</i>	3,124,469	3,124,469	3,124,469	0
Prior Year Encumbrances Appropriated	<u>314,970</u>	<u>314,970</u>	<u>314,970</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,727,502</u>	<u>\$3,804,900</u>	<u>\$3,827,356</u>	<u>\$22,456</u>

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2018

	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$344,121	\$344,121	\$0
Intergovernmental	43,679	43,679	0
<i>Total Revenues</i>	<u>387,800</u>	<u>387,800</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay	53,952	52,191	1,761
Support Services:			
Fiscal:			
Other	5,895	5,876	19
Operation and Maintenance of Plant:			
Purchased Services	390,153	384,153	6,000
Total Support Services	<u>396,048</u>	<u>390,029</u>	<u>6,019</u>
<i>Total Expenditures</i>	<u>450,000</u>	<u>442,220</u>	<u>7,780</u>
<i>Net Change in Fund Balance</i>	(62,200)	(54,420)	7,780
<i>Fund Balance Beginning of Year</i>	<u>101,261</u>	<u>101,261</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$39,061</u></u>	<u><u>\$46,841</u></u>	<u><u>\$7,780</u></u>

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$133,305	\$133,160	(\$145)
Charges for Services	107,659	108,821	1,162
<i>Total Revenues</i>	<u>240,964</u>	<u>241,981</u>	<u>1,017</u>
Expenditures			
Current:			
Operation of Food Services:			
Salaries and Wages	141,656	141,269	387
Fringe Benefits	66,491	65,369	1,122
Purchased Services	25,563	25,563	0
Materials and Supplies	94,990	94,923	67
Capital Outlay	271	271	0
<i>Total Expenditures</i>	<u>328,971</u>	<u>327,395</u>	<u>1,576</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(88,007)</u>	<u>(85,414)</u>	<u>2,593</u>
Other Financing Sources			
Advances In	597	597	0
Transfers In	70,000	70,000	0
<i>Total Other Financing Sources</i>	<u>70,597</u>	<u>70,597</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(17,410)	(14,817)	2,593
<i>Fund Balance Beginning of Year</i>	17,145	17,145	0
Prior Year Encumbrances Appropriated	265	265	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$2,593</u>	<u>\$2,593</u>

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Other Grants Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$253,000	\$253,000	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	2,000	1,903	97
Materials and Supplies	251,500	15,845	235,655
<i>Total Expenditures</i>	253,500	17,748	235,752
<i>Net Change in Fund Balance</i>	(500)	235,252	235,752
<i>Fund Balance Beginning of Year</i>	3,792	3,792	0
<i>Fund Balance End of Year</i>	\$3,292	\$239,044	\$235,752

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Athletics and Music Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$54,022	\$54,018	(\$4)
Contributions and Donations	3,680	3,680	0
<i>Total Revenues</i>	<u>57,702</u>	<u>57,698</u>	<u>(4)</u>
Expenditures			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	3,658	3,413	245
Fringe Benefits	619	537	82
Purchased Services	28,868	28,868	0
Other	70,928	68,934	1,994
<i>Total Expenditures</i>	<u>104,073</u>	<u>101,752</u>	<u>2,321</u>
<i>Excess of Revenues Under Expenditures</i>	(46,371)	(44,054)	2,317
Other Financing Sources			
Transfers In	25,000	25,000	0
<i>Net Change in Fund Balance</i>	(21,371)	(19,054)	2,317
<i>Fund Balance Beginning of Year</i>	21,300	21,300	0
Prior Year Encumbrances Appropriated	1,977	1,977	0
<i>Fund Balance End of Year</i>	<u>\$1,906</u>	<u>\$4,223</u>	<u>\$2,317</u>

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
ONenet Fund
For the Fiscal Year Ended June 30, 2018

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

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$280,946	\$280,946	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Purchased Services	280,946	280,946	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$289,973	\$255,367	(\$34,606)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	262,340	228,432	33,908
Fringe Benefits	40,210	39,512	698
Materials and Supplies	2,336	2,336	0
Total Instruction	304,886	270,280	34,606
Support Services:			
Pupil:			
Purchased Services	9,018	9,018	0
Pupil Transportation:			
Salaries and Wages	728	728	0
Total Support Services	9,746	9,746	0
<i>Total Expenditures</i>	314,632	280,026	34,606
<i>Net Change in Fund Balance</i>	(24,659)	(24,659)	0
<i>Fund Balance Beginning of Year</i>	22,304	22,304	0
Prior Year Encumbrances Appropriated	2,355	2,355	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title IIA Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$61,262	\$29,370	(\$31,892)
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	12,074	624	11,450
Purchased Services	48,688	46,401	2,287
Materials and Supplies	500	0	500
<i>Total Expenditures</i>	61,262	47,025	14,237
<i>Net Change in Fund Balance</i>	0	(17,655)	17,655
<i>Fund Balance (Deficit) Beginning of Year</i>	(665)	(665)	0
Prior Year Encumbrances Appropriated	665	665	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$17,655)	\$17,655

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Straight A Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$4,500	\$3,962	(\$538)
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	4,500	4,500	0
<i>Net Change in Fund Balance</i>	0	(538)	(538)
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$538)	(\$538)

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Latchkey Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$18,000	\$19,036	\$1,036
Expenditures			
Current:			
Operation of Non Instructional Activities:			
Community Services Activities:			
Salaries and Wages	11,650	10,283	1,367
Fringe Benefits	3,209	3,189	20
Purchased Services	3,314	3,314	0
Materials and Supplies	2,159	1,212	947
<i>Total Expenditures</i>	20,332	17,998	2,334
<i>Net Change in Fund Balance</i>	(2,332)	1,038	3,370
<i>Fund Balance Beginning of Year</i>	5,514	5,514	0
Prior Year Encumbrances Appropriated	818	818	0
<i>Fund Balance End of Year</i>	\$4,000	\$7,370	\$3,370

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Device Insurance Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$5,000	\$26,071	\$21,071
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Materials and Supplies	5,000	715	4,285
<i>Net Change in Fund Balance</i>	0	25,356	25,356
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$25,356	\$25,356

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Educational Foundation Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$3,082	\$3,082	\$0
Expenditures			
Capital Outlay:			
Other Facilities Acquisition and Construction:			
Purchased Services	3,082	2,937	145
<i>Net Change in Fund Balance</i>	0	145	145
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$145	\$145

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Leighton Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$3,296	\$3,296	\$0
Expenditures			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services			
Capital Outlay	20,806	20,806	0
<i>Net Change in Fund Balance</i>	(17,510)	(17,510)	0
<i>Fund Balance Beginning of Year</i>	20,289	20,289	0
<i>Fund Balance End of Year</i>	\$2,779	\$2,779	\$0

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title IV Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$10,000	\$4,900	(\$5,100)
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	2,500	0	2,500
Purchased Services	7,500	7,377	123
<i>Total Expenditures</i>	10,000	7,377	2,623
<i>Net Change in Fund Balance</i>	0	(2,477)	(2,477)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$2,477)	(\$2,477)

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$47,300	\$50,314	\$3,014
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	53,966	49,459	4,507
<i>Net Change in Fund Balance</i>	(6,666)	855	7,521
<i>Fund Balance Beginning of Year</i>	52,606	52,606	0
Prior Year Encumbrances Appropriated	377	377	0
<i>Fund Balance End of Year</i>	\$46,317	\$53,838	\$7,521

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Special Rotary Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$12,298	\$10,663	(\$1,635)
Expenditures			
Current:			
Support Services:			
Board of Education:			
Other	12,163	11,820	343
Business:			
Other	1,108	1,108	0
<i>Total Expenditures</i>	13,271	12,928	343
<i>Net Change in Fund Balance</i>	(973)	(2,265)	(1,292)
<i>Fund Balance Beginning of Year</i>	1,645	1,645	0
Prior Year Encumbrances Appropriated	1,200	1,200	0
<i>Fund Balance End of Year</i>	\$1,872	\$580	(\$1,292)

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$8,456	\$6,218	(\$2,238)
Contributions and Donations	30,528	31,108	580
<i>Total Revenues</i>	38,984	37,326	(1,658)
Expenditures			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	48,277	35,694	12,583
<i>Net Change in Fund Balance</i>	(9,293)	1,632	10,925
<i>Fund Balance Beginning of Year</i>	30,561	30,561	0
Prior Year Encumbrances Appropriated	62	62	0
<i>Fund Balance End of Year</i>	\$21,330	\$32,255	\$10,925

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
School Improvement Model Fund
For the Fiscal Year Ended June 30, 2018

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

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Unclaimed Funds Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	9,894	9,894	0
<i>Fund Balance End of Year</i>	<u>\$9,894</u>	<u>\$9,894</u>	<u>\$0</u>

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Termination Benefit Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	191,552	66,997	124,555
Support Services:			
Operation and Maintenance of Plant:			
Salaries and Wages	8,448	8,448	0
<i>Total Expenditures</i>	200,000	75,445	83,037
<i>Excess of Revenues Under Expenditures</i>	(200,000)	(75,445)	124,555
Other Financing Sources			
Transfers In	95,582	95,582	0
<i>Net Change in Fund Balance</i>	(104,418)	20,137	124,555
<i>Fund Balance Beginning of Year</i>	232,464	232,464	0
<i>Fund Balance End of Year</i>	\$128,046	\$252,601	\$124,555

Berkshire Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$113,456	\$122,782	\$9,326
Expenses			
Purchased Services	12,009	1,000	11,009
Claims	631,249	631,249	0
<i>Total Expenses</i>	643,258	632,249	11,009
<i>Excess of Revenues Under Expenses Before Transfers</i>	(529,802)	(509,467)	20,335
Transfers In	525,000	525,000	0
<i>Net Change in Fund Equity</i>	(4,802)	15,533	20,335
<i>Fund Equity Beginning of Year</i>	4,802	4,802	0
Prior Year Encumbrances Appropriated	0	0	0
<i>Fund Equity End of Year</i>	\$0	\$20,335	\$20,335



Kate Turner-Kindergarten
Ledgemont Elementary

Statistical Section

Statistical Section

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

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S9</i>
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	<i>S10 – S19</i>
These schedules contain information to help the reader assess the School District's most significant local revenue, property and income taxes.	
<i>Debt Capacity</i>	<i>S20 – S25</i>
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	<i>S26 – S28</i>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	
<i>Operating Information</i>	<i>S30 – S41</i>
These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

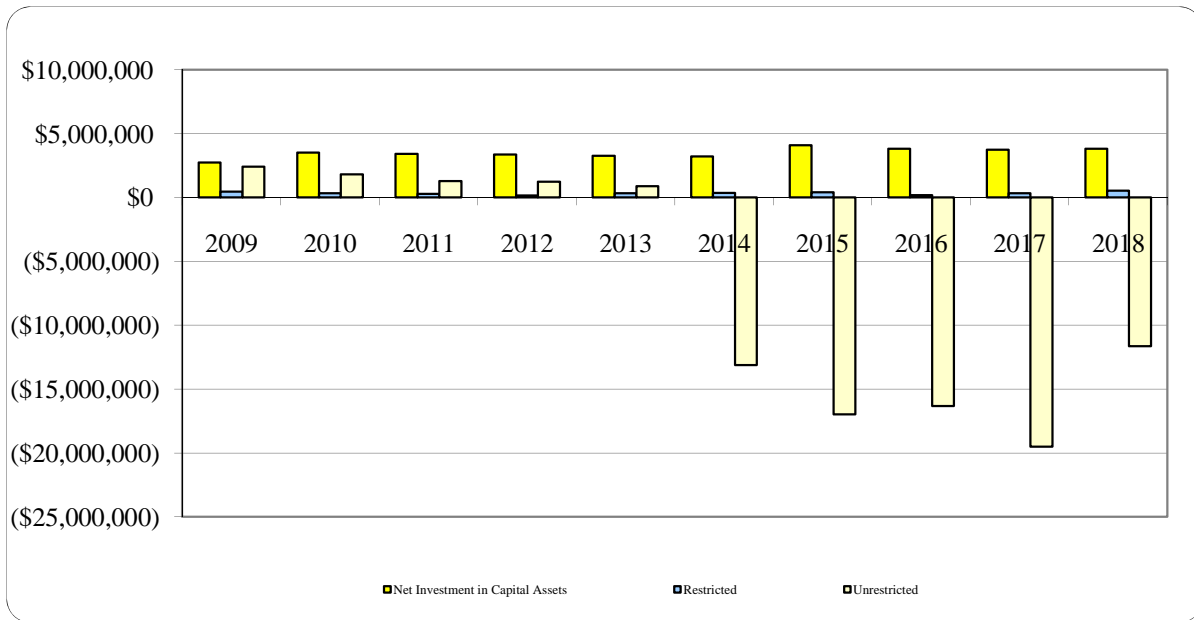
Note: On July 1, 2015, Ledgemont Local School District merged with Berkshire Local School District. Ledgemont Local School District ceased to exist as of July 1, 2015, and operation of Ledgemont Local School District were absorbed into Berkshire Local School District.

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

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

	2018	2017 (3)	2016	2015 (2)
Net Investment in Capital Assets	\$3,807,745	\$3,723,349	\$3,815,837	\$4,096,104
Restricted for:				
Capital Projects	156,056	207,023	63,347	77,674
Set Asides	39,468	39,468	39,468	39,468
Other Purposes	329,272	81,807	85,022	287,352
Unrestricted (Deficit)	(11,638,316)	(19,510,539)	(16,331,548)	(16,972,834)
Total Net Position	<u>(\$7,305,775)</u>	<u>(\$15,458,892)</u>	<u>(\$12,327,874)</u>	<u>(\$12,472,236)</u>

- (1) GASB Statement No. 68 was implemented in fiscal year 2015 and does not impact net position prior to fiscal year 2014.
(2) 2015 reflects the restated balances for the merger. The merger with Ledgemont Schools was effective for fiscal year 2016.
See S1 for additional details.
(3) GASB Statement No. 75 was implemented in fiscal year 2018 and does not impact net position prior to fiscal year 2016.



<u>2014 (1)</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$3,206,253	\$3,271,163	\$3,357,657	\$3,404,650	\$3,518,243	\$2,742,560
247,599	215,983	88,576	203,064	193,702	357,068
39,468	39,468	39,468	39,468	39,468	39,468
64,040	69,685	33,293	31,163	102,983	51,841
<u>(13,116,956)</u>	<u>868,893</u>	<u>1,221,331</u>	<u>1,283,319</u>	<u>1,812,478</u>	<u>2,409,771</u>
<u>(\$9,559,596)</u>	<u>\$4,465,192</u>	<u>\$4,740,325</u>	<u>\$4,961,664</u>	<u>\$5,666,874</u>	<u>\$5,600,708</u>

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

	2018	2017	2016 (1)	2015	2014
Expenses					
Regular Instruction	\$3,722,465	\$8,703,253	\$8,715,698	\$5,559,328	\$5,060,982
Special Instruction	1,515,813	2,078,373	2,428,165	1,503,851	1,556,460
Vocational Instruction	15,774	77,369	73,049	4,181	33,765
Student Intervention	118,139	198,011	91,144	107,764	90,120
Pupil Support	825,590	1,001,316	770,575	665,385	603,317
Instructional Staff Support	286,129	326,916	428,670	327,824	293,308
Board of Education	189,277	138,441	140,276	92,855	76,731
Administration	675,288	1,235,711	1,364,413	1,079,853	1,182,343
Fiscal	386,853	485,976	519,363	426,786	429,912
Business	2,779	56	4,868	2,270	2,904
Operation and Maintenance of Plant	1,452,423	1,517,178	1,635,605	1,179,273	1,036,171
Pupil Transportation	1,108,515	1,419,591	1,295,324	943,414	875,550
Operation of Non-Instructional Services	0	0	0	0	0
Operation of Community Services	38,015	41,561	20,956	438	955
Operation of Food Services	306,146	376,625	324,091	250,013	264,347
Extracurricular Activities	277,691	530,337	485,217	411,667	369,113
Interest and Fiscal Charges	14,034	10,871	9,918	7,576	5,329
<i>Total Expenses</i>	<u>10,934,931</u>	<u>18,141,585</u>	<u>18,307,332</u>	<u>12,562,478</u>	<u>11,881,307</u>
Program Revenues					
Charges for Services and Sales					
Regular Instruction	1,440,310	1,288,796	1,205,491	633,047	622,268
Special Instruction	0	0	0	0	0
Instruction Staff Support	26,071	0	0	0	0
Operation of Community Services	19,036	13,263	21,343	0	0
Operation of Food Services	108,746	114,876	113,430	77,260	86,291
Extracurricular Activities	60,801	66,307	68,945	168,857	178,498
Operating Grants and Contributions	1,373,389	1,051,494	1,106,833	1,153,678	647,311
Capital Grants and Contributions	0	0	0	0	0
<i>Total Program Revenues</i>	<u>3,028,353</u>	<u>2,534,736</u>	<u>2,516,042</u>	<u>2,032,842</u>	<u>1,534,368</u>
Net Expense	<u>(7,906,578)</u>	<u>(15,606,849)</u>	<u>(15,791,290)</u>	<u>(10,529,636)</u>	<u>(10,346,939)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes	6,653,880	7,322,777	6,131,597	4,765,063	4,306,253
Capital Outlay	347,574	351,775	247,742	231,966	228,635
Income Taxes Levied for:					
General Purposes	2,937,699	2,984,250	3,086,088	1,969,869	2,009,045
Grants and Entitlements not					
Restricted to Specific Programs	6,065,494	6,318,925	6,437,569	4,135,157	4,023,930
Unrestricted Contributions	0	0	0	840	3,680
Investment Earnings	30,407	11,681	10,051	5,463	5,439
Miscellaneous	24,641	27,067	22,605	47,723	48,801
<i>Total General Revenues</i>	<u>16,059,695</u>	<u>17,016,475</u>	<u>15,935,652</u>	<u>11,156,081</u>	<u>10,625,783</u>
<i>Change in Net Position</i>	<u>\$8,153,117</u>	<u>\$1,409,626</u>	<u>\$144,362</u>	<u>\$626,445</u>	<u>\$278,844</u>

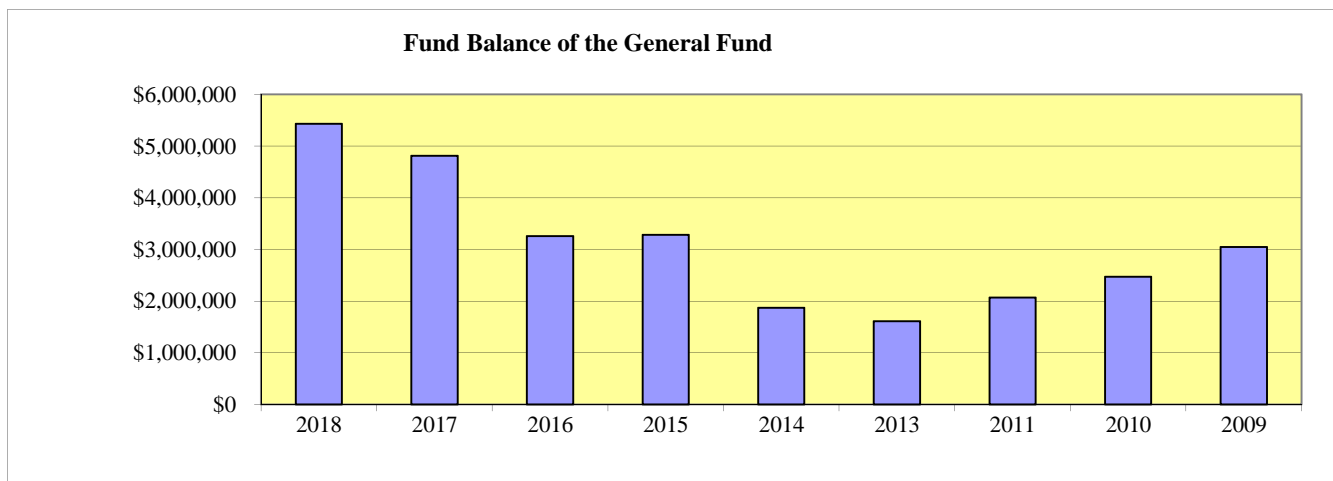
(1) The merger with Ledgemont Local Schools was effective for fiscal year 2016. See S1 for additional details

2013	2012	2011	2010	2009
\$5,243,207	\$5,181,808	\$5,126,717	\$4,830,346	\$5,062,708
1,547,813	1,512,004	1,807,617	1,529,679	1,271,151
83,075	78,326	75,058	76,125	78,115
138,647	165,196	191,649	339,048	12,776
450,373	654,119	698,939	600,884	602,816
330,797	324,804	475,608	455,767	442,628
82,509	83,794	50,980	41,679	87,962
1,238,897	1,177,718	1,227,358	1,113,593	1,142,152
401,819	329,361	438,902	382,159	406,222
1,359	21,999	30,680	28,687	38,727
1,056,199	1,037,957	1,194,648	878,611	938,412
788,278	720,683	1,143,081	791,630	762,715
19,649	0	0	0	0
7,300	0	0	0	0
239,814	251,258	320,036	264,105	302,888
369,669	349,327	365,520	382,735	405,456
2,455	447	0	0	0
<u>12,001,860</u>	<u>11,888,801</u>	<u>13,146,793</u>	<u>11,715,048</u>	<u>11,554,728</u>
500,468	387,610	36,308	220,598	185,794
0	0	361,691	0	28,265
0	0	0	0	0
0	0	0	0	0
105,066	124,989	138,066	153,133	174,575
152,660	181,616	211,908	185,985	201,972
621,700	719,791	1,060,395	959,797	522,346
0	0	0	0	10,013
<u>1,379,894</u>	<u>1,414,006</u>	<u>1,808,368</u>	<u>1,519,513</u>	<u>1,122,965</u>
<u>(10,621,966)</u>	<u>(10,474,795)</u>	<u>(11,338,425)</u>	<u>(10,195,535)</u>	<u>(10,431,763)</u>
4,112,813	4,131,819	4,165,046	3,841,219	4,338,549
216,669	217,922	219,675	198,446	226,907
1,932,690	1,548,753	1,626,657	1,536,729	1,656,813
4,037,322	4,325,044	4,571,888	4,650,889	4,620,371
0	0	0	0	0
4,079	6,285	9,820	13,083	52,667
43,260	23,633	40,129	19,758	14,978
<u>10,346,833</u>	<u>10,253,456</u>	<u>10,633,215</u>	<u>10,260,124</u>	<u>10,910,285</u>
<u>(\$275,133)</u>	<u>(\$221,339)</u>	<u>(\$705,210)</u>	<u>\$64,589</u>	<u>\$478,522</u>

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

	2018	2017	2016	2015 (1)	2014
General Fund					
Nonspendable	\$30,725	\$29,728	\$4,196	\$1,807	\$2,139
Restricted	39,468	39,468	39,468	41,614	41,614
Committed	252,601	232,464	209,272	184,943	193,585
Assigned	778,860	85,152	61,783	34,368	13,089
Unassigned	4,328,574	4,426,249	2,945,119	3,021,386	1,619,679
Reserved	N/A	N/A	N/A	N/A	N/A
Unreserved (Deficit)	N/A	N/A	N/A	N/A	N/A
Total General Fund	5,430,228	4,813,061	3,259,838	3,284,118	1,870,106
All Other Governmental Funds					
Nonspendable	1,929	2,159	990	1,167	1,139
Restricted	433,930	247,159	247,159	182,718	195,681
Committed	0	0	0	7,077	0
Unassigned (Deficit)	(19,038)	0	0	(654)	0
Reserved	N/A	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	N/A	N/A	N/A	N/A	N/A
Debt Service Funds	N/A	N/A	N/A	N/A	N/A
Capital Projects Funds	N/A	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	416,821	249,318	248,149	190,308	196,820
Total Governmental Funds	\$5,847,049	\$5,062,379	\$3,507,987	\$3,474,426	\$2,066,926

Note: GASB 54 was implemented in fiscal year 2011.



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

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

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

	2018	2017	2016 (1)	2015	2014
Revenues					
Income Taxes	\$2,945,799	\$2,960,730	\$2,959,776	\$1,850,476	\$2,162,468
Property Taxes	6,921,814	7,514,877	6,024,661	4,979,118	4,526,039
Intergovernmental	7,130,899	7,282,089	7,470,839	5,247,227	4,636,804
Interest	30,407	11,681	10,051	5,463	5,439
Tuition and Fees	1,464,209	1,288,124	1,205,491	631,147	620,668
Extracurricular Activities	60,801	66,307	68,620	168,337	178,498
Contributions and Donations	307,984	88,330	73,563	42,448	38,117
Charges for Services	127,782	128,139	134,773	77,260	86,291
Rentals	2,172	672	325	2,420	1,600
Miscellaneous	24,641	27,067	22,605	47,723	48,801
<i>Total Revenues</i>	<u>19,016,508</u>	<u>19,368,016</u>	<u>17,970,704</u>	<u>13,051,619</u>	<u>12,304,725</u>
Expenditures					
Current:					
Instruction:					
Regular	8,087,146	8,151,416	8,370,508	5,555,306	4,963,720
Special	1,970,657	2,017,294	2,446,966	1,491,056	1,548,503
Vocational	70,890	71,914	71,730	1,309	46,237
Student Intervention	181,607	185,061	99,474	102,829	90,120
Support Services:					
Pupil	1,088,301	962,575	770,045	650,946	575,935
Instructional Staff	424,104	351,603	412,540	315,514	293,572
Board of Education	189,277	138,441	140,276	92,855	76,731
Administration	1,341,870	1,196,866	1,282,825	1,115,288	1,206,405
Fiscal	443,833	476,148	502,580	444,049	422,157
Business	2,779	56	4,868	2,270	2,904
Operation and Maintenance of Plant	1,564,190	1,398,854	1,583,363	1,148,761	1,010,435
Pupil Transportation	1,175,704	1,292,214	1,244,543	969,397	879,380
Operation of Non-Instructional Services	0	0	0	0	0
Operation of Community Services	38,015	41,561	20,956	221,849	955
Operation of Food Services	331,936	356,504	322,279	438	242,935
Extracurricular Activities	505,747	507,632	469,582	433,111	367,952
Capital Outlay	352,582	376,670	92,336	50,153	168,236
Debt Service:					
Principal Retirement	267,094	203,761	141,822	108,657	103,106
Interest and Fiscal Charges	14,034	10,871	9,918	7,576	5,329
<i>Total Expenditures</i>	<u>18,049,766</u>	<u>17,739,441</u>	<u>17,986,611</u>	<u>12,711,364</u>	<u>12,004,612</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>966,742</u>	<u>1,628,575</u>	<u>(15,907)</u>	<u>340,255</u>	<u>300,113</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	104,591	0	0
Inception of Capital Lease	342,928	357,314	163,380	163,380	241,149
Transfers In	95,000	95,000	95,000	95,000	65,000
Transfers Out	(620,000)	(420,000)	(420,000)	(370,000)	(340,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(182,072)</u>	<u>32,314</u>	<u>(57,029)</u>	<u>(111,620)</u>	<u>(33,851)</u>
<i>Net Change in Fund Balances</i>	<u>\$784,670</u>	<u>\$1,660,889</u>	<u>(\$72,936)</u>	<u>\$228,635</u>	<u>\$266,262</u>
Debt Service as a Percentage of					
Noncapital Expenditures	1.60%	1.24%	0.86%	0.94%	0.93%

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

2013	2012	2011	2010	2009
\$1,735,507	\$1,548,753	\$1,626,657	\$1,544,686	\$1,680,604
4,373,428	4,353,798	4,349,320	4,059,441	4,560,815
4,628,000	5,007,888	5,610,908	5,581,373	5,125,435
4,079	6,285	9,820	13,083	52,667
498,588	387,610	397,999	220,598	214,059
152,660	179,916	209,908	183,351	197,688
31,022	36,947	21,375	29,313	27,295
105,066	124,989	138,066	153,133	174,681
1,880	1,700	2,000	2,634	4,178
43,260	23,633	40,129	19,758	14,978
<u>11,573,490</u>	<u>11,671,519</u>	<u>12,406,182</u>	<u>11,807,370</u>	<u>12,052,400</u>
5,041,132	5,000,387	4,920,559	4,598,101	4,910,346
1,521,958	1,489,364	1,799,284	1,560,754	1,248,295
79,538	75,001	71,458	70,925	67,117
138,647	165,196	191,649	339,048	12,776
433,058	699,224	642,890	587,278	585,437
287,340	320,881	453,246	444,152	413,989
82,509	83,794	50,980	41,679	87,962
1,205,689	1,132,616	1,195,284	1,084,482	1,103,077
392,099	325,331	432,910	376,220	403,219
1,359	21,999	30,680	28,687	38,727
948,417	1,001,524	1,148,327	963,066	1,103,255
832,991	688,329	1,018,781	854,523	749,980
4,132	0	0	0	0
7,300	0	0	0	0
233,496	243,726	279,864	244,249	270,217
368,545	376,503	364,396	381,611	403,839
115,458	49,839	8,300	622,245	921,888
55,314	26,603	0	0	0
2,455	447	0	0	0
<u>11,751,437</u>	<u>11,700,764</u>	<u>12,608,608</u>	<u>12,197,020</u>	<u>12,320,124</u>
<u>(177,947)</u>	<u>(29,245)</u>	<u>(202,426)</u>	<u>(389,650)</u>	<u>(267,724)</u>
0	0	0	0	0
146,624	75,650	0	0	0
75,000	11,000	0	116,600	165,444
<u>(350,000)</u>	<u>(286,000)</u>	<u>(250,000)</u>	<u>(416,600)</u>	<u>(425,444)</u>
<u>(128,376)</u>	<u>(199,350)</u>	<u>(250,000)</u>	<u>(300,000)</u>	<u>(260,000)</u>
<u>(\$306,323)</u>	<u>(\$228,595)</u>	<u>(\$452,426)</u>	<u>(\$689,650)</u>	<u>(\$527,724)</u>
0.50%	0.23%	0.00%	0.00%	0.00%

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

Collection Year	Real Estate			Estimated Actual Value
	Assessed Value			
	Residential/ Agricultural	Commercial/ Industrial	Total	
2018	\$289,887,800	\$36,647,150	\$326,534,950	\$932,957,000
2017	291,781,240	38,821,610	330,602,850	944,579,571
2016 (1)	291,026,460	38,431,820	329,458,280	941,309,371
2015 (1)	290,484,840	39,172,430	329,657,270	941,877,914
2015	194,401,510	32,752,300	227,153,810	649,010,886
2014	188,228,330	30,728,180	218,956,510	625,590,029
2013	187,539,730	26,214,110	213,753,840	610,725,257
2012	187,328,640	25,339,290	212,667,930	607,622,657
2011	189,075,680	24,497,110	213,572,790	610,207,971
2010	189,031,680	24,417,430	213,449,110	609,854,600
2009	187,824,100	23,853,220	211,677,320	604,792,343

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of a true value for railroad property to 88 percent for electric transmission and distribution property.

For the real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

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

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

Public Utility Personal		Total			Total	Weighted
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	Tax Rate Mills	Average Tax Rate
\$13,172,320	\$14,968,545	\$339,707,270	\$947,925,545	35.84%	\$52.30	\$22.72
12,627,620	14,349,568	343,230,470	958,929,140	35.79	52.30	22.48
12,121,320	13,774,227	341,579,600	955,083,599	35.76	52.30	22.33
10,654,590	12,107,489	340,311,860	953,985,403	35.65	52.30	33.28
7,110,920	8,080,591	234,264,730	657,091,477	35.65	52.30	23.68
6,777,210	7,701,375	225,733,720	633,291,404	35.64	52.30	23.02
6,152,350	6,991,307	219,906,190	617,716,564	35.60	52.30	22.31
5,573,190	6,333,170	218,241,120	613,955,828	35.55	52.30	22.03
7,110,920	8,080,591	220,683,710	618,288,562	35.66	52.30	22.41
5,284,160	6,004,727	218,733,270	615,859,327	35.52	52.30	21.93
4,965,770	5,642,920	216,643,090	610,435,263	35.49	52.30	21.68

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

	2018	2017	2016	2015	2014
Unvoted Millage					
Operating	\$4.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000
Voted Millage - by levy					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	7.8983	7.7910	7.7934	7.7817	7.8684
Commercial/Industrial	7.8884	7.3936	7.4873	7.3641	7.3617
Tangible/Public Utility Personal	26.1000	26.1000	26.1000	26.1000	26.1000
1977 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	1.5131	1.4925	1.4930	1.4907	1.5074
Commercial/Industrial	1.5112	1.4164	1.4344	1.4107	1.4103
Tangible/Public Utility Personal	5.0000	5.0000	5.0000	5.0000	5.0000
1983 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.0300	2.0025	2.0031	2.0001	2.0372
Commercial/Industrial	2.7133	2.5431	2.5754	2.5330	2.5322
Tangible/Public Utility Personal	4.7000	4.7000	4.7000	4.7000	4.7000
1985 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	1.9437	1.9173	1.9178	1.9150	1.9505
Commercial/Industrial	2.5979	2.4349	2.4658	2.4252	2.4244
Tangible/Public Utility Personal	4.5000	4.5000	4.5000	4.5000	4.5000
1988 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.3473	2.3154	2.3161	2.3126	2.3588
Commercial/Industrial	2.9582	2.7726	2.8078	2.7616	2.7607
Tangible/Public Utility Personal	5.0000	5.0000	5.0000	5.0000	5.0000
2008 Permanent Improvements - 5 years (1)					
Effective Millage Rates					
Residential/Agricultural	1.0197	1.0058	1.0061	1.0046	1.0333
Commercial/Industrial	1.4961	1.4022	1.4200	1.3966	1.3962
Tangible/Public Utility Personal	2.5000	2.5000	2.5000	2.5000	2.5000
Total Effective Voted Millage by type of property					
Residential/Agricultural	16.7521	16.5296	16.5296	16.5047	16.7556
Commercial/Industrial	19.1651	18.1907	18.1907	17.8912	17.8854
Tangible/Public Utility Personal	47.8000	47.8000	47.8000	47.8000	47.8000
Total Effective Millage by type of property					
Residential/Agricultural	21.2521	21.0296	21.0296	21.0047	21.2556
Commercial/Industrial	22.6651	22.6907	22.6907	22.3912	22.3854
Tangible/Public Utility Personal	52.3000	52.3000	52.3000	52.3000	52.3000
Total Weighted Average Tax Rate	22.7163	22.4760	22.3261	23.6807	23.0172
Overlapping Rates by Taxing District					
Auburn Joint Vocational School District Voted Millage					
Effective Millage Rates					
Residential/Agricultural	1.5000	1.5000	1.5000	1.5000	1.5000
Commercial/Industrial	1.5000	1.5000	1.5000	1.5000	1.5000
Tangible/Public Utility Personal	1.5000	1.5000	1.5000	1.5000	1.5000

2013	2012	2011	2010	2009
\$4.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000
7.8567	7.8404	7.7734	7.7579	7.7572
7.3287	7.3184	7.5105	7.4948	7.5018
26.1000	26.1000	26.1000	26.1000	26.1000
1.5051	1.5020	1.4891	1.4862	1.4861
1.4040	1.4020	1.4388	1.4358	1.4371
5.0000	5.0000	5.0000	5.0000	5.0000
2.0342	2.0300	2.0126	2.0086	2.0095
2.5208	2.5173	2.5834	2.5780	2.5804
4.7000	4.7000	4.7000	4.7000	4.7000
1.9476	1.9436	1.9269	1.9231	1.9229
2.4136	2.4102	2.4734	2.4683	2.4706
4.5000	4.5000	4.5000	4.5000	4.5000
2.3553	2.3504	2.3304	2.3256	2.3254
2.7483	2.7445	2.8165	2.8106	2.8132
5.0000	5.0000	5.0000	5.0000	5.0000
1.0318	1.0296	1.0208	1.0188	1.0187
1.3899	1.3880	1.4244	1.4214	1.4228
2.5000	2.5000	2.5000	2.5000	2.5000
16.7307	16.6960	16.5531	16.5202	16.5187
17.8053	17.7804	18.2469	18.2088	18.2260
47.8000	47.8000	47.8000	47.8000	47.8000
21.2307	21.1960	21.0531	21.0202	21.0187
22.3053	22.2804	22.7469	22.7088	22.7260
52.3000	52.3000	52.3000	52.3000	52.3000
22.3091	22.0288	22.4081	21.9270	21.6772
1.5000	1.5000	1.5000	1.5000	1.5000
1.5000	1.5000	1.5000	1.5000	1.5000
1.5000	1.5000	1.5000	1.5000	1.5000

(continued)

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

	2018	2017	2016	2015	2014
Overlapping Rates by Taxing District					
Ashtabula County Tech and Career Center					
Effective Millage Rates	\$0.0000	\$0.0000	\$2.4324	N/A	N/A
Residential/Agricultural	0.0000	0.0000	2.7518	N/A	N/A
Commercial/Industrial	0.0000	0.0000	4.1100	N/A	N/A
Tangible/Public Utility Personal					
Burton Public Library Voted Millage					
Effective Millage Rates	1.6738	1.6570	1.6554	1.6528	1.2000
Residential/Agricultural	1.7000	1.6973	1.7000	1.7000	1.1762
Commercial/Industrial	1.7000	1.7000	1.7000	1.7000	1.2000
Tangible/Public Utility Personal					
Village of Burton Unvoted Millage					
Residential/Agricultural	11.1365	11.1700	8.2113	8.2119	8.2157
Commercial/Industrial	11.7248	11.7024	9.1217	9.1217	9.1119
Tangible/Public Utility Personal	12.0000	12.0000	9.7500	9.7500	9.7500
Township of Burton Voted Millage					
Effective Millage Rates					
Residential/Agricultural	9.1941	9.9308	5.9254	5.9276	5.9921
Commercial/Industrial	9.6019	10.3933	6.4381	6.3277	6.3367
Tangible/Public Utility Personal	10.3500	11.2500	7.2500	7.2500	7.2500
Township of Claridon Voted Millage					
Effective Millage Rates					
Residential/Agricultural	6.4980	7.5077	7.5000	7.4788	7.5704
Commercial/Industrial	6.4713	7.3069	7.3069	7.3062	7.3096
Tangible/Public Utility Personal	6.7500	9.1500	9.1500	9.1500	9.1500
Township of Montville Voted Millage					
Effective Millage Rates					
Residential/Agricultural	8.3742	7.7089	7.7197	N/A	N/A
Commercial/Industrial	8.2910	8.0095	7.9899	N/A	N/A
Tangible/Public Utility Personal	9.9000	10.4000	10.4000	N/A	N/A
Township of Thompson Voted Millage					
Effective Millage Rates					
Residential/Agricultural	10.1815	9.9969	10.0202	N/A	N/A
Commercial/Industrial	10.7975	10.1829	10.4612	N/A	N/A
Tangible/Public Utility Personal	12.5000	12.5000	12.5000	N/A	N/A
Township of Troy Voted Millage					
Residential/Agricultural	9.3882	9.1880	9.1950	8.0596	8.3376
Commercial/Industrial	8.9668	8.2865	8.2865	7.2467	7.2395
Tangible/Public Utility Personal	12.5000	12.5000	12.5000	11.0000	11.0000
Geauga County Voted Millage					
Effective Millage Rates					
Residential/Agricultural	12.9945	13.2553	14.0525	11.4711	11.8028
Commercial/Industrial	14.1203	14.0753	13.2506	12.1414	12.4790

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

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

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

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

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

Source: Ohio Department of Taxation

2013	2012	2011	2010	2009
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
1.2000	1.2000	\$1.1980	\$1.1956	\$1.1955
1.1710	1.1693	1.2000	1.1989	1.2000
1.2000	1.2000	1.2000	1.2000	1.2000
8.1969	8.1914	8.1231	8.1174	8.1172
9.0709	9.0348	9.3172	9.3172	9.3172
9.7500	9.7500	9.7500	9.7500	9.7500
5.1969	5.2561	5.9389	5.9316	5.9289
6.0709	5.5043	6.3130	6.3107	6.3099
6.7500	6.3500	7.2500	7.2500	7.2500
7.5605	6.5040	6.5222	6.5171	6.5153
7.3061	6.2763	6.2885	6.2884	6.2874
9.1500	9.4000	9.4000	9.4000	9.4000
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
8.3363	8.3172	9.3918	9.3722	9.3777
7.2395	7.2392	8.4271	8.3976	8.4153
11.0000	11.0000	12.5000	12.5000	12.5000
11.9850	11.9674	11.6097	11.2064	10.9011
12.7460	12.5853	12.4348	12.0948	11.5893

Berkshire Local School District
Property Tax Levies and Collections (1)
Last Ten Years

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2017	\$7,680,648	\$7,480,826	97.40	\$219,339	\$7,700,165	100.25%
2016	7,580,926	7,290,186	95.99	187,240	7,477,426	98.56
2015	5,213,614	4,883,579	93.67	135,421	5,019,000	96.27
2014	5,199,872	5,139,730	98.84	142,551	5,282,281	101.58
2013	4,895,103	4,825,539	98.58	141,557	4,967,096	101.47
2012	4,847,757	4,729,795	97.57	117,245	4,847,040	99.99
2011	4,822,787	4,764,641	98.79	121,788	4,886,429	101.32
2010	4,805,662	4,712,631	98.06	208,062	4,920,693	102.39
2009	4,830,649	4,729,877	97.91	205,453	4,935,330	102.17
2008	5,041,199	4,888,884	96.98	229,328	5,118,212	101.53

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2018 information cannot be presented because all collections have not been made by June 30, 2018.
- (3) The County does not maintain delinquency information by tax year.

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

Berkshire Local School District

Principal Taxpayers

Real Estate Tax

2018 and 2010 (1)

Name of Taxpayer	2018	
	Assessed Value	Percent of Real Property Assessed Value
Great Lakes Cheese Company, Inc	\$4,247,430	1.30 %
RW Sidley Inc	2,885,020	0.88
Saint Gobain Ceramics & Plastics Inc	1,729,000	0.53
Luxenburg Properties BH	1,333,180	0.41
Thistle Lane Real Properties LLC	1,324,090	0.41
Excel Polymers LLC	1,279,150	0.39
Troy Oaks Homes and Residential Club	1,212,310	0.37
Burton HCC Real Estate Co LLC	1,033,530	0.32
Preston Real Estate	826,590	0.25
Nature Conservancy	711,060	0.22
Totals	\$16,581,360	5.08 %
Total Real Estate Tax Assessed Valuation	\$326,534,950	

Name of Taxpayer	2010	
	Assessed Value	Percent of Real Property Assessed Value
Great Lakes Cheese Company, Inc	\$4,016,460	1.88 %
Saint Gobain Ceramics & Plastics, Inc.	2,114,350	0.99
Thistle Lane Real Properties LLC	1,642,380	0.77
Excel Polymers LLC	1,252,520	0.59
John & James Masternick Trustees	1,089,280	0.51
Luxenburg Properties BH	1,020,830	0.48
Troy Oaks Homes	933,390	0.44
Bridge Creek Properties LLC	721,530	0.34
Preston Real Estate Holding Co	634,120	0.30
Grandview Golf Club	614,130	0.28
Totals	\$14,038,990	6.58 %
Total Real Estate Tax Assessed Valuation	\$213,449,110	

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

(1) Information for 2009 is not available.

Berkshire Local School District

Principal Taxpayers

Public Utilities Tax

2018 and 2010 (1)

Name of Taxpayer	2018	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$8,504,620	64.56 %
American Transmission Systems Inc	2,259,320	17.15
East Ohio Gas Company	929,780	7.06
Orwell Trumbull Pipeline Co LLC	891,990	6.77
Ohio Edison	333,490	2.54
Total	\$12,919,200	98.08 %
Total Public Utilities Assessed Valuation	\$13,172,320	

Name of Taxpayer	2010	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$4,312,660	81.61 %
American Transmission Systems Inc	393,830	7.45
East Ohio Gas Company	325,140	6.15
Ohio Edison	247,380	4.69
Total	\$5,279,010	99.90 %
Total Public Utilities Assessed Valuation	\$5,284,160	

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

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

Tax Year	Tax Rate (2)	Total Tax Collected (3)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Direct Payments	Percentage of Taxes from Direct Payments
2018	1.00 %	\$2,937,699	\$1,837,047	62.53 %	\$1,100,652	37.47 %
2017	1.00	2,984,250	1,726,745	57.86	1,257,505	42.14
2016	1.00	3,086,088	1,725,506	55.91	1,360,582	44.09
2015	1.00	1,969,869	1,105,924	56.14	863,985	43.86
2014	1.00	2,009,045	1,063,409	52.93	945,636	47.07
2013	1.00	1,932,690	779,138	40.31	1,153,552	59.69
2012	1.00	1,548,753	761,923	49.20	786,830	50.80
2011	1.00	1,626,657	910,880	58.81	670,020	41.19
2010	1.00	1,536,729	910,880	59.27	625,910	40.73
2009	1.00	1,656,813	932,045	56.26	724,690	43.74

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

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

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

Source: Ohio Department of Taxation

Berkshire Local School District
*Computation of Direct and Overlapping
 Governmental Activities Debt
 December 31, 2017*

	Governmental Activities Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Capital Leases	<u>\$583,994</u>	100.00%	<u>\$583,994</u>
Overlapping:			
Geauga County			
General Obligation Bonds	130,000	7.52%	9,776
Special Assessment Bonds	398,456	7.52%	29,964
Capital Lease	38,648	7.52%	2,906
Loan Payable	<u>251,203</u>	7.52%	<u>18,890</u>
Total Overlapping	<u>818,307</u>	7.52%	<u>61,537</u>
Total	<u><u>\$1,402,301</u></u>		<u><u>\$645,531</u></u>

Source: Office of the Auditor, Geauga County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2017 collection year.

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

Fiscal Year	Population (1)	Estimated Actual Value (2)	General Bonded Debt		
			Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2018	12,903	\$947,925,545	\$0	0.00	\$0.00
2017	12,903	958,929,140	0	0.00	0.00
2016	12,903	955,083,599	0	0.00	0.00
2015	8,647	657,091,477	0	0.00	0.00
2014	8,647	633,291,404	0	0.00	0.00
2013	8,647	617,716,564	0	0.00	0.00
2012	8,647	613,955,828	0	0.00	0.00
2011	8,647	618,288,562	0	0.00	0.00
2010	8,647	615,859,327	0	0.00	0.00
2009	8,647	610,435,263	0	0.00	0.00

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

(2) Geauga County Auditor

(3) The personal income can be found on S26

General Debt			
Capital Leases	Total Debt	Ratio of General Debt to Personal Income (3)	General Debt per Capita
\$583,994	\$583,994	1.44	\$45.26
508,160	508,160	1.25	39.38
354,607	354,607	0.87	27.48
333,049	333,049	1.18	38.52
278,400	278,400	0.98	32.20
140,357	140,357	0.50	16.23
49,047	49,047	0.17	5.67
0	0	0.00	0.00
0	0	0.00	0.00
0	0	0.00	0.00

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

	2018	2017	2016	2015
Assessed Valuation	<u>\$326,534,950</u>	<u>\$330,602,850</u>	<u>\$329,458,280</u>	<u>\$227,153,810</u>
Debt Limit - 9% of Assessed Value (1)	\$29,388,146	\$29,754,257	\$29,651,245	\$20,443,843
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds	0	0	0	0
Less Amount Available in Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$29,388,146</u>	<u>\$29,754,257</u>	<u>\$29,651,245</u>	<u>\$20,443,843</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Assessed Value (1)	\$326,535	\$330,603	\$329,458	\$227,154
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$326,535</u>	<u>\$330,603</u>	<u>\$329,458</u>	<u>\$227,154</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Geauga County Auditor and School District Financial Records

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

2014	2013	2012	2011	2010	2009
<u>\$218,956,510</u>	<u>\$213,753,840</u>	<u>\$212,667,930</u>	<u>\$213,572,790</u>	<u>\$213,449,110</u>	<u>\$211,677,320</u>
\$19,706,086	\$19,237,846	\$19,140,114	\$19,221,551	\$19,210,420	\$19,050,959
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
<u>\$19,706,086</u>	<u>\$19,237,846</u>	<u>\$19,140,114</u>	<u>\$19,221,551</u>	<u>\$19,210,420</u>	<u>\$19,050,959</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$218,957	\$213,754	\$212,668	\$213,573	\$213,449	\$211,677
0	0	0	0	0	0
<u>\$218,957</u>	<u>\$213,754</u>	<u>\$212,668</u>	<u>\$213,573</u>	<u>\$213,449</u>	<u>\$211,677</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Berkshire Local School District
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (1)	Personal Income Per Capita (1)	Median Household Income (1)
2018	1,455	\$40,658,520	\$27,944	\$60,200
2017	1,455	40,658,520	27,944	60,200
2016	1,455	40,658,520	27,944	60,200
2015	1,455	40,658,520	27,944	60,200
2014	1,455	40,658,520	27,944	60,200
2013	1,455	40,658,520	27,944	60,200
2012	1,455	40,658,520	27,944	60,200
2011	1,455	40,658,520	27,944	60,200
2010	1,455	40,658,520	27,944	60,200
2009	1,450	28,298,200	19,516	41,830

Source 2000 & 2010 U.S. Census
 Geauga County

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

Median Age (1)	Median Value of Residential Property (1)	Geauga County Unemployment Rate	Total Assessed Property Value
37.50	\$135,100	5.2 %	\$339,707,270
37.50	135,100	4.8	343,230,470
37.50	135,100	4.1	341,579,600
37.50	135,100	5.6	234,264,730
37.50	135,100	5.6	225,733,720
37.50	135,100	5.6	219,906,190
37.50	135,100	7.5	218,241,120
37.50	135,100	7.5	220,683,710
37.50	135,100	7.5	218,733,270
37.50	135,100	7.5	216,643,090

Berkshire Local School District
Principal Employers
 December 31, 2017 and December 31, 2009 (1)

December 31, 2017			
Employer	City	Nature of Business or Activity	Employees
Great Lakes Cheese Company	Troy	Cheese Packaging and Distribution	636
Hexpol Compounding/Burton Rubber Processing	Burton	Manufacturing	256
Preston Superstore	Burton	Automobile Sales	180
Berkshire Local School District	Burton	Education	162.5
Burton Health Care	Burton	Long-term Health Care and Rehabilitation	75
Duramax	Troy	Manufacturing	84
Ronyak Paving	Burton	Paving	82
BFG Supply, Incorporated	Burton	Wholesale Distributor - Greenhouse	40
Troy Manufacturing	Troy	Manufacturing	25
ARMS Trucking	Burton	Trucking	n/a
Total			<u>1,541</u>
Total Employment within the School District			<u>n/a</u>

December 31, 2009 (1)			
Employer	City	Nature of Business or Activity	Employees
Great Lakes Cheese Company	Troy	Cheese Packaging and Distribution	500
Excel Polymers, LLC	Burton	Manufacturing	214
BFG Supply, Incorporated	Burton	Wholesale Distributor - Greenhouse	190
Berkshire Local School District	Burton	Education	139
Burton Health Care	Burton	Long-term Health Care and Rehabilitation	125
Duramax	Troy	Manufacturing	90
Preston Superstore	Burton	Automobile Sales	75
Ronyak Paving	Burton	Paving	66
ARMS Trucking	Burton	Trucking	65
Troy Manufacturing	Troy	Manufacturing	32
Total			<u>1,515</u>
Total Employment within the School District			<u>n/a</u>

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

(1) Information for December 31, 2008 is not available.

n/a - Information not available.

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

	2018	2017	2016	2015	2014
Burton Elementary School					
Constructed in 1959					
Total Building Square Footage	41,645	41,645	41,645	41,645	41,645
Enrollment Grades PS-6	442	451	425	0	454
Student Capacity	640	640	640	640	640
Regular Instruction Classrooms	23	23	23	23	23
Regular Instruction Teachers	25.0	29	30	30	29
Special Instruction Classrooms	4	4	4	4	4
Special Instruction Teachers	7	7	6	5	5
Ledgemont Elementary School					
Constructed in 1924					
Total Building Square Footage	48,050	48,050	48,050	0	0
Enrollment Grades 1-6	195	192	195	0	0
Student Capacity	739	739	739	0	0
Regular Instruction Classrooms	14	27	27	0	0
Regular Instruction Teachers	15	14	16	0	0
Special Instruction Classrooms	2	1	1	0	0
Special Instruction Teachers	5	4	0.5	0	0
Troy Elementary School					
Constructed in 1924					
Total Building Square Footage	0	0	0	0	0
Enrollment Grades 1-6	0	0	0	0	0
Student Capacity	0	0	0	0	0
Regular Instruction Classrooms	0	0	0	0	0
Regular Instruction Teachers	0	0	0	0	0
Special Instruction Classrooms	0	0	0	0	0
Special Instruction Teachers	0	0	0	0	0
Junior High/High School					
Constructed in 1936					
Total Building Square Footage	95,485	95,485	95,485	95,485	95,485
Enrollment Grades 7-12	598	591	604	906	495
Student Capacity	760	760	760	760	760
Regular Instruction Classrooms	30	32	32	32	32
Regular Instruction Teachers	35	33.5	34	27	27
Special Instruction Classrooms	6	5	5	5	5
Special Instruction Teachers	5	4	8	6	6

Source: School District Records

2013	2012	2011	2010	2009
41,645	41,645	41,645	41,645	41,645
474	491	507	508	495
640	640	640	640	640
23	23	23	23	16
29	29	23	23	21
4	4	4	4	4
5	5	8	8	8
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	18,556
0	0	0	0	163
0	0	0	0	190
0	0	0	0	6
0	0	0	0	6
0	0	0	0	1
0	0	0	0	1
95,485	95,485	95,485	95,485	95,485
517	548	576	569	629
760	760	760	760	760
32	32	32	32	32
27	28	30	30	30
5	5	5	5	5
6	5	5	5	5

Berkshire Local School District

Per Pupil Cost

Last Ten Fiscal Years

Fiscal Year	Expenditures	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Students Receiving Free or Reduced Lunch	Percentage of Enrollment
2018	\$18,049,766	1,235	\$14,615	1.64 %	91	13.6	278	22.5%
2017	17,739,441	1,234	14,376	(2.22)	91	13.6	301	24.4
2016	17,986,611	1,224	14,695	4.52	94	13.0	340	27.8
2015	12,711,364	906	14,030	9.84	70	12.9	212	23.4
2014	12,004,612	949	12,650	6.26	69	13.8	212	22.3
2013	11,751,437	991	11,858	5.03	69	14.4	220	20.7
2012	11,700,764	1,039	11,262	(3.38)	69	15.1	227	21.8
2011	12,608,608	1,083	11,642	0.03	72	15.0	242	22.3
2010	12,197,020	1,077	11,325	(3.21)	73	14.8	155	14.4
2009	12,320,124	1,124	10,961	11.78	73	15.4	144	12.8

Source: School District Records (Modified Accrual Basis)

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

Fiscal Year	Berkshire Attendance Rate	State Average	Berkshire Graduation Rate	State Average
2018	94.90%	N/A	94.30%	85.60%
2017	95.49	N/A	95.50	85.60%
2016	95.20	N/A	94.10	83.00
2015	95.00	N/A	94.10	83.00
2014	95.00	94.30	94.10	83.00
2013	95.00	94.30	93.80	83.00
2012	94.40	94.30	95.90	83.00
2011	94.00	94.00	95.20	83.00
2010	94.30	94.30	95.20	83.00
2009	94.40	94.30	95.20	90.00

Source: Ohio Department of Education Local Report Cards

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

Function/Program	2018	2017	2016	2015	2014
Regular Instruction					
Elementary Classroom Teachers	39.00	40.50	44.00	30.50	29.50
High School Classroom Teachers	28.00	28.50	32.00	24.00	24.00
Special Instruction					
Elementary Classroom Teachers	10.50	11.00	5.00	4.00	4.00
Gifted Education Teachers	1.50	1.00	1.00	1.00	1.00
High School Classroom Teachers	5.00	4.00	6.00	5.00	5.00
Vocational Instruction					
High School Classroom Teachers	1.00	1.00	1.00	1.00	1.00
Pupil Support Services					
Guidance Counselors	4.00	3.00	3.00	2.00	2.00
Librarians	1.00	1.00	1.00	1.00	1.00
Psychologists	0.00	0.00	0.00	1.00	1.00
Speech and Language Pathologists	0.00	0.00	0.00	1.00	1.00
Nurse	1.00	1.00	1.00	1.00	1.00
Aides	12.00	6.00	6.00	5.00	5.00
Administration					
Elementary	2.00	2.00	2.00	1.00	1.00
High School	2.00	1.00	2.00	2.00	2.00
Central Office	2.00	2.00	2.00	2.00	2.00
Secretarial	8.00	8.50	8.00	6.50	6.50
Technology	0.00	0.00	0.00	1.00	1.00
Fiscal Services					
Administration	1.00	1.00	1.00	1.00	1.00
Clerks	2.00	2.00	2.00	2.00	2.00
Operation of Plant					
Custodians	12.00	10.00	10.00	7.00	7.00
Maintenance	1.00	1.00	1.00	1.00	1.00
Pupil Transportation					
Administration	1.00	1.00	1.00	1.00	1.00
Bus Drivers	15.00	15.00	15.00	10.00	10.00
Bus Aides	3.00	2.00	2.00	3.00	3.00
Van Drivers	3.00	3.00	3.00	2.00	2.00
Food Service Program					
Elementary Cooks	3.50	3.50	3.50	3.00	3.00
High School Cooks	4.00	6.00	6.00	3.00	3.00
Totals	<u>162.50</u>	<u>155.00</u>	<u>158.50</u>	<u>122.00</u>	<u>121.00</u>

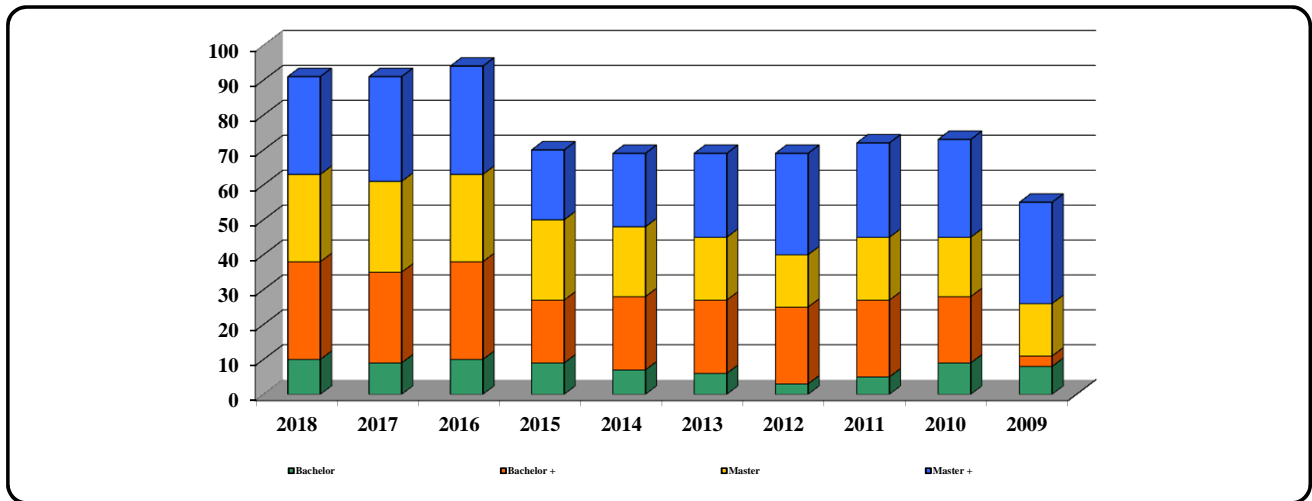
Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at fiscal year end.

Source: School District Records

2013	2012	2011	2010	2009
29.00	29.00	31.00	31.00	30.00
24.00	25.00	30.00	29.00	30.00
4.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00
5.00	5.00	5.00	4.00	3.00
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
1.00	1.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00
4.00	5.00	5.00	5.00	9.00
2.00	2.00	2.00	2.00	3.00
2.00	2.00	2.00	2.00	2.00
2.00	2.00	2.00	2.00	1.00
7.50	7.50	7.50	7.50	8.00
1.00	1.00	1.00	1.00	1.50
1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00
7.00	7.00	8.00	7.50	7.50
1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00
10.00	10.00	10.00	10.00	10.00
3.00	3.00	5.00	5.00	6.00
2.00	2.00	2.00	2.00	2.00
4.00	4.00	4.00	4.00	4.00
3.00	3.00	3.00	3.00	3.00
<u>122.50</u>	<u>124.50</u>	<u>135.50</u>	<u>134.00</u>	<u>139.00</u>

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

Degree	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Bachelor's Degree	10	9	10	9	7	6	3	5	9	8
Bachelor + 15	2	2	1	1	4	4	4	7	4	3
Bachelor + 150	26	24	27	17	17	17	18	15	15	15
Master's Degree	25	26	25	23	20	18	15	18	17	18
Master + 15	17	18	18	13	10	10	12	13	12	11
Master + 30	8	9	13	7	11	14	17	14	16	18
Master + 45	3	3	0	0	0	0	0	0	0	0
Total	91	91	94	70	69	69	69	72	73	73



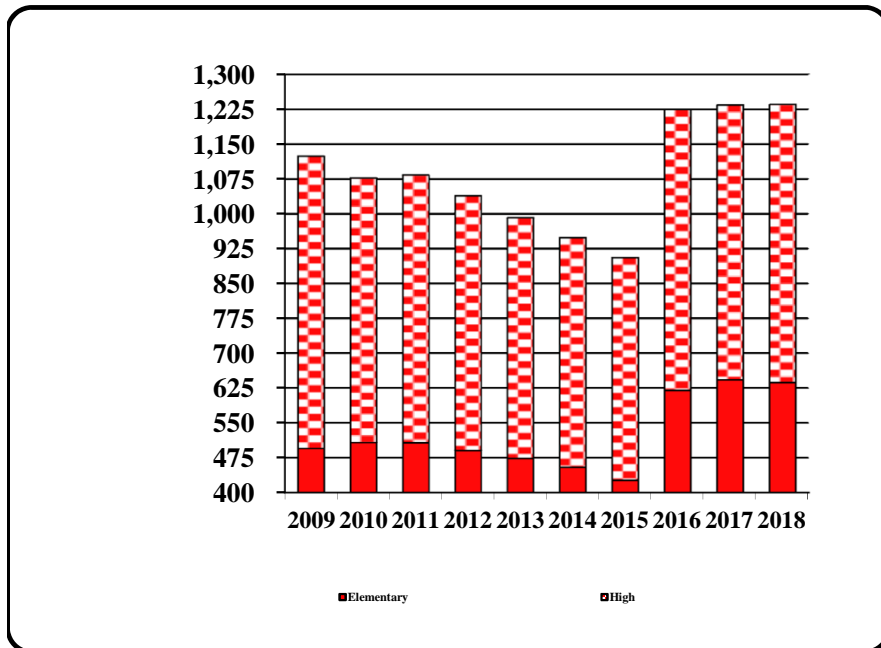
Source: School District Records

Berkshire Local School District

*Enrollment Statistics
Last Ten Fiscal Years*

Fiscal Year	Elementary Schools	Junior/High School	Total
2018	637	598	1,235
2017	643	591	1,234
2016	620	604	1,224
2015	426	480	906
2014	454	495	949
2013	474	517	991
2012	491	548	1,039
2011	507	576	1,083
2010	508	569	1,077
2009	495	629	1,124

Source: School District Records



(2) The following are changes made in the 1997-98 school year
 Elementary grade change from K-6 to K-5
 Middle School grade change from 7,8 to 6,7,8

Berkshire Local School District

SAT Composite Scores

Last Ten Fiscal Years

<u>School Year</u>	<u>Number of Senior Test Takers</u>	<u>Berkshire Verbal</u>	<u>Ohio Verbal</u>	<u>National Verbal</u>
2018	0	n/a	n/a	n/a
2017	2	635	494	494
2016	1	595	535	487
2015	7	602	555	498
2014	13	570	496	496
2013	6	722	543	496
2012	6	560	489	489
2011	4	480	501	501
2010	4	510	537	502
2009	6	560	526	502

Source: High School Guidance Office, Berkshire Local School District

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

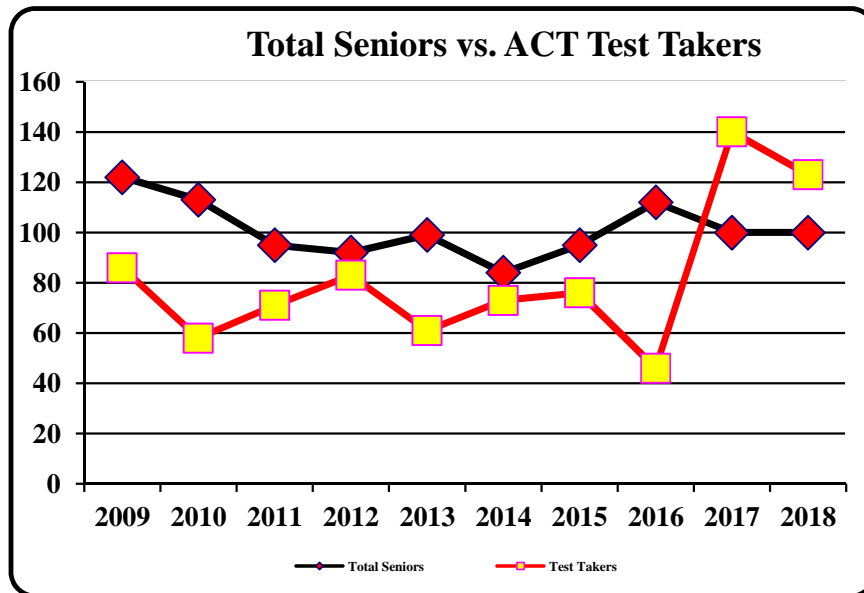
<u>Berkshire Math</u>	<u>Ohio Math</u>	<u>National Math</u>
n/a	n/a	n/a
610	508	508
615	562	513
622	562	513
565	514	514
763	552	514
528	514	514
520	516	516
520	546	515
530	533	515

Berkshire Local School District

ACT Composite Scores

Last Ten School Years

School Year	Number of Test Takers	Berkshire Composite	Ohio Composite	National Composite
2018	123	19.5	22.0	20.0
2017	140	20.0	26.0	20.8
2016	46	21.0	22.0	21.0
2015	76	23.6	22.0	21.0
2014	73	21.9	22.0	21.0
2013	61	21.3	21.8	21.1
2012	83	22.5	21.8	21.1
2011	71	22.0	21.8	21.0
2010	58	21.7	21.7	21.1
2009	83	22.6	21.7	21.1



Source: High School Guidance Office,
Berkshire Local School District

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

Fiscal Year	Berkshire Average	State Average
2018	13.6	N/A
2017	13.6	N/A
2016	13.0	N/A
2015	12.9	N/A
2014	13.8	18.47
2013	14.4	18.47
2012	14.4	19.1
2011	15.0	19.1
2010	14.8	19.1
2009	15.4	19.1

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Dave Yost • Auditor of State

BERKSHIRE LOCAL SCHOOL DISTRICT

GEAUGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 27, 2018**