

**Mary Taylor, CPA**  
Auditor of State



**BERKSHIRE LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

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**BERKSHIRE LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2008**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
Food Distribution Program	10.550	\$0	\$9,392	\$0	\$9,392
National School Lunch Program	10.555	42,635	0	42,635	0
Total U.S. Department of Agriculture		<u>42,635</u>	<u>9,392</u>	<u>42,635</u>	<u>9,392</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Grants to States - FY 2007	84.027	26,739	0	1,482	0
Special Education Grants to States - FY 2008	84.027	265,374	0	263,962	0
Total Special Education Grants to States		292,113	0	265,444	0
Title I Grants to Local Educational Agencies - FY 2007	84.010	0	0	8,265	0
Title I Grants to Local Educational Agencies - FY 2008	84.010	173,646	0	171,038	0
Total Title I Grants to Local Educational Agencies		173,646	0	179,303	0
Safe and Drug-Free Schools and Communities State Grants - FY 2007	84.186	0	0	488	0
Safe and Drug-Free Schools and Communities State Grants - FY 2008	84.186	507	0	850	0
Total Safe and Drug-Free Schools and State Grants		507	0	1,338	0
State Grant for Innovative Programs - FY 2007	84.298	0	0	4,920	0
State Grant for Innovative Programs - FY 2008	84.298	2,672	0	2,080	0
Total State Grant for Innovative Programs		2,672	0	7,000	0
Education Technology State Grant	84.318	1,702	0	1,781	0
Improving Teacher Quality State Grant	84.367	43,718	0	46,654	0
Total U.S. Department of Education		<u>514,358</u>	<u>0</u>	<u>501,520</u>	<u>0</u>
<b>Total Federal Financial Assistance</b>		<b><u>556,993</u></b>	<b><u>9,392</u></b>	<b><u>544,155</u></b>	<b><u>9,392</u></b>

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

**BERKSHIRE LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2008**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B – FOOD DONATION PROGRAM**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

**CFDA – Catalog of Federal Domestic Assistance**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' 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 44021-364

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Berkshire Local School District, Geauga County, (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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, providing an opinion 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*.

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated January 23, 2009.

We intend this report solely for the information and use of the audit committee, management, Board of Education, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

January 23, 2009





# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO IT'S MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Education:

#### Compliance

We have audited the compliance of Berkshire Local School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Berkshire Local School District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2008.

#### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### **Federal Awards Receipts and Expenditures Schedule**

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Berkshire Local School District as of and for the year ended June 30, 2008, and have issued our report thereon dated January 23, 2009. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

January 23, 2009

**BERKSHIRE LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FISCAL YEAR END JUNE 30, 2008**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



# Berkshire Local School District Burton, Ohio

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008

Prepared by  
Treasurer's Office  
Karen Andrei  
Treasurer

**Berkshire Local School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2008*  
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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**

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January 23, 2009

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, 2008. 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 2008, the School District was audited by the Auditor of State's Office. Their unqualified opinion is included in the financial section of this CAFR.

Management's discussion and analysis (MD&A) immediately follows the Independent Accountants' 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 four instructional/support facilities staffed by 57 non-certificated employees, 75 certificated full time teaching personnel and 6 administrative employees to provide services to 1,145 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 High School built in 1936, with additions in 1973 and 2002, houses 619 students from grades 7 through 12.
- Burton Elementary School built in 1959, with an addition in 1962, houses 363 students from grades kindergarten through 6.
- Troy Elementary School built in 1924, with additions in 1930 and 1966, houses 163 students from first grade through 6.

The Burton and Troy Elementary Schools provide 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.

In May 2006, the School District sold the Troy Elementary School building at an auction with the option to lease it back for two or more years. This was to enable the School District to put their long-term plan into effect and bring all elementary students under one roof. The final sale was completed in July 2006. The Board is currently considering the best options for the students of the School District.

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, major object level for the general fund and at the fund level for all other 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 risen steadily and upscale housing developments have replaced several defunct farms in the area. Several businesses are located in the area such as Great Lakes Cheese Company, Excell Polymers, LLC, Troy Manufacturing, Burton Floral and Garden, Preston Superstore, and TRC Manufacturing. Saint-Gobain Crystals and Detectors started construction in the summer of 2007 to build a new manufacturing plant for synthetic crystals in the Great Lakes Parkway in Troy Township. This over 100,000 square foot project will bring nearly 200 jobs to the School District community. Saint-Gobain was granted a five-year 100 percent tax abatement as part of the agreement for relocating from nearby Newbury Township.

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 one elementary building are located in Burton Village, known for its historical atmosphere – a place where history lives. Around the center of town and in the surrounding area are many specialty shops that add to the charm of the Village and to the local economy. These include All Matters, Inc., Beaches and Dreams Travel, Buckeye Chocolate Company, Burton County Village Antiques, Coffee Corners Antiques, John’s Photography, Little Pond Graphic Productions, White House Chocolates, Sweetbriar Suri Alpaca Farm, and Sunrise Farm Market. After a day of unique shopping, one can take in a good meal at Joel’s Italian Grille, Belle’s Restaurant, Burton Fox Inn, or Cogan’s; all are within walking distance of the square and the shops. One can end the day at the Red Maple Inn or the Goodwin Bed and Breakfast.

Burton is host to Century Village. This museum is open year round sharing a part of history with over twenty historically accurate buildings on sixty-five acres, 20,000 museum artifacts that depict a Western Reserve Village from 1798 to 1900 and a working farm with a sugar bush maintained for making maple syrup. Many events and festivals are held bringing in thousands of visitors to the area each year including music festivals, Civil War reenactments and the Apple Butter Festival. The Great Geauga County Fair, the oldest fair in Ohio, is held Labor Day weekend and shares the country atmosphere with over 100,000 visitors each year. Many events are real crowd pleasers such as the rooster flying contest hosted by Dick Goddard, cow milking, the demolition derby, and the battle of the fire departments. Two large antique fairs are held on the fairgrounds every May and September, as are other events throughout the year bringing in many visitors to the area and adding to the local economy.

### **School District Local Funding**

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

School District management will carefully control expenses during the coming years to continue to assure tax levy revenues are adequate and well spent. A one percent tax levy on earned income was approved by voters in May of 2007, to begin collection in 2008. This levy replaced the current .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 2008, 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 included sharing a computer tech repair person with neighboring school districts as well as sharing transportation arrangements 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.

## **Relevant Financial Policies**

The School District had enlisted the assistance of a professional demographer to develop enrollment projections. Projections are developed assuming low, moderate and high growth rates in the School District. As our previous school years are showing we are experiencing a light decline in enrollment each year. Enrollment for the 1997/98 school year was 1,370 students while the enrollment for the 2006-07 school year was 1,247, a decrease of 8.9 percent over the last ten years. According to this study, the student enrollment projections for the 2013-14 school year are estimated at 950 students assuming a continued low growth with declining enrollment.

## **Long-Term Planning**

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

## **Major Initiatives**

### ***Strategic Planning/Long-term Financial Goals***

The School District completed a consolidated continuous improvement plan for fiscal years 2006 through 2011. This is a form of strategic planning guiding the School District in all phases of operation. The involvement of the general public and employees has broadened support for School District improvement initiatives. The positive effects of the plan can be observed in the academic achievement of students and tangible long-term improvements to programming and school facilities.

For the future of the School District, the Board needs to evaluate the current and future revenue sources and expenditures and the needs of our facilities, and review curriculum and staffing needs at all levels. The Board is currently exploring the possibility of constructing a modular addition to Burton Elementary to house the Troy Elementary students. The Board wants to make sure the needs of the School District are met with the lowest financial impact on the community.

### ***Ohio Report Card***

The Ohio Report Card is issued in February of each school year. The report uses data from the previous school year to inform the public of School District success or failure in 30 indicators. On the 2008 report card the School District met, or exceeded the Ohio standard in 27 of 30 indicators and also met AYP, Adequate Yearly Progress in all areas including subgroups. The School District was rated in the category titled, "Effective".

### ***No Child Left Behind Compliance***

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

## ***Federal Projects***

The School District files applications for federal funds electronically utilizing the Consolidated Local Plan. This allows the director to coordinate the application to the goals of the Continuous Improvement Plan. The School District continues to apply for all federal funds for which the School District is eligible. This includes the Improving Teacher Quality Grant allowing for additional teachers at Kindergarten and Grade One levels. The Title 1 Reading Recovery program improves the reading for eligible students in First Grade at each of the elementary buildings. Student readiness for advancement in each grade has been the primary focus of these services.

## ***Educational Programs and Facilities Improvements***

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

During the 2008 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 Calculus and Chemistry. The high school offers over 180 courses on the main campus with over 50 additional vocational offerings at Auburn Career Center.

The graduating class of 2008 exceeded the State and national average scores on the American College Test (ACT). The composite score of 22.6 on the ACT surpassed the State average of 21.7 and the national average of 21.1. More than 70 percent of the high school graduates indicated they intended to continue their education at the university or college level immediately after graduation. Many others are planning to attend a vocational/trade school following graduation.

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 high school restrooms were completely renovated at the end of the school year. 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 (CAFR) for the fiscal year ended June 30, 2007. This is the ninth consecutive year that the School District has received this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program's requirements, and we are submitting it to 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. Assistance from the Geauga County Auditor's staff and outside agencies made possible the fair presentation of statistical data.

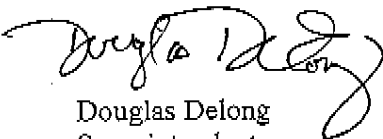
Special appreciation is expressed to the Local Government Services section of the State Auditor Mary Taylor's office for assistance in the planning, designing and reviewing of this financial report.

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,



Karen Andrei  
Treasurer



Douglas DeLong  
Superintendent

**Berkshire Local School District**

*Principal Officials*

*June 30, 2008*

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***Board of Education***

John Manfredi .....President  
Val Timmons.....Vice-President  
Lee Imhof ..... Member  
Roger Miller ..... Member  
Tim Honkala..... Member

***Treasurer***

Ms. Karen Andrei\*

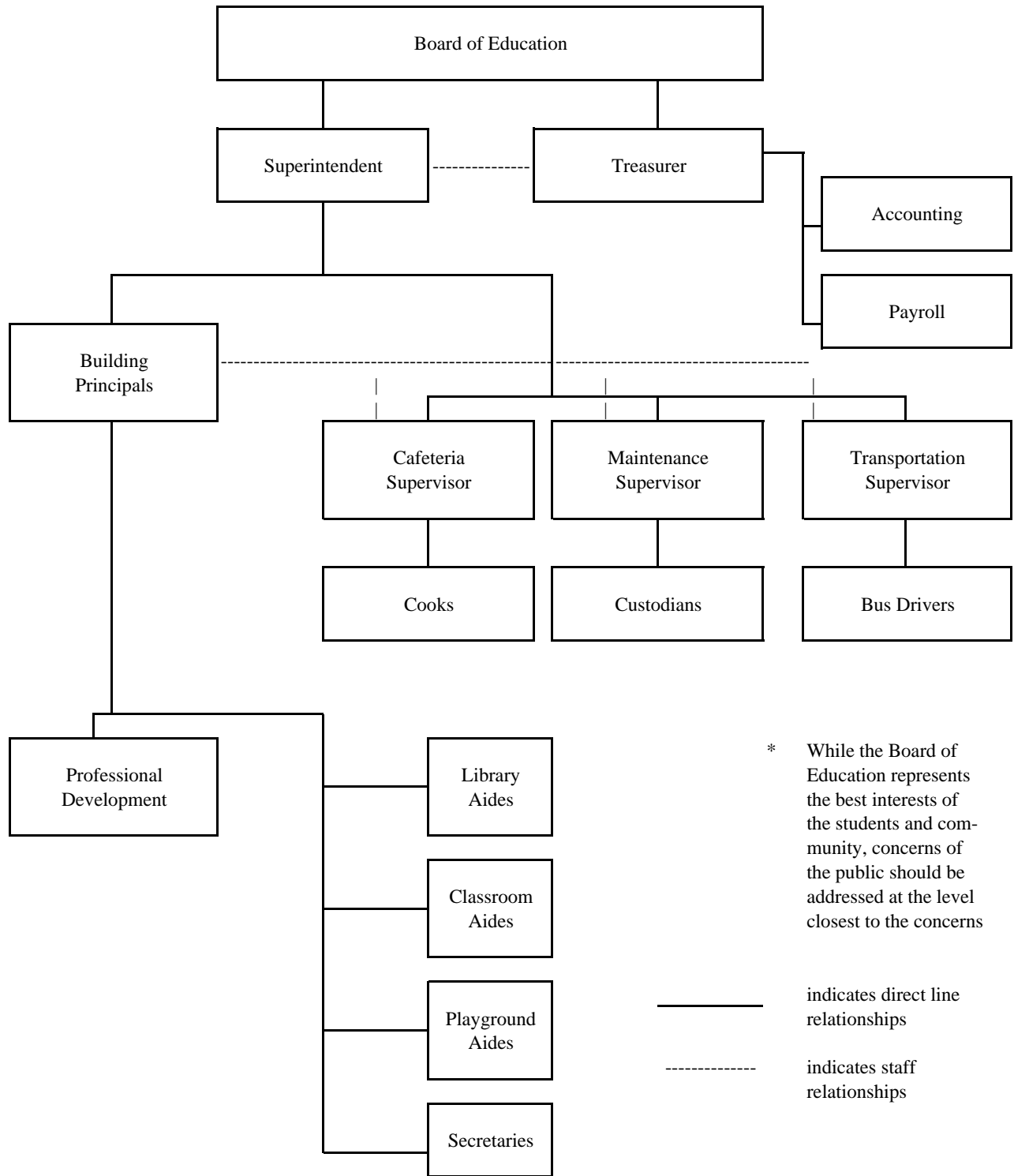
***Superintendent***

Mr. Douglas Delong

Mrs. Merry Lou Tramont was the Treasurer until July 31, 2008.

# Berkshire Local School District

## Organizational Chart



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

———— indicates direct line relationships

----- indicates staff relationships



# 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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R. T.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emmer", positioned above the title "Executive Director".

Executive Director

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Berkshire Local School District, Geauga County, Ohio (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Berkshire Local School District, Geauga County, Ohio, as of June 30, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2009, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. 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 tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

January 23, 2009

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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The discussion and analysis of Berkshire Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2008. 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 2008 are as follows:

- ❑ The community continued to show support for the Berkshire Local School District by approving a 2.5 mills levy designated for permanent improvements on the November 4, 2008 ballot. In order to prudently plan for the future funding of the students' needs, the School District put this levy on the ballot a year early, the earliest opportunity allowed by law.
- ❑ In May 2007, the community approved a one percent income tax levy on all earned income within the School District beginning in January 2008. This replaces the .75 percent income tax levy on all income within the School District, which explains the \$208,925 increase in revenues from fiscal year 2007.
- ❑ The School District is committed to meeting the academic needs of our students by providing them with updated textbooks and instructional materials to compete in a global environment. During fiscal year 2008, the School District purchased social studies textbooks for grades 6 through 8 and math textbooks for K through 12.
- ❑ The School District values the education of our students and teachers. In fact, continuing education is a priority for our certificated staff, over 65 percent have achieved a Masters' degree or above.
- ❑ Not only does the School District value education but recognizes the importance of providing the students with a variety of extra-curricular activities. The high school cross country team placed fourth in the State finals.
- ❑ The School District actively seeks grants provided by various foundations to promote academic achievement for students in the 21st century. As one can see from the increase in net assets, the School District was able to provide the services that the School District residents expect while controlling the costs of providing those services.

**Using this Comprehensive Annual Financial Report (CAFR)**

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 Assets 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

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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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 Assets 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 2008?" The Statement of Net Assets 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.

These two statements report the School District's net assets and changes in those assets. This change in net assets 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 Assets 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 8. 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 and permanent improvement capital projects funds.

**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 Assets 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 District's internal service fund accounts for dental and prescription claims self-insurance. The proprietary fund uses the accrual basis of accounting.

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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

**The School District as a Whole**

Recall that the statement of net assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2008 compared to 2007:

**Table 1**  
Net Assets  
Governmental Activities

	2008	2007	Change
<b>Assets</b>			
Current and Other Assets	\$9,157,104	\$8,973,545	\$183,559
Capital Assets, Net	1,818,772	1,940,269	(121,497)
<i>Total Assets</i>	<u>10,975,876</u>	<u>10,913,814</u>	<u>62,062</u>
<b>Liabilities</b>			
Current Liabilities	4,921,053	5,380,671	(459,618)
Long-Term Liabilities			
Due Within One Year	187,833	51,513	136,320
Due In More Than One Year	744,804	835,288	(90,484)
<i>Total Liabilities</i>	<u>5,853,690</u>	<u>6,267,472</u>	<u>(413,782)</u>
<b>Net Assets</b>			
Invested in Capital Assets	1,818,772	1,940,269	(121,497)
Restricted for:			
Capital Projects	953,421	922,955	30,466
Set Asides	39,468	39,468	0
Other Purposes	74,824	151,441	(76,617)
Unrestricted	2,235,701	1,592,209	643,492
<i>Total Net Assets</i>	<u>\$5,122,186</u>	<u>\$4,646,342</u>	<u>\$475,844</u>

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

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year. Table 2 shows total revenues, expenses and changes in net assets for the fiscal year 2008 and 2007.

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

**Table 2**  
Governmental Activities

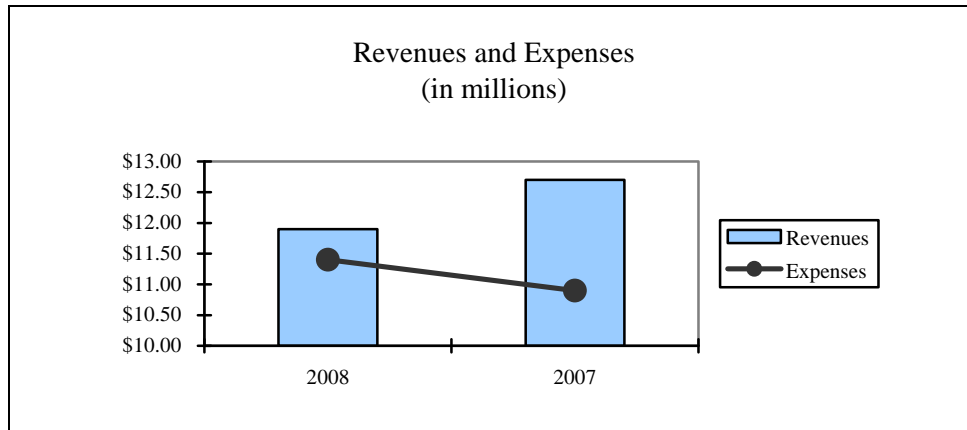
	2008	2007	Change
<b>Program Revenues</b>			
Charges for Services and Sales	\$634,077	\$809,344	(\$175,267)
Operating Grants, Interest and Contributions	642,954	608,524	34,430
Capital Grants and Contributions	30,062	0	30,062
<i>Total Program Revenues</i>	<u>1,307,093</u>	<u>1,417,868</u>	<u>(110,775)</u>
<b>General Revenues</b>			
Property Taxes	\$4,530,924	\$5,015,949	(\$485,025)
Income Taxes	1,710,748	1,501,823	208,925
Grants and Entitlements	4,234,744	4,221,620	13,124
Investments	124,954	176,711	(51,757)
Gain on Sale of Capital Assets	0	365,160	(365,160)
Miscellaneous	9,358	8,550	808
<i>Total General Revenues</i>	<u>10,610,728</u>	<u>11,289,813</u>	<u>(679,085)</u>
<i>Total Revenues</i>	<u>11,917,821</u>	<u>12,707,681</u>	<u>(789,860)</u>
<b>Program Expenses</b>			
Instruction:			
Regular	4,800,546	4,495,206	305,340
Special	1,263,407	1,326,200	(62,793)
Vocational	58,924	60,671	(1,747)
Support Services			
Pupil	619,086	614,007	5,079
Instructional Staff	485,694	423,189	62,505
Board of Education	54,834	36,959	17,875
Administration	1,002,491	1,102,186	(99,695)
Fiscal	334,840	348,188	(13,348)
Business	32,706	28,018	4,688
Operation and Maintenance of Plant	1,048,609	1,136,704	(88,095)
Pupil Transportation	982,780	693,519	289,261
Operation of Food Service	311,629	270,350	41,279
Extracurricular Activities	446,431	391,545	54,886
<i>Total Program Expenses</i>	<u>11,441,977</u>	<u>10,926,742</u>	<u>515,235</u>
<i>Increase in Net Assets</i>	475,844	1,780,939	(1,305,095)
Net Assets Beginning of Year	<u>4,646,342</u>	<u>2,865,403</u>	<u>1,780,939</u>
Net Assets End of Year	<u>\$5,122,186</u>	<u>\$4,646,342</u>	<u>\$475,844</u>

**Graph 1**  
Revenues and Expenses  
(In Millions)

	2008	2007
Revenues	\$11.9	\$12.7
Expenses	11.4	10.9



**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*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 less than \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. The decrease in property tax revenue resulted from decreased tax monies being available from the county auditor at June 30, 2008.

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 replaces the .75 percent income tax levy on all income within the School District.

A decline in open enrollment and extracurricular activity revenues resulted in a decrease in charges for services and sales.

Overall expenses increased during fiscal year 2008 due to negotiated salary agreements as well as a 9 percent increase in healthcare costs. The School District completed negotiations for certified and non-certified employees at the end of fiscal year 2008. Additionally, special education requirements and the requirements dictated by the federal No Child Left Behind legislation continue to add pressure to the School District's budget.

Pupil transportation have increased during fiscal year 2008 as the cost of transporting special needs students and cost of diesel fuel continue to rise.

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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

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

In May 2006, the School District sold the Troy Elementary School building at an auction with the option to lease it back for two or more years. This was the beginning of the School District's long-term plan of bringing all elementary students under one roof. This final sale was completed in July 2006. The School District is currently researching adding modular units to Burton Elementary.

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

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

**Table 3**  
 Total and Net Cost of Program Services  
 Governmental Activities

	2008		2007	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction:				
Regular	\$4,800,546	(\$4,537,342)	\$4,495,206	(\$3,963,836)
Special	1,263,407	(902,459)	1,326,200	(1,005,313)
Vocational	58,924	(58,924)	60,671	(60,498)
Support Services:				
Pupil	619,086	(524,265)	614,007	(533,333)
Instructional Staff	485,694	(472,174)	423,189	(412,655)
Board of Education	54,834	(54,834)	36,959	(36,849)
Administration	1,002,491	(957,224)	1,102,186	(1,062,753)
Fiscal	334,840	(334,840)	348,188	(347,211)
Business	32,706	(32,706)	28,018	(27,838)
Operation and Maintenance of Plant	1,048,609	(1,021,482)	1,136,704	(1,133,934)
Pupil Transportation	982,780	(978,713)	693,519	(688,788)
Operation of Food Services	311,629	(89,619)	270,350	(39,348)
Extracurricular Activities	446,431	(170,302)	391,545	(196,518)
Total	<u>\$11,441,977</u>	<u>(\$10,134,884)</u>	<u>\$10,926,742</u>	<u>(\$9,508,874)</u>

**The School District's Funds**

Information regarding the School District's major funds begins on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

revenues of \$11,707,402 and expenditures of \$11,072,106. The general fund increase in fund balance is mainly due to the increase income tax collections. The permanent improvement fund balance increased slightly as the School District prudently plans the use of property tax money for capital purchases and equipment maintenance. Other Governmental Funds had a slight decrease in fund balance as the School District continues to use grant money to provide students with a dynamic education. 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 2008, 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.

Due to conservative tax revenue estimates, the actual budget basis revenue was higher than final budget basis revenues. The School District's final budget basis expenditures were \$512,445 lower than the final estimate. 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 2008 balances compared to 2007:

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

	2008	2007
Land	\$13,810	\$13,810
Land Improvements	100,141	115,580
Buildings and Improvements	1,031,657	1,063,294
Furniture and Fixtures	326,293	366,944
Vehicles	346,871	380,641
<i>Total Capital Assets</i>	<b>\$1,818,772</b>	<b>\$1,940,269</b>

**Berkshire Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2008*  
*Unaudited*

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The School District purchased one bus and two vans during fiscal year 2008. These increases were offset by the annual depreciation. Ohio law requires school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional materials and supplies. For fiscal year 2008, this amounted to \$196,364 for each set aside. See Note 11 to the basic financial statements for additional information on the School District's capital assets and Note 20 for additional information regarding required set-asides.

***Debt***

The School District had no bonded debt in fiscal year 2008 and also maintains a AAA bond rating.

**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 to fund its operations. External challenges continue to evolve as State's educational funding system generates zero to minimal growth in funding operations. As the preceding information shows, the School District is heavily reliant on local property taxpayers.

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

The School District has committed itself to financial and educational excellence for many years to come. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 2000.

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 Karen Andrei, Treasurer, at Berkshire Local School District, 14259 Claridon Troy Road, P.O. Box 364, Burton, Ohio 44021.

## **Basic Financial Statements**

# Berkshire Local School District

## Statement of Net Assets

June 30, 2008

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$3,794,395
Accounts Receivable	5,475
Intergovernmental Receivable	34,943
Prepaid Items	5,045
Inventory Held for Resale	3,295
Materials and Supplies Inventory	31,458
Income Taxes Receivable	849,379
Property Taxes Receivable	4,433,114
Nondepreciable Capital Assets	13,810
Depreciable Capital Assets, Net	<u>1,804,962</u>
<i>Total Assets</i>	<u>10,975,876</u>
<b>Liabilities</b>	
Accounts Payable	71,680
Contracts Payable	36,626
Accrued Wages and Benefits	800,167
Intergovernmental Payable	273,167
Matured Compensated Absences Payable	3,230
Matured Termination Benefits Payable	1,707
Deferred Revenue	3,708,076
Claims Payable	26,400
Long-Term Liabilities:	
Due Within One Year	187,833
Due In More Than One Year	<u>744,804</u>
<i>Total Liabilities</i>	<u>5,853,690</u>
<b>Net Assets</b>	
Invested in Capital Assets	1,818,772
Restricted for:	
Capital Projects	953,421
Set Asides	39,468
Other Purposes	74,824
Unrestricted	<u>2,235,701</u>
<i>Total Net Assets</i>	<u><u>\$5,122,186</u></u>

See accompanying notes to the basic financial statements

**Berkshire Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instruction:					
Regular	\$4,800,546	\$197,407	\$60,089	\$5,708	(\$4,537,342)
Special	1,263,407	0	360,948	0	(902,459)
Vocational	58,924	0	0	0	(58,924)
Support Services:					
Pupil	619,086	0	94,821	0	(524,265)
Instructional Staff	485,694	0	13,520	0	(472,174)
Board of Education	54,834	0	0	0	(54,834)
Administration	1,002,491	0	45,267	0	(957,224)
Fiscal	334,840	0	0	0	(334,840)
Business	32,706	0	0	0	(32,706)
Operation and Maintenance of Plant	1,048,609	5,314	0	21,813	(1,021,482)
Pupil Transportation	982,780	0	1,526	2,541	(978,713)
Operation of Food Services	311,629	184,448	37,562	0	(89,619)
Extracurricular Activities	446,431	246,908	29,221	0	(170,302)
<i>Totals</i>	<u>\$11,441,977</u>	<u>\$634,077</u>	<u>\$642,954</u>	<u>\$30,062</u>	<u>(10,134,884)</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
					4,304,017
					226,907
					1,710,748
Grants and Entitlements not Restricted to					
					4,234,744
					124,954
					<u>9,358</u>
					<u>10,610,728</u>
					475,844
					<u>4,646,342</u>
					<u>\$5,122,186</u>

See accompanying notes to the basic financial statements

**Berkshire Local School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2008*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,683,322	\$954,061	\$109,124	\$3,746,507
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	42,009	0	0	42,009
Accounts Receivable	5,475	0	0	5,475
Interfund Receivable	37,068	0	0	37,068
Intergovernmental Receivable	0	0	34,943	34,943
Prepaid Items	4,767	0	278	5,045
Inventory Held for Resale	0	0	3,295	3,295
Materials and Supplies Inventory	30,568	0	890	31,458
Income Taxes Receivable	849,379	0	0	849,379
Property Taxes Receivable	4,211,275	221,839	0	4,433,114
<i>Total Assets</i>	<u>\$7,863,863</u>	<u>\$1,175,900</u>	<u>\$148,530</u>	<u>\$9,188,293</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$66,091	\$376	\$5,213	\$71,680
Contracts Payable	0	36,626	0	36,626
Accrued Wages and Benefits	774,650	0	25,517	800,167
Interfund Payable	0	0	37,068	37,068
Intergovernmental Payable	254,842	0	18,325	273,167
Matured Compensated Absences Payable	3,230	0	0	3,230
Matured Termination Benefits Payable	1,707	0	0	1,707
Deferred Revenue	3,767,989	192,854	0	3,960,843
<i>Total Liabilities</i>	<u>4,868,509</u>	<u>229,856</u>	<u>86,123</u>	<u>5,184,488</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	104,810	112,126	10,822	227,758
Reserved for Property Taxes	548,522	28,985	0	577,507
Reserved for Budget Stabilization	39,468	0	0	39,468
Reserved for School Bus Purchase	2,541	0	0	2,541
Unreserved:				
Undesignated, Reported in:				
General Fund	2,300,013	0	0	2,300,013
Special Revenue Funds	0	0	51,585	51,585
Capital Projects Fund	0	804,933	0	804,933
<i>Total Fund Balances</i>	<u>2,995,354</u>	<u>946,044</u>	<u>62,407</u>	<u>4,003,805</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,863,863</u>	<u>\$1,175,900</u>	<u>\$148,530</u>	<u>\$9,188,293</u>

See accompanying notes to the basic financial statements



**Berkshire Local School District**  
*Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
June 30, 2008*

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<b>Total Governmental Fund Balances</b>	\$4,003,805
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,818,772
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property Taxes	147,531
Income Taxes	<u>105,236</u>
Total	252,767
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 assets.	(20,521)
Long-term liabilities payable, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(932,637)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$5,122,186</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, 2008*

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Income Taxes	\$1,605,512	\$0	\$0	\$1,605,512
Property Taxes	4,204,133	221,608	0	4,425,741
Intergovernmental	4,237,285	27,521	609,633	4,874,439
Interest	124,954	0	0	124,954
Tuition and Fees	174,242	0	22,857	197,099
Extracurricular Activities	145,668	0	101,240	246,908
Contributions and Donations	4,100	0	29,221	33,321
Charges for Services	308	0	184,448	184,756
Rentals	5,314	0	0	5,314
Miscellaneous	9,358	0	0	9,358
<i>Total Revenues</i>	<u>10,510,874</u>	<u>249,129</u>	<u>947,399</u>	<u>11,707,402</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	4,463,215	0	88,355	4,551,570
Special	967,979	0	302,150	1,270,129
Vocational	63,351	0	0	63,351
Support Services:				
Pupil	517,721	0	79,047	596,768
Instructional Staff	458,452	0	7,902	466,354
Board of Education	54,834	0	0	54,834
Administration	987,360	0	40,114	1,027,474
Fiscal	332,881	0	0	332,881
Business	32,706	0	0	32,706
Operation and Maintenance of Plant	958,097	0	0	958,097
Pupil Transportation	752,534	0	1,309	753,843
Operation of Food Services	4,519	0	289,812	294,331
Extracurricular Activities	295,996	0	149,810	445,806
Capital Outlay	0	223,962	0	223,962
<i>Total Expenditures</i>	<u>9,889,645</u>	<u>223,962</u>	<u>958,499</u>	<u>11,072,106</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	621,229	25,167	(11,100)	635,296
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(130,000)	0	0	(130,000)
<i>Net Change in Fund Balances</i>	491,229	25,167	(11,100)	505,296
<i>Fund Balances Beginning of Year</i>	<u>2,504,125</u>	<u>920,877</u>	<u>73,507</u>	<u>3,498,509</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,995,354</u></u>	<u><u>\$946,044</u></u>	<u><u>\$62,407</u></u>	<u><u>\$4,003,805</u></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, 2008*

**Net Change in Fund Balances - Total Governmental Funds** \$505,296

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

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

Capital Outlay	122,830
Depreciation	<u>(184,772)</u>

Total	(61,942)
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Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (59,555)

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

Property Taxes	105,183
Income Taxes	<u>105,236</u>

Total	210,419
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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. (45,836)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statements 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. (72,538)

<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$475,844</u></u>
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See accompanying notes to the basic financial statements

**Berkshire Local School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Income Taxes	\$1,243,692	\$1,593,500	\$1,593,727	\$227
Property Taxes	4,366,359	4,305,589	4,510,111	204,522
Intergovernmental	4,412,135	4,300,768	4,327,241	26,473
Interest	99,495	125,000	124,954	(46)
Tuition and Fees	189,041	162,290	174,299	12,009
Extracurricular Activities	161,182	141,300	140,118	(1,182)
Contributions and Donations	20,397	1,250	4,100	2,850
Charges for Services	49,748	400	308	(92)
Rentals	4,975	5,350	5,314	(36)
Miscellaneous	995	1,399	3,928	2,529
<i>Total Revenues</i>	<u>10,548,019</u>	<u>10,636,846</u>	<u>10,884,100</u>	<u>247,254</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	4,019,921	4,569,767	4,477,308	92,459
Special	1,058,936	1,177,320	986,001	191,319
Vocational	63,486	63,184	62,364	820
Support Services:				
Pupil	503,143	535,156	524,881	10,275
Instructional Staff	412,990	464,255	460,419	3,836
Board of Education	88,782	55,965	45,156	10,809
Administration	1,004,868	1,022,523	1,012,574	9,949
Fiscal	338,414	354,286	340,243	14,043
Business	12,004	32,850	32,706	144
Operation and Maintenance of Plant	1,013,026	1,033,325	978,775	54,550
Pupil Transportation	700,142	868,685	758,266	110,419
Operation of Food Services	3,878	8,402	4,519	3,883
Extracurricular Activities	256,004	277,403	267,464	9,939
<i>Total Expenditures</i>	<u>9,475,594</u>	<u>10,463,121</u>	<u>9,950,676</u>	<u>512,445</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,072,425</u>	<u>173,725</u>	<u>933,424</u>	<u>759,699</u>
<b>Other Financing Sources (Uses)</b>				
Advance In	0	112,000	113,120	1,120
Advance Out	(113,574)	(200,000)	(144,188)	55,812
Transfers Out	(50,000)	(150,000)	(130,000)	20,000
<i>Total Other Financing Sources (Uses)</i>	<u>(163,574)</u>	<u>(238,000)</u>	<u>(161,068)</u>	<u>76,932</u>
<i>Net Change in Fund Balance</i>	908,851	(64,275)	772,356	836,631
<i>Fund Balance Beginning of Year</i>	1,693,226	1,693,226	1,693,226	0
Prior Year Encumbrances Appropriated	129,518	129,518	129,518	0
<i>Fund Balance End of Year</i>	<u>\$2,731,595</u>	<u>\$1,758,469</u>	<u>\$2,595,100</u>	<u>\$836,631</u>

**Berkshire Local School District**

*Statement of Fund Net Assets*

*Internal Service Fund*

*June 30, 2008*

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	<u>Insurance</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$5,879
<b>Liabilities</b>	
Claims Payable	<u>26,400</u>
<b>Net Assets</b>	
Unrestricted (Deficit)	<u><u>(\$20,521)</u></u>

See accompanying notes to the basic financial statements

**Berkshire Local School District**  
*Statement of Revenues,  
 Expenses and Changes in Fund Net Assets  
 Internal Service Fund  
 For the Fiscal Year Ended June 30, 2008*

	Insurance
<b>Operating Revenues</b>	
Charges for Services	\$133,538
<b>Operating Expenses</b>	
Purchased Services	962
Claims	335,114
<i>Total Operating Expenses</i>	336,076
<i>Loss Before Transfers</i>	(202,538)
Transfers In	130,000
<i>Change in Net Assets</i>	(72,538)
<i>Net Assets Beginning of Year</i>	52,017
<i>Net Assets (Deficit) End of Year</i>	(\$20,521)

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, 2008

	Insurance
<i><b>Increase (Decrease) in Cash and Cash Equivalents</b></i>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services Provided	\$133,538
Cash Payments for Goods and Services	(962)
Cash Payments for Claims	(319,574)
<i>Net Cash Used for Operating Activities</i>	(186,998)
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers In	130,000
<i>Net Decrease in Cash and Cash Equivalents</i>	(56,998)
<i>Cash and Cash Equivalents Beginning of Year</i>	62,877
<i>Cash and Cash Equivalents End of Year</i>	\$5,879
 <b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>	
Operating Loss	(\$202,538)
Adjustments:	
Increase in Claims Payable	15,540
<i>Net Cash Used in Operating Activities</i>	(\$186,998)

See accompanying notes to the basic financial statements

**Berkshire Local School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*June 30, 2008*

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<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$42,342</u>
<b>Liabilities</b>	
Due to Students	\$39,236
Undistributed Monies	<u>3,106</u>
<i>Total Liabilities</i>	<u>\$42,342</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, 2008*

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

Berkshire Local School District (the "School District") operates under a locally elected Board form of government and provides educational services as authorized by state and/or federal agencies. This Board controls the School District's four instructional/support facilities staffed by 57 non-certified employees, 75 certified full time teaching personnel and 6 administrative employees to provide services to 1,145 students and other community members.

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

The School District serves an area of approximately 70 square miles. It is located in Geauga County, including all of Burton, Claridon, and Troy Townships, Ohio. It currently operates three instructional buildings and one administrative building.

*Reporting Entity*

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. 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 School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Notes 17, 18 and 19 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 School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service fund unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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

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

**B. Fund Accounting**

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

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

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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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***Permanent Improvement Fund*** The permanent improvement fund receives property taxes for the acquisition, construction or improvement of capital facilities.

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

***Proprietary Fund Type*** Proprietary fund reporting focuses on the determination of operating income, changes in net assets, 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 assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for student and elementary activities and relay for life donations.

***C. Measurement Focus***

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

***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 current liabilities 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 assets. The statement of changes in fund net assets 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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue 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 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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 Revenue** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**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.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
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During fiscal year 2008, the School District invested in STAROhio. STAROhio (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. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2008.

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 2008 amounted to \$124,954, which includes \$35,066 assigned from other School District 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, or imposed by enabling legislation. Restricted assets in the general fund include unspent resources restricted for the purchase of buses and amounts required by State statute to be set aside to create a reserve for budget stabilization. See Note 20 for additional information regarding set-asides.

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***H. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food.

***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 assets 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 backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The capitalization threshold is two thousand five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
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All reported capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Land Improvements	99 years
Buildings and Improvements	10 - 50 years
Furniture and Fixtures	6 - 10 years
Vehicles	3 - 10 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 in to consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees with five years of service with the School District.

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

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

***K. Accrued Liabilities and Long-term Obligations***

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

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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
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***L. Internal Activity***

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

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

***M. Fund Balance Reserves***

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

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

***N. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include instructional operations, food service operations and extracurricular activities.

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

***O. 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.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
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***P. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

***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 fund level. The Treasurer has been given authority to allocate board appropriations to the function and object levels within each fund.

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

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

**Note 3 - Change in Accounting Principles**

For fiscal year 2008, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the SERS and the STRS post-employment healthcare plans in the amount of \$36,017 and \$6,855, respectively, which are the same as the previously reported liabilities.



**Berkshire Local School District**  
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GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

#### **Note 4 – Fund Deficits**

The following funds had deficit fund balances as of June 30, 2008:

<i>Special Revenue Funds</i>	
Food Service	\$1,156
Uniform School Supplies	2,616
Title I	240
Class Size Reduction Grant	8,405
<i>Self Insurance Internal Service Fund</i>	20,521

The special revenue funds have deficits caused by the recognition of expenditures on a modified accrual basis of accounting which are substantially greater than the expenditures recognized on a cash basis. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur.

Management is currently analyzing the Health Insurance internal service fund's operations to determine appropriate steps to alleviate the deficit.

#### **Note 5 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
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4. Advances-In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

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

Net Change in Fund Balance	
GAAP Basis	\$491,229
Net Adjustment for Revenue Accruals	373,226
Advances In	113,120
Net Adjustment for Expenditure Accruals	69,200
Advances Out	(144,188)
Encumbrances	(130,231)
Budget Basis	<u><u>\$772,356</u></u>

#### **Note 6 - Deposits and Investments**

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

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

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

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

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

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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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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 (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

### **Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$3,740,927 of the School District's bank balance of \$3,844,891 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

### **Investments**

As of June 30, 2008, the School District had STAROhio as the only investment with an amount of \$48,793 and an average maturity of 53.8 days.

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

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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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**Note 7 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 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.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property tax) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

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, 2008, are available to finance fiscal year 2008 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, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 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 was levied to finance current fiscal year operations and is 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 revenue.

The amount available as an advance at June 30, 2008 was \$548,522 in the general fund and \$28,985 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2007, was \$854,500 in the general fund and \$45,060 in the permanent improvement capital projects fund.

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

**Berkshire Local School District**  
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The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$206,164,140	92.78 %	\$209,019,360	95.40 %
Public Utility Personal	6,276,010	2.82	5,279,450	2.41
Tangible Personal Property	9,765,500	4.40	4,807,680	2.19
Total	\$222,205,650	100.00 %	\$219,106,490	100.00 %
Full tax rate per \$1,000 of assessed valuation	\$52.30		\$52.30	

**Note 8 - Receivables**

Receivables at June 30, 2008, 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.

A summary of the intergovernmental receivables follows:

	Amount
Title VI-B	\$20,755
Title I	5,607
Drug Free Schools Grant	4,560
Class Size Reduction Grant	3,942
Title II-D	79
<i>Total Intergovernmental Receivables</i>	\$34,943

**Note 9 - Income Tax**

The School District levies a voted tax of .75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1993, and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. In May of 2007, the School District passed a one percent earned income tax to replace the current .75 percent all income tax. The new levy is in effect as of January 1, 2008 and will be collected in 2009. This levy will bring approximately an additional \$500,000 a year for the School District. Income tax revenue is credited to the general fund.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
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**Note 10 - Contingencies**

**A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

**B. Litigation**

The School District is not party to legal proceedings.

**Note 11 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
<b>Nondepreciable Capital Assets</b>				
Land	\$13,810	\$0	\$0	\$13,810
<b>Depreciable Capital Assets</b>				
Land Improvements	198,982	0	0	198,982
Buildings and Improvements	3,613,773	4,153	0	3,617,926
Furniture and Fixtures	1,108,600	18,720	(63,275)	1,064,045
Vehicles	773,331	99,957	(71,581)	801,707
<i>Total at Historical Cost</i>	<u>5,694,686</u>	<u>122,830</u>	<u>(134,856)</u>	<u>5,682,660</u>
Less: Accumulated Depreciation				
Land Improvements	(83,402)	(15,439)	0	(98,841)
Buildings and Improvements	(2,550,479)	(35,790)	0	(2,586,269)
Furniture and Fixtures	(741,656)	(9,854)	13,758	(737,752)
Vehicles	(392,690)	(123,689)	61,543	(454,836)
<i>Total Accumulated Depreciation</i>	<u>(3,768,227)</u>	<u>(184,772) *</u>	<u>75,301</u>	<u>(3,877,698)</u>
<i>Depreciable Capital Assets, Net of Accumulated Depreciation</i>	<u>1,926,459</u>	<u>(61,942)</u>	<u>(59,555)</u>	<u>1,804,962</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$1,940,269</u>	<u>(\$61,942)</u>	<u>(\$59,555)</u>	<u>\$1,818,772</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	\$76,344
Support Services:	
Instructional Staff	6,450
Administration	21,599
Fiscal	752
Operation and Maintenance of Plant	2,406
Pupil Transportation	71,383
Operation of Food Services	5,213
Extracurricular Activities	625
Total Depreciation Expense	\$184,772

**Note 12 - Risk Management**

***A. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2008, the School District participated in the Ohio Schools Council insurance program which contracted with Indiana Insurance. Indiana Insurance acts as the carrier and the coverage provided is as follows:

Type of Coverage	Amount
Building and Contents - replacement cost	\$20,534,346
Inland Marine Coverage	1,165,191
Crime Insurance	50,000
Theft	50,000
Extra Expense	500,000
Automobile Liability	1,000,000
Uninsured Motorists	1,000,000
General Liability	
Per Occurrence	1,000,000
Total per year	2,000,000
Boiler and Machinery	30,000,000
Consequential Loss	100,000
Expediting Expense	100,000
Hazardous Substance	100,000
Ammonia Contamination	100,000

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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
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***B. Workers' Compensation***

For fiscal year 2008, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. 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, MedBen, located in Newark, Ohio, reviews all dental claims which are then paid by the School District.

The claims liability of \$26,400 reported in the internal service fund at June 30, 2008 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for 2007 and 2008 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2007	\$10,122	\$261,901	\$261,163	\$10,860
2008	10,860	335,114	319,574	26,400

**Note 13 - Employee Benefits**

***A. Compensated Absences***

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

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



**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
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***B. Life / Medical Insurance***

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

***C. Retirement Incentive***

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

	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
General Fund	\$0	\$1,707	\$0	\$1,707

**Note 14 – Defined Benefit Pension Plans**

***A. School Employees Retirement System***

**Plan Description** - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

**Funding Policy** - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$129,030, \$140,254 and \$139,652 respectively; 59.64 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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***B. State Teachers Retirement System of Ohio***

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$609,378, \$574,938, and \$581,144 respectively; 80.44 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$8,273 made by the School District and \$12,784 made by the plan members.

***C. Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2008, one member of the Board of Education has elected Social Security. The contribution rate is 6.2 percent of wages.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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**Note 15 – Postemployment Benefits**

**A. School Employee Retirement System**

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$28,173.

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

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$58,881, \$74,615, and \$76,709 respectively; 59.64 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$9,297, \$9,537, and \$10,086 respectively; 59.64 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**B. State Teachers Retirement System**

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$46,875, \$44,226, and \$44,703 respectively; 80.44 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

**Note 16 - Long Term Obligations**

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

	Principal Outstanding 06/30/07	Additions	Reductions	Principal Outstanding 06/30/08	Amount Due in One Year
<b>Governmental Activities</b>					
Compensated Absences	\$886,801	\$97,349	\$51,513	\$932,637	\$187,833

The compensated absences payable will be paid from the general fund, food service special revenue fund and the class size reduction grant special revenue fund.

The School District's overall debt margin was \$19,236,137 with an unvoted debt margin of \$213,735 at June 30, 2008.

**Note 17 - Jointly Governed Organizations**

**A. Auburn Career Center**

The Auburn Career Center is a joint vocational school district which is a jointly governed organization among eleven School Districts. Each participating school district appoints one member to the Auburn Career Center's Board of Education. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Auburn Career Center is limited to its representation on the Board. Continued existence of the Auburn Career Center is not dependent on the School District's continued participation. Financial information can be obtained from 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 2008, the School District paid \$36,601 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 121 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 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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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authority of the Council. The Board meets monthly September through 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 2008, the School District paid \$3,638 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District also participates in the Council's natural gas program. The Council provides participating school districts the ability to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. There are currently 137 districts in the Program. 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.

The School District also participates in the Council's electric purchase program. The Council provides 238 school districts and 11 MR/DD boards in the First Energy territory (Cleveland Electric Illuminating, Ohio Edison, Toledo Edison) the ability to purchase electricity at reduced rates if the school district committed to participating in either a thirty-six month (Cleveland Electric Illuminating Company) or a forty-four month (Ohio Edison and Toledo Edison) program beginning either May 1, 2005 or January 1, 2006 and ending December 31, 2008. Each month, the Council invoices participants based on estimated usage that was determined when the program was established. Each September, these estimated payments are compared to their actual usage for the year (July to June). Refund checks are issued to districts that consumed less than their projected usage of electrical energy and districts that over-consumed are invoiced.

**Note 18 - Related Organization**

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

**Note 19 - Insurance Purchasing Pool**

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

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

**Note 20 - Set Asides**

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by 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. At June 30, 2008, only the unspent portion of certain workers' compensation refunds continues to be set aside.

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

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbook Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2007	\$39,468	\$0	(\$2,436,188)
Current Year Set-aside Requirement	0	196,364	196,364
Qualifying Disbursements	0	(400,693)	(162,714)
<b>Totals</b>	<b>\$39,468</b>	<b>(\$204,329)</b>	<b>(\$2,402,538)</b>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$39,468</u>	<u>\$0</u>	<u>(\$2,402,538)</u>
Set-aside Reserve Balance as of June 30, 2008	<u>\$39,468</u>	<u>\$0</u>	<u>\$0</u>

The School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition and textbook set-asides. The extra amount in the textbook set-aside may be used to reduce the set-aside requirement of future years. 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 three set-asides at the end of the fiscal year was \$39,468.

**Note 21 – Operating Lease**

The School District has a lease agreement for the Troy Elementary School with Tom & Sally Blair. The contract specifies rent payments of \$2,474 per month for the leased premises for continued use as an elementary school until the new facilities are completed. The operating lease is for a period of one year and expires on August 31, 2008. As of June 30, 2008, the School District renewed the lease for one additional year beginning September 1, 2008 and ending on August 31, 2009.

**Berkshire Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2008*

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The School District will be making the following lease payments:

Fiscal Year <u>Ending June 30</u>	Payment <u>Amount</u>
2009	\$29,690
2010	<u>4,948</u>
Total	<u><u>\$34,638</u></u>

**Note 22 – Interfund Activity and Balances**

**A. Interfund Transfers**

During fiscal year 2008 the General fund transferred \$130,000 to the Self Insurance fund to support increases in current year claims.

**B. Interfund Balances**

Interfund balances at June 30, 2008, consist of an interfund receivable/payable between the general fund and the nonmajor governmental funds in the amount of \$37,068. These loans were made to support programs and projects in various special revenue funds pending the receipt of grant money that will be used to repay the loans. These loans are expected to be repaid in one year.

**Note 23 – Subsequent Event**

On November 4, 2008, voters passed a 2.5 mills renewal levy for a 5 year period. This levy is for permanent improvements and collections will begin in calendar year 2010.

## Combining Statements and Individual Fund Schedules

### *Combining Statements - Nonmajor Governmental Funds*

#### *Nonmajor Special Revenue Funds*

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

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

***Uniform School Supplies Fund*** This fund accounts for the purchase and sale of school supplies for use in the School District. Profits derived from such sales are used for school purposes or activities connected with the school.

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

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

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

***Entry Year Teachers Grant Fund*** This fund accounts for State monies used to mentor new teachers into the School District.

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

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

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

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

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

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

*(continued)*



## ***Combining Statements - Nonmajor Governmental Funds***

### ***Nonmajor Special Revenue Funds (continued)***

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

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

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

***Title II-D Fund*** This fund accounts for State monies to assist staff in gaining knowledge of technology.

**Berkshire Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2008*

	Food Service	Uniform School Supplies	Public School Support
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$22,986	\$3,384	\$17,333
Intergovernmental Receivable	0	0	0
Prepaid Items	278	0	0
Inventory Held for Resale	3,295	0	0
Materials and Supplies Inventory	890	0	0
<i>Total Assets</i>	<u>\$27,449</u>	<u>\$3,384</u>	<u>\$17,333</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$113	\$0	\$395
Accrued Wages and Benefits	14,639	0	0
Interfund Payable	0	6,000	0
Intergovernmental Payable	13,853	0	0
<i>Total Liabilities</i>	<u>28,605</u>	<u>6,000</u>	<u>395</u>
 <b>Fund Balances</b>			
Reserved for Encumbrances	0	0	320
Unreserved, Undesignated (Deficit)	(1,156)	(2,616)	16,618
<i>Total Fund Balances (Deficit)</i>	<u>(1,156)</u>	<u>(2,616)</u>	<u>16,938</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$27,449</u>	<u>\$3,384</u>	<u>\$17,333</u>

<u>Athletics and Music</u>	<u>Educational Management Information Systems</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>School Improvement Model</u>	<u>Title VI-B</u>
\$34,205	\$7,664	\$10,085	\$322	\$25	\$9,227
0	0	0	0	0	20,755
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$34,205</u>	<u>\$7,664</u>	<u>\$10,085</u>	<u>\$322</u>	<u>\$25</u>	<u>\$29,982</u>
\$404	\$0	\$0	\$0	\$0	\$1,592
0	0	0	0	0	2,801
0	0	0	0	0	18,888
0	0	0	0	0	3,306
<u>404</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,587</u>
2,266	0	0	0	0	7,635
<u>31,535</u>	<u>7,664</u>	<u>10,085</u>	<u>322</u>	<u>25</u>	<u>(4,240)</u>
<u>33,801</u>	<u>7,664</u>	<u>10,085</u>	<u>322</u>	<u>25</u>	<u>3,395</u>
<u>\$34,205</u>	<u>\$7,664</u>	<u>\$10,085</u>	<u>\$322</u>	<u>\$25</u>	<u>\$29,982</u>

(continued)

**Berkshire Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2008*

	Title I	Title V	Drug Free Schools Grant
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$4	\$579	\$2,304
Intergovernmental Receivable	5,607	0	4,560
Prepaid Items	0	0	0
Inventory Held for Resale	0	0	0
Materials and Supplies Inventory	0	0	0
<i>Total Assets</i>	<u>\$5,611</u>	<u>\$579</u>	<u>\$6,864</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$2,304
Accrued Wages and Benefits	0	0	0
Interfund Payable	5,614	0	2,545
Intergovernmental Payable	237	0	0
<i>Total Liabilities</i>	<u>5,851</u>	<u>0</u>	<u>4,849</u>
 <b>Fund Balances</b>			
Reserved for Encumbrances	0	0	0
Unreserved, Undesignated (Deficit)	(240)	579	2,015
<i>Total Fund Balances (Deficit)</i>	<u>(240)</u>	<u>579</u>	<u>2,015</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,611</u>	<u>\$579</u>	<u>\$6,864</u>

Class Size Reduction Grant	Title II-D	Total Nonmajor Special Revenue Funds
\$1,006	\$0	\$109,124
3,942	79	34,943
0	0	278
0	0	3,295
0	0	890
<u>\$4,948</u>	<u>\$79</u>	<u>\$148,530</u>
\$405	\$0	\$5,213
8,077	0	25,517
3,942	79	37,068
929	0	18,325
<u>13,353</u>	<u>79</u>	<u>86,123</u>
601	0	10,822
(9,006)	0	51,585
<u>(8,405)</u>	<u>0</u>	<u>62,407</u>
<u>\$4,948</u>	<u>\$79</u>	<u>\$148,530</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, 2008*

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	Food Service	Uniform School Supplies	Public School Support
<b>Revenues</b>			
Intergovernmental	\$37,562	\$0	\$0
Tuition and Fees	0	22,857	0
Extracurricular Activities	0	0	7,428
Contributions and Donations	0	0	14,296
Charges for Services	184,448	0	0
<i>Total Revenues</i>	<u>222,010</u>	<u>22,857</u>	<u>21,724</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	0	21,648	0
Special	0	0	0
Support Services:			
Pupil	0	0	0
Instructional Staff	0	0	0
Administration	0	0	0
Pupil Transportation	0	0	0
Operation of Food Services	289,812	0	0
Extracurricular Activities	0	0	25,493
<i>Total Expenditures</i>	<u>289,812</u>	<u>21,648</u>	<u>25,493</u>
<i>Net Change in Fund Balances</i>	(67,802)	1,209	(3,769)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>66,646</u>	<u>(3,825)</u>	<u>20,707</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$1,156)</u>	<u>(\$2,616)</u>	<u>\$16,938</u>

Athletics and Music	Educational Management Information Systems	Entry Year Teachers Grant	ONenet	SchoolNet Professional Development	Ohio Reads Grant
\$0	\$5,000	\$500	\$9,000	\$10,086	\$6
0	0	0	0	0	0
93,812	0	0	0	0	0
14,925	0	0	0	0	0
0	0	0	0	0	0
<u>108,737</u>	<u>5,000</u>	<u>500</u>	<u>9,000</u>	<u>10,086</u>	<u>6</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	1,000	0	0	0	0
0	0	500	0	2,700	2,190
0	0	0	9,000	0	0
0	0	0	0	0	0
0	0	0	0	0	0
124,317	0	0	0	0	0
<u>124,317</u>	<u>1,000</u>	<u>500</u>	<u>9,000</u>	<u>2,700</u>	<u>2,190</u>
(15,580)	4,000	0	0	7,386	(2,184)
<u>49,381</u>	<u>3,664</u>	<u>0</u>	<u>0</u>	<u>2,699</u>	<u>2,506</u>
<u>\$33,801</u>	<u>\$7,664</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,085</u>	<u>\$322</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, 2008*

	School Improvement Model	Title VI-B	Title I
<b>Revenues</b>			
Intergovernmental	\$0	\$311,386	\$179,254
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Charges for Services	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>311,386</u>	<u>179,254</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	0	0	0
Special	0	157,211	144,939
Support Services:			
Pupil	0	75,000	1,266
Instructional Staff	0	2,512	0
Administration	0	31,114	0
Pupil Transportation	0	1,309	0
Operation of Food Services	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>267,146</u>	<u>146,205</u>
<i>Net Change in Fund Balances</i>	0	44,240	33,049
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>25</u>	<u>(40,845)</u>	<u>(33,289)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$25</u>	<u>\$3,395</u>	<u>(\$240)</u>



Title V	Drug Free Schools Grant	Class Size Reduction Grant	Title II-D	Total Nonmajor Special Revenue Funds
\$2,672	\$5,657	\$47,660	\$850	\$609,633
0	0	0	0	22,857
0	0	0	0	101,240
0	0	0	0	29,221
0	0	0	0	184,448
<u>2,672</u>	<u>5,657</u>	<u>47,660</u>	<u>850</u>	<u>947,399</u>
7,000	3,642	56,065	0	88,355
0	0	0	0	302,150
0	0	0	1,781	79,047
0	0	0	0	7,902
0	0	0	0	40,114
0	0	0	0	1,309
0	0	0	0	289,812
0	0	0	0	149,810
<u>7,000</u>	<u>3,642</u>	<u>56,065</u>	<u>1,781</u>	<u>958,499</u>
(4,328)	2,015	(8,405)	(931)	(11,100)
<u>4,907</u>	<u>0</u>	<u>0</u>	<u>931</u>	<u>73,507</u>
<u>\$579</u>	<u>\$2,015</u>	<u>(\$8,405)</u>	<u>\$0</u>	<u>\$62,407</u>

## ***Combining Statements - Fiduciary Funds***

### ***Agency Funds***

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

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

***Relay for Life Fund*** This fund reflects donations raised for relay for life by the various schools.

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

**Berkshire Local School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*All Agency Funds*  
*For the Fiscal Year Ended June 30, 2008*

	Beginning Balance 6/30/07	Additions	Deductions	Ending Balance 6/30/08
<b><i>Student Activities</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$41,579	\$57,219	\$59,562	\$39,236
<b>Liabilities</b>				
Due to Students	\$41,579	\$57,219	\$59,562	\$39,236
<b><i>Relay for Life</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$3,499	\$3,329	\$170
<b>Liabilities</b>				
Undistributed Monies	\$0	\$3,499	\$3,329	\$170
<b><i>Elementary</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,787	\$801	\$1,652	\$2,936
<b>Liabilities</b>				
Undistributed Monies	\$3,787	\$801	\$1,652	\$2,936
<b><i>Total - All Agency Funds</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$45,366	\$61,519	\$64,543	\$42,342
<b>Liabilities</b>				
Due to Students	\$41,579	\$57,219	\$59,562	\$39,236
Undistributed Monies	3,787	4,300	4,981	3,106
Total Liabilities	\$45,366	\$61,519	\$64,543	\$42,342

**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, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Income Taxes	\$1,243,692	\$1,593,500	\$1,593,727	\$227
Property Taxes	4,366,359	4,305,589	4,510,111	204,522
Intergovernmental	4,412,135	4,300,768	4,327,241	26,473
Interest	99,495	125,000	124,954	(46)
Tuition and Fees	189,041	162,290	174,299	12,009
Extracurricular Activities	161,182	141,300	140,118	(1,182)
Contributions and Donations	20,397	1,250	4,100	2,850
Charges for Services	49,748	400	308	(92)
Rentals	4,975	5,350	5,314	(36)
Miscellaneous	995	1,399	3,928	2,529
<i>Total Revenues</i>	<u>10,548,019</u>	<u>10,636,846</u>	<u>10,884,100</u>	<u>247,254</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,727,927	3,109,883	3,056,659	53,224
Fringe Benefits	849,753	880,630	854,941	25,689
Purchased Services	338,050	469,736	462,801	6,935
Materials and Supplies	78,091	75,608	73,308	2,300
Capital Outlay - New	16,000	24,661	20,353	4,308
Capital Outlay - Replacement	10,100	9,249	9,246	3
Total Regular	<u>4,019,921</u>	<u>4,569,767</u>	<u>4,477,308</u>	<u>92,459</u>
Special:				
Salaries and Wages	297,316	387,630	385,185	2,445
Fringe Benefits	138,445	122,575	116,401	6,174
Purchased Services	616,000	664,336	483,172	181,164
Materials and Supplies	7,175	2,779	1,243	1,536
Total Special	<u>1,058,936</u>	<u>1,177,320</u>	<u>986,001</u>	<u>191,319</u>
Vocational:				
Salaries and Wages	42,231	46,760	46,603	157
Fringe Benefits	17,720	11,150	10,859	291
Materials and Supplies	2,535	4,274	3,902	372
Capital Outlay - Replacement	1,000	1,000	1,000	0
Total Vocational	<u>63,486</u>	<u>63,184</u>	<u>62,364</u>	<u>820</u>
Total Instruction	<u>\$5,142,343</u>	<u>\$5,810,271</u>	<u>\$5,525,673</u>	<u>\$284,598</u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	\$309,143	\$353,000	\$349,428	\$3,572
Fringe Benefits	128,200	134,030	131,066	2,964
Purchased Services	35,800	27,332	23,660	3,672
Materials and Supplies	30,000	20,794	20,727	67
Total Pupil	503,143	535,156	524,881	10,275
Instructional Staff:				
Salaries and Wages	196,775	244,125	243,802	323
Fringe Benefits	97,225	78,135	76,376	1,759
Purchased Services	67,500	78,388	77,371	1,017
Materials and Supplies	34,890	50,597	49,953	644
Capital Outlay - New	16,100	12,660	12,597	63
Capital Outlay - Replacement	500	350	320	30
Total Instructional Staff	412,990	464,255	460,419	3,836
Board of Education:				
Salaries and Wages	5,200	5,200	5,120	80
Fringe Benefits	950	593	563	30
Purchased Services	58,132	23,663	13,838	9,825
Materials and Supplies	1,000	3,209	2,536	673
Capital Outlay - Replacement	0	550	548	2
Other	23,500	22,750	22,551	199
Total Board of Education	88,782	55,965	45,156	10,809
Administration:				
Salaries and Wages	473,403	580,842	580,320	522
Fringe Benefits	224,365	185,694	183,933	1,761
Purchased Services	25,100	21,811	15,979	5,832
Materials and Supplies	2,600	2,806	2,263	543
Capital Outlay - Replacement	200	200	160	40
Other	279,200	231,170	229,919	1,251
Total Administration	\$1,004,868	\$1,022,523	\$1,012,574	\$9,949

(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, 2008*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Fiscal:</b>				
Salaries and Wages	\$85,414	\$114,100	\$113,713	\$387
Fringe Benefits	50,850	47,396	46,309	1,087
Purchased Services	29,650	31,586	22,085	9,501
Materials and Supplies	4,500	5,034	2,826	2,208
Other	168,000	156,170	155,310	860
<b>Total Fiscal</b>	<b>338,414</b>	<b>354,286</b>	<b>340,243</b>	<b>14,043</b>
<b>Business:</b>				
Other	12,004	32,850	32,706	144
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	236,826	359,750	357,613	2,137
Fringe Benefits	134,200	120,499	117,979	2,520
Purchased Services	559,800	483,226	434,072	49,154
Materials and Supplies	81,200	68,550	67,876	674
Capital Outlay - Replacement	1,000	1,300	1,235	65
<b>Total Operation and Maintenance of Plant</b>	<b>1,013,026</b>	<b>1,033,325</b>	<b>978,775</b>	<b>54,550</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	274,193	362,445	361,178	1,267
Fringe Benefits	117,887	128,838	125,873	2,965
Purchased Services	125,950	150,829	129,624	21,205
Materials and Supplies	84,612	142,523	125,182	17,341
Capital Outlay - New	16,802	16,802	16,409	393
Capital Outlay - Replacement	80,698	67,248	0	67,248
<b>Total Pupil Transportation</b>	<b>700,142</b>	<b>868,685</b>	<b>758,266</b>	<b>110,419</b>
<b>Total Support Services</b>	<b>4,073,369</b>	<b>4,367,045</b>	<b>4,153,020</b>	<b>214,025</b>
<b>Operation of Food Services:</b>				
Fringe Benefits	0	2,402	2,401	1
Materials and Supplies	3,878	6,000	2,118	3,882
<b>Total Operation of Food Services</b>	<b>\$3,878</b>	<b>\$8,402</b>	<b>\$4,519</b>	<b>\$3,883</b>

(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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	\$17,456	\$19,800	\$19,794	\$6
Fringe Benefits	13,200	6,623	6,597	26
Total Academic and Subject Oriented Activities	<u>30,656</u>	<u>26,423</u>	<u>26,391</u>	<u>32</u>
Sports Oriented Activities:				
Salaries and Wages	205,838	213,900	205,590	8,310
Fringe Benefits	11,500	26,880	26,783	97
Purchased Services	1,500	1,500	490	1,010
Total Sports Oriented Activities	<u>218,838</u>	<u>242,280</u>	<u>232,863</u>	<u>9,417</u>
School and Public Service Co-Curricular Activities:				
Salaries and Wages	5,060	7,250	7,241	9
Fringe Benefits	1,450	1,450	969	481
Total School and Public Service Co-Curricular Activities	<u>6,510</u>	<u>8,700</u>	<u>8,210</u>	<u>490</u>
Total Extracurricular Activities	<u>256,004</u>	<u>277,403</u>	<u>267,464</u>	<u>9,939</u>
<i>Total Expenditures</i>	<u>9,475,594</u>	<u>10,463,121</u>	<u>9,950,676</u>	<u>512,445</u>
<i>Excess of Revenues Over     Expenditures</i>	<u>1,072,425</u>	<u>173,725</u>	<u>933,424</u>	<u>759,699</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	112,000	113,120	1,120
Advances Out	(113,574)	(200,000)	(144,188)	55,812
Transfers Out	(50,000)	(150,000)	(130,000)	20,000
Total Other Financing Sources (Uses)	<u>(163,574)</u>	<u>(238,000)</u>	<u>(161,068)</u>	<u>76,932</u>
Net Change in Fund Balance	908,851	(64,275)	772,356	836,631
Fund Balance Beginning of Year	1,693,226	1,693,226	1,693,226	0
Prior Year Encumbrances Appropriated	<u>129,518</u>	<u>129,518</u>	<u>129,518</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,731,595</u></u>	<u><u>\$1,758,469</u></u>	<u><u>\$2,595,100</u></u>	<u><u>\$836,631</u></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, 2008*

	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Property Taxes	\$226,026	\$237,683	\$11,657
Intergovernmental	52,847	27,521	(25,326)
<i>Total Revenues</i>	<u>278,873</u>	<u>265,204</u>	<u>(13,669)</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	50,603	37,713	12,890
Support Services:			
Fiscal:			
Other	5,500	5,115	385
Operation and Maintenance of Plant:			
Purchased Services	325,803	278,611	47,192
Capital Outlay - New	20,000	14,649	5,351
Total Operation and Maintenance of Plant	<u>345,803</u>	<u>293,260</u>	<u>52,543</u>
Total Support Services	<u>351,303</u>	<u>298,375</u>	<u>52,928</u>
<i>Total Expenditures</i>	<u>401,906</u>	<u>336,088</u>	<u>65,818</u>
<i>Net Change in Fund Balance</i>	(123,033)	(70,884)	52,149
<i>Fund Balance Beginning of Year</i>	815,412	815,412	0
Prior Year Encumbrances Appropriated	60,406	60,406	0
<i>Fund Balance End of Year</i>	<u>\$752,785</u>	<u>\$804,934</u>	<u>\$52,149</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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$41,500	\$43,517	\$2,017
Charges for Services	181,700	184,448	2,748
<i>Total Revenues</i>	<u>223,200</u>	<u>227,965</u>	<u>4,765</u>
<b>Expenditures</b>			
Current:			
Operation of Food Services:			
Salaries and Wages	125,407	125,031	376
Fringe Benefits	51,053	49,559	1,494
Materials and Supplies	117,525	107,887	9,638
Capital Outlay - New	13,846	13,845	1
<i>Total Expenditures</i>	<u>307,831</u>	<u>296,322</u>	<u>11,509</u>
<i>Net Change in Fund Balance</i>	(84,631)	(68,357)	16,274
<i>Fund Balance Beginning of Year</i>	86,512	86,512	0
Prior Year Encumbrances Appropriated	<u>4,831</u>	<u>4,831</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$6,712</u></u>	<u><u>\$22,986</u></u>	<u><u>\$16,274</u></u>

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Tuition and Fees	\$22,560	\$22,857	\$297
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	21,850	21,648	202
<i>Net Change in Fund Balance</i>	710	1,209	499
<i>Fund Balance Beginning of Year</i>	2,175	2,175	0
<i>Fund Balance End of Year</i>	\$2,885	\$3,384	\$499

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Extracurricular Activities	\$7,900	\$7,428	(\$472)
Contributions and Donations	14,250	14,296	46
<i>Total Revenues</i>	22,150	21,724	(426)
<b>Expenditures</b>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	27,500	25,813	1,687
<i>Net Change in Fund Balance</i>	(5,350)	(4,089)	1,261
<i>Fund Balance Beginning of Year</i>	20,708	20,708	0
<i>Fund Balance End of Year</i>	\$15,358	\$16,619	\$1,261

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Extracurricular Activities	\$93,760	\$93,490	(\$270)
Contributions and Donations	15,000	14,925	(75)
<i>Total Revenues</i>	<u>108,760</u>	<u>108,415</u>	<u>(345)</u>
<b>Expenditures</b>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	2,150	2,125	25
Fringe Benefits	300	298	2
Purchased Services	81,341	76,258	5,083
Materials and Supplies	17,400	16,794	606
Capital Outlay - New	8,400	8,388	12
Other	25,680	22,470	3,210
<i>Total Expenditures</i>	<u>135,271</u>	<u>126,333</u>	<u>8,938</u>
<i>Net Change in Fund Balance</i>	(26,511)	(17,918)	8,593
<i>Fund Balance Beginning of Year</i>	48,362	48,362	0
Prior Year Encumbrances Appropriated	<u>1,341</u>	<u>1,341</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$23,192</u></u>	<u><u>\$31,785</u></u>	<u><u>\$8,593</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP) and Actual  
 Educational Management Information Systems Fund  
 For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$3,000	\$5,000	\$2,000
<b>Expenditures</b>			
Current:			
Support Services:			
Pupil:			
Purchased Services	1,000	1,000	0
<i>Net Change in Fund Balance</i>	2,000	4,000	2,000
<i>Fund Balance Beginning of Year</i>	3,664	3,664	0
<i>Fund Balance End of Year</i>	\$5,664	\$7,664	\$2,000

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Entry Year Teachers Grant Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$500	\$500	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	500	500	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*  
*ONenet Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$9,000	\$9,000	\$0
<b>Expenditures</b>			
Current:			
Support Services:			
Administration:			
Purchased Services	9,000	9,000	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*  
*SchoolNet Professional Development Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$10,100	\$10,086	(\$14)
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	4,700	2,700	2,000
<i>Net Change in Fund Balance</i>	5,400	7,386	1,986
<i>Fund Balance Beginning of Year</i>	2,699	2,699	0
<i>Fund Balance End of Year</i>	\$8,099	\$10,085	\$1,986

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Ohio Reads Grant Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$500	\$6	(\$494)
<b>Expenditures</b>			
Current:			
Support Services:			
Instructional Staff:			
Materials and Supplies	2,506	2,190	316
<i>Net Change in Fund Balance</i>	(2,006)	(2,184)	(178)
<i>Fund Balance Beginning of Year</i>	2,006	2,006	0
Prior Year Encumbrances Appropriated	500	500	0
<i>Fund Balance End of Year</i>	\$500	\$322	(\$178)

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>	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*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$275,055	\$292,113	\$17,058
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	3,800	3,800	0
Fringe Benefits	293	293	0
Purchased Services	149,715	148,753	962
Materials and Supplies	7,000	7,000	0
Total Instruction	160,808	159,846	962
Support Services:			
Pupil:			
Purchased Services	75,000	75,000	0
Materials and Supplies	463	463	0
Total Pupil	75,463	75,463	0
Instructional Staff:			
Purchased Services	1,592	1,592	0
Materials and Supplies	500	500	0
Other	2,461	2,461	0
Total Instructional Staff	4,553	4,553	0
Administration:			
Salaries and Wages	28,884	27,017	1,867
Fringe Benefits	3,701	3,701	0
Materials and Supplies	1,641	1,641	0
Total Administration	\$34,226	\$32,359	\$1,867

(continued)

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title VI-B Fund (continued)*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Pupil Transportation: Purchased Services	\$2,450	\$2,450	\$0
Total Support Services	116,692	114,825	1,867
<i>Total Expenditures</i>	<u>277,500</u>	<u>274,671</u>	<u>2,829</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,445)</u>	<u>17,442</u>	<u>19,887</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	38,775	116,700	77,925
Advances Out	0	(97,812)	(97,812)
<i>Total Other Financing Sources (Uses)</i>	<u>38,775</u>	<u>18,888</u>	<u>(19,887)</u>
<i>Net Change in Fund Balance</i>	36,330	36,330	0
<i>Fund Deficit Beginning of Year</i>	(38,775)	(38,775)	0
Prior Year Encumbrances Appropriated	<u>2,445</u>	<u>2,445</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$179,253	\$173,647	(\$5,606)
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	158,534	158,534	0
Fringe Benefits	18,534	18,534	0
Materials and Supplies	969	969	0
Total Instruction	178,037	178,037	0
Support Services:			
Pupil:			
Purchased Services	1,266	1,266	0
<i>Total Expenditures</i>	179,303	179,303	0
<i>Excess of Revenues Under Expenditures</i>	(50)	(5,656)	(5,606)
<b>Other Financing Sources (Uses)</b>			
Advances In	4	17,335	17,331
Advances Out	0	(11,721)	(11,721)
<i>Total Other Financing Sources (Uses)</i>	4	5,614	5,610
<i>Net Change in Fund Balance</i>	(46)	(42)	4
<i>Fund Deficit Beginning of Year</i>	(4)	(4)	0
Prior Year Encumbrances Appropriated	50	50	0
<i>Fund Balance End of Year</i>	\$0	\$4	\$4

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title V Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$2,671	\$2,672	\$1
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	7,591	7,000	591
<i>Excess of Revenues Under Expenditures</i>	(4,920)	(4,328)	592
<b>Other Financing Sources (Uses)</b>			
Advances In	13	2,513	2,500
Advances Out	0	(2,513)	(2,513)
<i>Total Other Financing Sources (Uses)</i>	13	0	(13)
<i>Net Change in Fund Balance</i>	(4,907)	(4,328)	579
<i>Fund Deficit Beginning of Year</i>	(13)	(13)	0
Prior Year Encumbrances Appropriated	4,920	4,920	0
<i>Fund Balance End of Year</i>	\$0	\$579	\$579

**Berkshire Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Drug Free Schools Grant Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$5,067	\$1,097	(\$3,970)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	1,402	0	1,402
Purchased Services	2,627	2,624	3
Materials and Supplies	1,038	1,018	20
<i>Total Expenditures</i>	5,067	3,642	1,425
<i>Excess of Revenues Under Expenditures</i>	0	(2,545)	(2,545)
<b>Other Financing Sources</b>			
Advances In	0	2,545	2,545
<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*  
*Class Size Reduction Grant Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$47,660	\$43,718	(\$3,942)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	40,772	40,772	0
Fringe Benefits	5,882	5,882	0
Purchased Services	1,006	1,006	0
<i>Total Expenditures</i>	47,660	47,660	0
<i>Excess of Revenues Under Expenditures</i>	0	(3,942)	(3,942)
<b>Other Financing Sources</b>			
Advances In	0	3,942	3,942
<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 II-D Fund*  
*For the Fiscal Year Ended June 30, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$1,781	\$771	(\$1,010)
<b>Expenditures</b>			
Current:			
Support Services:			
Pupil:			
Purchased Services	3,785	1,781	2,004
<i>Excess of Revenues Under Expenditures</i>	(2,004)	(1,010)	994
<b>Other Financing Sources (Uses)</b>			
Advances In	1,073	1,153	80
Advances Out	0	(1,074)	(1,074)
<i>Total Other Financing Sources (Uses)</i>	1,073	79	(994)
<i>Net Change in Fund Balance</i>	(931)	(931)	0
<i>Fund Deficit Beginning of Year</i>	(1,073)	(1,073)	0
Prior Year Encumbrances Appropriated	2,004	2,004	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**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, 2008*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$135,000	\$133,538	(\$1,462)
<b>Expenses</b>			
Purchased Services	963	962	1
Claims	320,037	319,574	463
<i>Total Expenses</i>	321,000	320,536	464
<i>Excess of Revenues Under Expenses Before Transfers</i>	(186,000)	(186,998)	(998)
Transfers In	130,000	130,000	0
<i>Net Change in Fund Equity</i>	(56,000)	(56,998)	(998)
<i>Fund Equity Beginning of Year</i>	62,877	62,877	0
<i>Fund Equity End of Year</i>	\$6,877	\$5,879	(\$998)

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## 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.

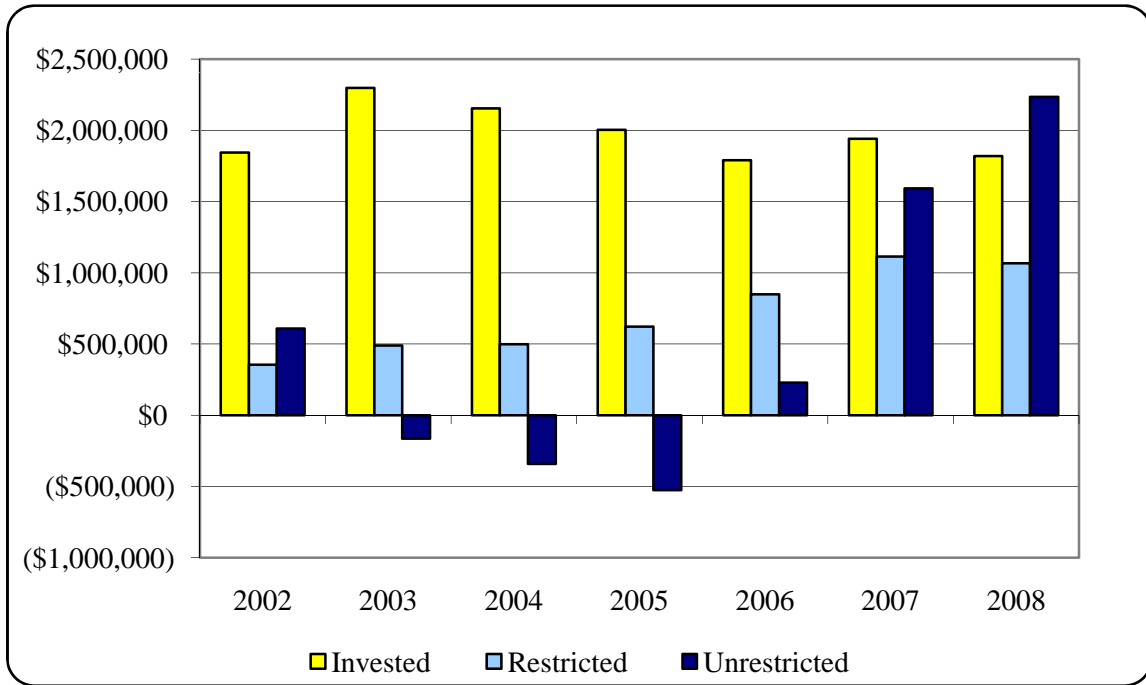
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<b>Contents</b>	<b>Pages(s)</b>
<b><i>Financial Trends</i></b> .....	<b><i>S2 – S9</i></b>
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
<b><i>Revenue Capacity</i></b> .....	<b><i>S10 – S20</i></b>
These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	
<b><i>Debt Capacity</i></b> .....	<b><i>S21 – S25</i></b>
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.	
<b><i>Economic and Demographic Information</i></b> .....	<b><i>S26 - S28</i></b>
These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	
<b><i>Operating Information</i></b> .....	<b><i>S29 – S38</i></b>
These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The School District implemented GASB Statement No. 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

**Berkshire Local School District**  
*Net Assets by Component*  
*Last Seven Fiscal Years*  
*(accrual basis of accounting)*

	2008	2007	2006	2005
Invested in Capital Assets, Net of Related Debt	\$1,818,772	\$1,940,269	\$1,789,300	\$2,003,813
Restricted for:				
Capital Projects	953,421	922,955	640,564	471,040
Debt Service	0	0	0	0
Set Asides	39,468	39,468	39,468	39,468
Other Purposes	74,824	151,441	168,066	110,672
Unrestricted (Deficit)	2,235,701	1,592,209	228,005	(525,586)
<b>Total Net Assets</b>	<u><u>\$5,122,186</u></u>	<u><u>\$4,646,342</u></u>	<u><u>\$2,865,403</u></u>	<u><u>\$2,099,407</u></u>



<u>2004</u>	<u>2003</u>	<u>2002</u>
\$2,154,459	\$2,296,818	\$1,843,250
302,853	310,541	156,522
0	52,024	52,024
39,468	39,468	39,468
156,379	87,604	107,382
<u>(342,388)</u>	<u>(163,721)</u>	<u>609,162</u>
<u><u>\$2,310,771</u></u>	<u><u>\$2,622,734</u></u>	<u><u>\$2,807,808</u></u>

**Berkshire Local School District**  
*Changes in Net Assets of Governmental Activities*  
*Last Seven Fiscal Years*  
*(accrual basis of accounting)*

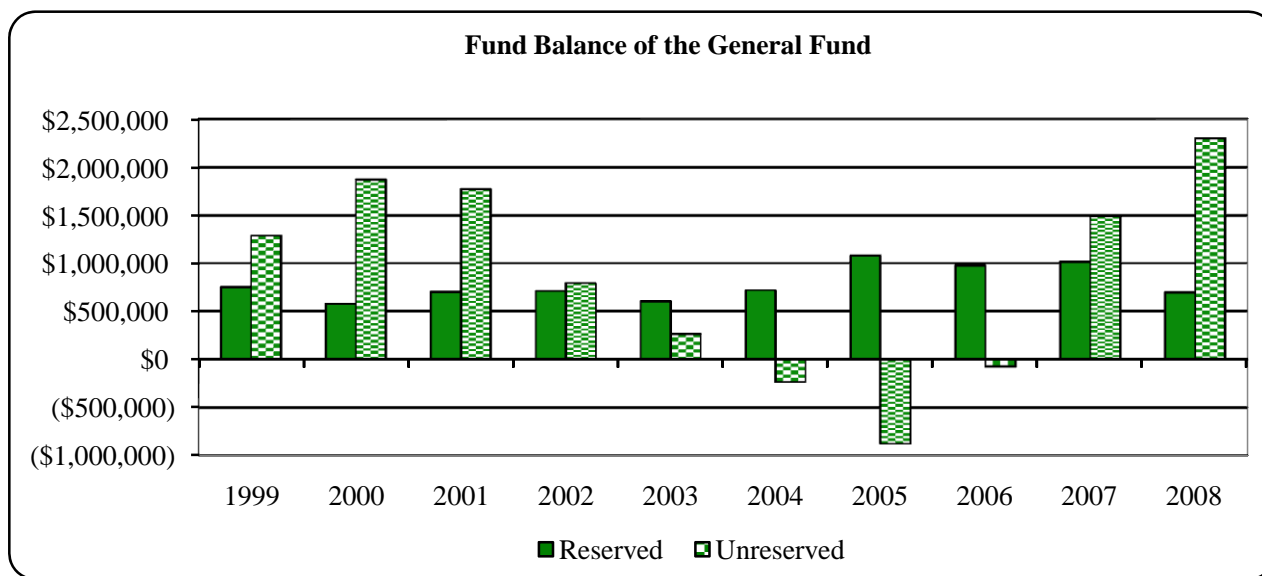
	2008	2007	2006	2005
<b>Expenses</b>				
Regular Instruction	\$4,800,546	\$4,495,206	\$4,693,751	\$5,188,198
Special Instruction	1,263,407	1,326,200	1,564,547	1,390,995
Vocational Instruction	58,924	60,671	55,414	55,653
Pupil Support	619,086	614,007	611,399	615,690
Instructional Staff Support	485,694	423,189	407,207	504,650
Board of Education	54,834	36,959	61,313	46,666
Administration	1,002,491	1,102,186	829,843	873,703
Fiscal	334,840	348,188	322,274	320,702
Business	32,706	28,018	29,925	36,421
Operation and Maintenance of Plant	1,048,609	1,136,704	1,052,876	1,044,789
Pupil Transportation	982,780	693,519	763,710	809,410
Operation of Food Services	311,629	270,350	331,153	385,017
Extracurricular Activities	446,431	391,545	363,747	373,143
Interest and Fiscal Charges	0	0	884	3,006
<i>Total Expenses</i>	<u>11,441,977</u>	<u>10,926,742</u>	<u>11,088,043</u>	<u>11,648,043</u>
<b>Program Revenues</b>				
Charges for Services				
Regular Instruction	197,407	467,384	98,213	87,553
Operation and Maintenance of Plant	5,314	0	10,677	7,783
Operation of Food Service	184,448	190,268	220,821	250,221
Extracurricular Activities	246,908	151,692	290,301	151,534
Operating Grants and Contributions	642,954	608,524	647,025	703,894
Capital Grants and Contributions	30,062	0	5,333	11,130
<i>Total Program Revenues</i>	<u>1,307,093</u>	<u>1,417,868</u>	<u>1,272,370</u>	<u>1,212,115</u>
Net Expense	<u>(10,134,884)</u>	<u>(9,508,874)</u>	<u>(9,815,673)</u>	<u>(10,435,928)</u>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes	4,304,017	4,766,622	4,777,030	4,859,170
Capital Outlay	226,907	249,327	252,820	286,289
Income Taxes Levied for:				
General Purposes	1,710,748	1,501,823	1,329,783	1,182,066
Grants and Entitlements not				
Restricted to Specific Programs	4,234,744	4,221,620	4,015,962	3,857,075
Unrestricted Contributions	0	0	10,649	0
Investment Earnings	124,954	176,711	91,189	34,686
Gain on Sale of Capital Assets	0	365,160	103,118	0
Miscellaneous	9,358	8,550	1,118	5,278
<i>Total General Revenues</i>	<u>10,610,728</u>	<u>11,289,813</u>	<u>10,581,669</u>	<u>10,224,564</u>
<i>Change in Net Assets</i>	<u>\$475,844</u>	<u>\$1,780,939</u>	<u>\$765,996</u>	<u>(\$211,364)</u>



2004	2003	2002
\$4,988,073	\$4,905,643	\$5,062,243
1,153,426	967,922	954,287
53,983	47,206	53,659
605,670	599,157	648,079
474,125	542,635	410,336
51,839	47,565	49,191
879,946	1,003,572	951,540
334,441	309,202	286,878
27,850	16,910	33,972
1,118,464	1,088,676	1,070,121
816,997	827,529	786,010
388,659	424,048	401,456
425,556	413,973	351,015
5,078	340	2,594
<u>11,324,107</u>	<u>11,194,378</u>	<u>11,061,381</u>
79,894	75,428	45,157
6,968	11,484	22,843
262,367	261,458	255,269
135,663	133,834	137,212
684,384	438,818	408,776
13,034	320,315	27,343
<u>1,182,310</u>	<u>1,241,337</u>	<u>896,600</u>
<u>(10,141,797)</u>	<u>(9,953,041)</u>	<u>(10,164,781)</u>
4,536,033	4,493,546	3,912,786
240,597	260,450	234,293
1,092,823	1,046,293	1,085,872
3,851,111	3,797,347	3,693,492
0	0	0
24,063	88,847	136,719
0	0	0
85,207	81,484	110,889
<u>9,829,834</u>	<u>9,767,967</u>	<u>9,174,051</u>
<u>(\$311,963)</u>	<u>(\$185,074)</u>	<u>(\$990,730)</u>

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

	2008	2007	2006	2005
<b>General Fund</b>				
Reserved	\$695,341	\$1,017,180	\$975,425	\$1,081,687
Unreserved	2,300,013	1,486,945	(73,635)	(876,971)
<i>Total General Fund</i>	<u>2,995,354</u>	<u>2,504,125</u>	<u>901,790</u>	<u>204,716</u>
<b>All Other Governmental Funds</b>				
Reserved	151,933	121,426	235,130	201,771
Unreserved, Undesignated, Reported in:				
Special Revenue funds (Deficit)	51,585	57,547	156,030	73,826
Debt Service funds	0	0	0	0
Capital Projects funds	804,933	815,411	408,063	285,158
<i>Total All Other Governmental Funds</i>	<u>1,008,451</u>	<u>994,384</u>	<u>799,223</u>	<u>560,755</u>
<i>Total Governmental Funds</i>	<u><u>\$4,003,805</u></u>	<u><u>\$3,498,509</u></u>	<u><u>\$1,701,013</u></u>	<u><u>\$765,471</u></u>



2004	2003	2002	2001	2000	1999
\$720,833	\$606,338	\$713,107	\$699,924	\$576,130	\$752,180
(237,113)	265,095	793,705	1,773,148	1,869,696	1,288,158
483,720	871,433	1,506,812	2,473,072	2,445,826	2,040,338
110,697	218,634	76,104	301,072	73,592	217,983
113,164	40,004	(10,411)	82,033	47,808	41,248
0	52,024	52,024	52,024	86,693	1,560
228,061	104,951	79,897	18,948	293,388	169,857
451,922	415,613	197,614	454,077	501,481	430,648
\$935,642	\$1,287,046	\$1,704,426	\$2,927,149	\$2,947,307	\$2,470,986

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

	2008	2007	2006	2005	2004
<b>Revenues</b>					
Income Taxes	\$1,605,512	\$1,501,823	\$1,329,783	\$1,182,066	\$1,092,823
Property Taxes	4,425,741	5,155,342	5,026,267	5,103,176	4,775,107
Intergovernmental	4,874,439	4,759,998	4,644,456	4,553,248	4,501,737
Interest	124,954	176,711	91,189	34,686	24,063
Tuition and Fees	197,099	221,754	56,244	55,769	46,141
Extracurricular Activities	246,908	309,758	290,301	151,534	135,663
Contributions and Donations	33,321	70,146	34,513	18,851	46,792
Charges for Services	184,756	270,045	262,790	282,005	296,120
Rentals	5,314	7,787	10,677	7,783	6,968
Miscellaneous	9,358	8,550	1,118	5,278	85,207
<i>Total Revenues</i>	<u>11,707,402</u>	<u>12,481,914</u>	<u>11,747,338</u>	<u>11,394,396</u>	<u>11,010,621</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	4,551,570	4,359,350	4,510,378	4,970,513	4,794,030
Special	1,270,129	1,329,869	1,535,933	1,423,454	1,155,584
Vocational	63,351	59,507	54,762	54,833	51,639
Support Services:					
Pupil	596,768	610,225	606,815	613,912	579,799
Instructional Staff	466,354	433,541	400,096	499,865	470,724
Board of Education	54,834	36,959	46,539	45,977	51,018
Administration	1,027,474	1,067,488	805,231	852,759	876,884
Fiscal	332,881	371,725	313,693	315,633	325,462
Business	32,706	28,018	29,925	36,421	27,850
Operation and Maintenance of Plant	958,097	967,069	973,686	1,008,026	1,070,456
Pupil Transportation	753,843	768,513	690,623	770,480	761,529
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	0
Operation of Food Services	294,331	262,839	320,715	392,307	377,141
Extracurricular Activities	445,806	390,948	354,006	357,388	418,126
Capital Outlay	223,962	369,621	334,672	146,929	325,713
Debt Service:					
Principal Retirement	0	0	68,736	72,947	70,879
Interest and Fiscal Charges	0	0	994	3,123	5,191
<i>Total Expenditures</i>	<u>11,072,106</u>	<u>11,055,672</u>	<u>11,046,804</u>	<u>11,564,567</u>	<u>11,362,025</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>635,296</u>	<u>1,426,242</u>	<u>700,534</u>	<u>(170,171)</u>	<u>(351,404)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	0	371,254	235,008	0	0
Inception of Capital Lease	0	0	0	0	0
Transfers In	0	30,808	0	0	52,024
Transfers Out	(130,000)	(30,808)	0	0	(52,024)
<i>Total Other Financing Sources (Uses)</i>	<u>(130,000)</u>	<u>371,254</u>	<u>235,008</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$505,296</u>	<u>\$1,797,496</u>	<u>\$935,542</u>	<u>(\$170,171)</u>	<u>(\$351,404)</u>
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.65%	0.67%	0.69%

(1) Fiscal year 2000 was the first year property tax and income tax were reported separately.

2003	2002	2001	2000 (1)	1999
\$1,046,293	\$1,085,872	\$1,166,466	\$1,072,636	\$0
4,766,751	4,139,397	4,237,312	3,706,344	4,636,319
4,245,726	4,043,960	4,040,140	3,773,548	3,380,014
88,847	136,719	227,269	206,786	157,793
44,700	20,084	16,524	24,690	15,995
133,834	137,212	110,065	111,551	122,214
39,214	85,485	92,922	74,931	43,976
289,347	280,342	6,750	7,685	8,856
11,484	22,843	12,363	11,429	16,063
81,484	110,889	50,347	88,920	99,939
10,747,680	10,062,803	9,960,158	9,078,520	8,481,169
5,085,157	4,944,160	4,654,551	3,893,810	3,682,673
964,032	962,436	822,642	786,815	698,092
46,735	53,643	49,833	48,245	49,109
594,738	633,850	500,736	465,117	403,963
539,961	411,761	313,565	255,052	219,601
47,562	49,197	71,719	28,512	24,891
992,446	914,134	834,443	721,396	576,364
296,593	280,236	245,493	263,964	205,386
16,910	33,972	20,783	20,287	16,974
1,042,087	1,003,395	1,041,022	986,513	896,663
789,847	836,990	649,639	657,231	693,419
0	0	0	0	648
81,255	33,050	29,428	12,808	5,766
336,601	357,014	0	0	0
391,254	345,444	325,269	301,143	249,077
152,444	393,131	361,586	36,170	89,377
6,339	30,000	30,000	116,822	197,461
0	3,113	4,669	10,456	24,042
11,383,961	11,285,526	9,955,378	8,604,341	8,033,506
(636,281)	(1,222,723)	4,780	474,179	447,663
0	0	62	2,142	1,171
218,901	0	0	0	0
25,000	25,000	0	3,181	0
(25,000)	(25,000)	(25,000)	(3,181)	0
218,901	0	(24,938)	2,142	1,171
(\$417,380)	(\$1,222,723)	(\$20,158)	\$476,321	\$448,834
0.06%	0.30%	0.36%	1.50%	2.80%

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

Collection Year	Real Estate			Estimated Actual Value	Tangible Assessed Value
	Assessed Value				
	Residential/ Agricultural	Commercial/ Industrial	Total		
2008	\$185,639,640	\$23,379,720	\$209,019,360	\$597,198,171	\$4,807,680
2007	183,710,490	22,453,650	206,164,140	589,040,400	9,765,500
2006	181,335,230	22,365,410	203,700,640	582,001,829	14,712,180
2005	158,735,280	19,832,180	178,567,460	510,192,743	19,212,290
2004	155,560,120	19,950,180	175,510,300	501,458,000	19,535,060
2003	151,308,040	19,594,050	170,902,090	488,291,686	20,538,500
2002	134,440,000	17,503,830	151,943,830	434,125,229	15,111,250
2001	130,700,920	17,265,020	147,965,940	422,759,829	15,483,450
2000	126,827,500	15,417,980	142,245,480	406,415,657	12,547,070
1999	101,708,650	12,165,520	113,874,170	325,354,771	10,135,990

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. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 6.25 percent for 2008, and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

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

Personal		Public Utility Personal		Total	
Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$76,922,880	\$5,279,450	\$5,999,375	\$219,106,490	\$680,120,426	\$22.64113
78,124,000	6,276,010	7,131,830	222,205,650	674,296,230	23.44983
78,464,960	6,205,680	7,051,909	224,618,500	667,518,698	24.07686
76,849,160	6,533,790	7,424,761	204,313,540	594,466,664	25.41435
78,140,240	6,472,680	7,355,318	201,518,040	586,953,558	25.48296
82,154,000	5,946,900	6,757,841	197,387,490	577,203,527	25.64408
60,445,000	6,430,150	7,306,989	173,485,230	501,877,218	25.50385
61,933,800	8,186,330	9,302,648	171,635,720	493,996,277	25.93321
50,188,280	8,150,600	9,262,045	162,943,150	465,865,982	25.65010
40,543,960	8,730,000	9,920,455	132,740,160	375,819,186	29.43352

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

	2008	2007	2006	2005
<b>Unvoted Millage</b>				
Operating	\$4.5000	\$4.5000	\$4.5000	\$4.5000
<b>Voted Millage - by levy</b>				
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	7.7505	7.7472	7.7462	7.5200
Commercial/Industrial	7.4899	7.4844	7.3781	8.2787
Tangible/Public Utility Personal	26.1000	26.1000	26.1000	26.1000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.4848	1.4841	1.4840	1.4406
Commercial/Industrial	1.4349	1.4338	1.4134	1.5860
Tangible/Public Utility Personal	5.0000	5.0000	5.0000	5.0000
1983 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.0107	2.0118	2.0121	2.0893
Commercial/Industrial	2.5763	2.5744	2.5378	2.8476
Tangible/Public Utility Personal	4.7000	4.7000	4.7000	4.7000
1985 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.9251	1.9262	1.9265	2.0004
Commercial/Industrial	2.4667	2.4648	2.4298	2.7264
Tangible/Public Utility Personal	4.5000	4.5000	4.5000	4.5000
1988 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	2.3289	2.3306	2.3312	2.4497
Commercial/Industrial	2.8088	2.8067	2.7668	3.1046
Tangible/Public Utility Personal	5.0000	5.0000	5.0000	5.0000
2005 Permanent Improvements - 3 years (1)				
Effective Millage Rates				
Residential/Agricultural	1.0225	1.0244	1.0249	1.1537
Commercial/Industrial	1.4205	1.4195	1.3993	1.5701
Tangible/Public Utility Personal	2.5000	2.5000	2.5000	2.5000
<b>Total Effective Voted Millage by type of property</b>				
Residential/Agricultural	16.5225	16.5243	16.5249	16.6537
Commercial/Industrial	18.1971	18.1836	17.9252	20.1134
Tangible/Public Utility Personal	47.8000	47.8000	47.8000	47.8000



2004	2003	2002	2001	2000	1999
\$4.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000
7.5170	7.5095	7.2747	7.2656	7.2503	8.8447
8.1365	8.1268	8.4077	8.4110	8.7154	10.9282
26.1000	26.1000	26.1000	26.1000	26.1000	26.1000
1.4400	1.4386	1.3936	1.3919	1.3890	1.6944
1.5587	1.5569	1.6107	1.6113	1.6696	2.0935
5.0000	5.0000	5.0000	5.0000	5.0000	5.0000
2.0903	2.0929	2.1730	2.1761	2.1813	2.6625
2.7987	2.7954	2.8920	2.8931	2.9978	3.7590
4.7000	4.7000	4.7000	4.7000	4.7000	4.7000
2.0014	2.0038	2.0805	2.0835	2.0885	2.5492
2.6796	2.6764	2.7689	2.7700	2.8703	3.5990
4.5000	4.5000	4.5000	4.5000	4.5000	4.5000
2.4512	2.4552	2.5782	2.5829	2.5910	3.1629
3.0513	3.0476	3.1530	3.1542	3.2684	4.0982
5.0000	5.0000	5.0000	5.0000	5.0000	5.0000
1.1554	1.1594	1.2854	1.2901	1.2979	1.5849
1.5432	1.5413	1.5946	1.5952	1.6529	2.0726
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
16.6553	16.6594	16.7854	16.7901	16.7980	20.4986
19.7680	19.7444	20.4269	20.4348	21.1744	26.5505
47.8000	47.8000	47.8000	47.8000	47.8000	47.8000

(continued)

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

	2008	2007	2006	2005
<b>Overlapping Rates by Taxing District</b>				
<b>Auburn Joint Vocational School District Voted Millage</b>				
Effective Millage Rates				
Residential/Agricultural	\$1.5000	\$1.5000	\$1.5000	\$1.5000
Commercial/Industrial	1.5000	1.5000	1.5000	1.5000
Tangible/Public Utility Personal	1.5000	1.5000	1.5000	1.5000
<b>Burton Public Library Voted Millage</b>				
Effective Millage Rates				
Residential/Agricultural	0.7926	0.7941	0.7945	0.8943
Commercial/Industrial	0.8905	0.8898	0.8772	0.9843
Tangible/Public Utility Personal	1.0000	1.0000	1.0000	1.0000
<b>Village of Burton Unvoted Millage</b>				
Residential/Agricultural	8.1326	8.1302	8.1252	8.7626
Commercial/Industrial	9.3407	9.3440	9.1220	9.5308
Tangible/Public Utility Personal	9.7500	9.7500	9.7500	9.7500
<b>Township of Burton Voted Millage</b>				
Effective Millage Rates				
Residential/Agricultural	5.9351	5.9387	5.9448	5.2931
Commercial/Industrial	6.3099	6.3070	6.3072	5.6419
Tangible/Public Utility Personal	7.2500	7.2500	7.2500	6.8000
<b>Township of Claridon Voted Millage</b>				
Effective Millage Rates				
Residential/Agricultural	6.5245	6.5348	6.5377	6.3170
Commercial/Industrial	6.2874	6.2873	6.2914	6.7227
Tangible/Public Utility Personal	9.4000	9.4000	9.4000	9.4000
<b>Township of Troy Voted Millage</b>				
Residential/Agricultural	9.4210	9.4284	9.4212	10.1821
Commercial/Industrial	8.3713	8.3613	8.2919	9.3190
Tangible/Public Utility Personal	12.5000	12.5000	12.5000	12.5000
<b>Geauga County Voted Millage</b>				
Effective Millage Rates				
Residential/Agricultural	10.8584	10.8751	10.8912	11.8767
Commercial/Industrial	11.4913	11.5035	11.4143	12.6037
Tangible/Public Utility Personal	15.1000	15.1000	15.1000	15.1000

(1) This is renewed every three years and was last renewed in 2005.

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.

2004	2003	2002	2001	2000	1999
\$1.5000	\$1.5000	\$1.5000	\$1.5000	\$1.5000	\$1.5000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
0.8956	0.8987	0.9964	0.7427	0.7472	0.9125
0.9674	0.9662	0.9996	0.7606	0.7882	0.9883
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
8.7626	8.7634	7.8498	7.8814	6.3872	7.2500
9.2209	9.1944	8.2366	8.2366	6.7326	7.2500
9.7500	9.7500	8.7500	8.7500	7.2500	7.2500
5.3819	5.3861	4.9773	4.9840	4.9971	5.4057
5.7536	5.7536	5.2041	8.2041	5.2051	5.7921
7.1000	7.1000	7.1000	7.1000	7.1000	7.1000
6.3238	6.3436	6.6782	6.6908	6.7263	7.5700
6.7227	6.7262	6.8776	6.8776	6.8776	8.4762
9.4000	9.4000	9.4000	9.4000	9.4000	9.4000
10.1830	10.2093	11.1219	11.1410	10.0820	11.7635
9.3190	9.3190	9.4826	9.4928	8.9580	11.8745
12.5000	12.5000	12.5000	12.5000	12.5000	12.5000
10.8587	10.3876	10.9916	10.0209	9.1226	9.1884
11.7554	11.2985	11.5829	10.5950	9.7000	10.3328
15.1000	14.6000	14.4000	13.4000	12.6500	12.4500

**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>
2007	\$5,329,712	\$5,108,242	95.84%	\$161,485	\$5,269,727	98.87%
2006	5,768,910	5,328,272	92.36	190,742	5,519,014	95.67
2005	5,309,213	5,118,387	96.41	190,147	5,308,534	99.99
2004	5,480,405	5,047,035	92.09	121,135	5,168,170	94.30
2003	5,473,088	4,996,649	91.29	140,381	5,137,030	93.86
2002	5,123,159	4,774,892	93.20	117,633	4,892,525	95.50
2001	4,696,679	4,370,504	93.06	95,357	4,465,861	95.09
2000	4,625,470	4,278,141	92.49	105,158	4,383,299	94.76
1999	4,429,869	4,010,823	90.54	105,508	4,116,331	92.92
1998	4,279,091	3,865,659	90.34	103,324	3,968,983	92.75

**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 2008 information cannot be presented because all collections have not been made by June 30, 2008.
- (3) The County does not maintain delinquency information by tax year.

**Berkshire Local School District**

*Principal Taxpayers*

*Real Estate Tax*

*2008 and 1999*

Name of Taxpayer	2008	
	Assessed Value	Percent of Real Property Assessed Value
Great Lakes Cheese Company, Inc.	\$1,237,740	0.59 %
Excel Polymers LLC	1,089,270	0.52
Masternick, John & James	1,071,490	0.51
Luxemburg Properties	1,015,000	0.49
Preston Real Estate	623,420	0.30
Tripak Enterprise	570,640	0.27
Safran Inns LLC	402,500	0.19
15005 Enterprise Way	393,720	0.19
BF Aquistion LLC	386,650	0.18
Cseplo family LP	341,250	0.17
Totals	<u>\$7,131,680</u>	<u>3.41 %</u>
Total Real Estate Tax Assessed Valuation	<u>\$209,019,360</u>	

Name of Taxpayer	1999	
	Assessed Value	Percent of Real Property Assessed Value
Berkshire Hills Limited	\$1,256,510	1.10 %
M.A. Hanna Company	1,131,000	0.99
John J. Masternick	1,010,010	0.89
Safra Inn, LLO	617,820	0.54
Grandview Golf Club	470,030	0.41
Farmore Farms Limited	440,060	0.40
Steven Rajki, Junior	439,270	0.39
East Branch Limited	437,130	0.38
Tripoli Enterprise, Inc.	431,210	0.38
John Calabrese	392,820	0.34
Totals	<u>\$6,625,860</u>	<u>5.82 %</u>
Total Real Estate Tax Assessed Valuation	<u>\$113,874,170</u>	

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

**Berkshire Local School District**

*Principal Taxpayers*

*Tangible Personal Property Tax*

*2008 and 1999*

<u>Name of Taxpayer</u>	<u>2008</u>	
	<u>Assessed Value</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Great Lakes Cheese Company, Incorporated	<u>\$3,567,720</u>	<u>74.21 %</u>
Total Tangible Personal Property Tax Assessed Valuation	<u>\$4,807,680</u>	
<u>Name of Taxpayer</u>	<u>1999</u>	
	<u>Assessed Value</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Great Lakes Cheese Company, Incorporated	\$4,012,930	39.59 %
M.A. Hanna Company	3,266,530	32.23
Troy Manufacturing Company, Incorporated	866,500	8.55
Burton Flowers and Garden	591,230	5.83
Preston Chevrolet/Cadillac, Incorporated	589,030	5.81
TRC Manufacturing, Incorporated	385,810	3.81
County Ford Limited	<u>373,820</u>	<u>3.69</u>
Total	<u>\$10,085,850</u>	<u>99.51 %</u>
Total Tangible Personal Property Tax Assessed Valuation	<u>\$10,135,990</u>	

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

**Berkshire Local School District**

*Principal Taxpayers*

*Public Utilities Tax*

*2008 and 1999*

Name of Taxpayer	2008	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$4,367,970	82.73 %
American Transmission	693,580	13.14
Total	<u>\$5,061,550</u>	<u>95.87 %</u>
Total Public Utilities Assessed Valuation	<u>\$5,279,450</u>	

Name of Taxpayer	1999	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$5,368,700	61.50 %
Ohio Bell Telephone Company	1,284,590	14.71
East Ohio Gas Company	976,410	11.18
Ohio Edison	264,210	3.03
Total	<u>\$7,893,910</u>	<u>90.42 %</u>
Total Public Utilities Assessed Valuation	<u>\$8,730,000</u>	

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

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**Berkshire Local School District**  
*Computation of Direct and Overlapping  
 Governmental Activities Debt  
 December 31, 2007*

	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Berkshire Local School District	\$0	100.00%	\$0
Overlapping:			
Geauga County			
Special Assessment Bonds	2,873,478	7.52%	216,086
Capital Lease	16,172	7.52%	1,216
General Obligation Notes	7,345,000	7.52%	552,344
 Total Overlapping	 10,234,650	 7.52%	 769,646
 Total	 \$10,234,650		 \$769,646

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 2008 collection year.

**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
2008	8,647	b	\$680,120,426	\$0	0.00%	\$0.00
2007	8,647	b	674,296,230	0	0.00	0.00
2006	8,647	b	667,518,698	0	0.00	0.00
2005	8,647	b	594,466,664	0	0.00	0.00
2004	8,647	b	586,953,558	0	0.00	0.00
2003	8,647	b	577,203,527	0	0.00	0.00
2002	8,647	b	501,877,217	0	0.00	0.00
2001	8,647	b	493,996,276	30,000	0.00	3.47
2000	8,546	a	465,865,982	60,000	0.00	7.02
1999	8,546	a	375,819,186	146,822	0.02	17.18

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

(2) Geauga County Auditor

(3) The personal income can be found on S26

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General Debt

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Capital Leases	Total Debt	Ratio of General Debt to Personal Income (3)	General Debt per Capita
\$0	\$0	0.00%	\$0.00
0	0	0.00	0.00
0	0	0.00	0.00
68,736	68,736	0.24	7.95
141,683	141,683	0.50	16.39
212,562	212,562	0.75	24.58
0	0	0.00	0.00
0	30,000	0.11	3.47
0	60,000	0.21	7.02
0	146,822	n/a	17.18

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assessed Valuation (1)	<u>\$213,734,860</u>	<u>\$211,384,080</u>	<u>\$208,710,760</u>	<u>\$204,313,540</u>
Debt Limit - 9% of Assessed Value (2)	\$19,236,137	\$19,024,567	\$18,783,968	\$18,388,219
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds	0	0	0	0
Less Amount Available in Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$19,236,137</u>	<u>\$19,024,567</u>	<u>\$18,783,968</u>	<u>\$18,388,219</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$213,735	\$211,384	\$208,711	\$204,314
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$213,735</u>	<u>\$211,384</u>	<u>\$208,711</u>	<u>\$204,314</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

**Source:** Geauga County Auditor and School District Financial Records

- (1) Beginning in fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to excluded tangible personal property as well as railroad and telephone tangible property.
- (2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
<u>\$201,518,040</u>	<u>\$197,387,490</u>	<u>\$173,485,230</u>	<u>\$171,635,720</u>	<u>\$162,943,150</u>	<u>\$132,740,160</u>
\$18,136,624	\$17,764,874	\$15,613,671	\$15,447,215	\$14,664,884	\$11,946,614
0	0	0	30,000	60,000	146,822
<u>0</u>	<u>(52,024)</u>	<u>(52,024)</u>	<u>(85,137)</u>	<u>(119,806)</u>	<u>(162,898)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$18,136,624</u>	<u>\$17,764,874</u>	<u>\$15,613,671</u>	<u>\$15,447,215</u>	<u>\$14,664,884</u>	<u>\$11,946,614</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$201,518	\$197,387	\$173,485	\$171,636	\$162,943	\$132,740
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$201,518</u>	<u>\$197,387</u>	<u>\$173,485</u>	<u>\$171,636</u>	<u>\$162,943</u>	<u>\$132,740</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Berkshire Local School District**  
*Demographic and Economic Statistics*  
*Last Nine Years (1)*

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Year	Population (2)	Total Personal Income (2)	Personal Income Per Capita (2)	Median Household Income (2)
2008	1,450	\$28,298,200	\$19,516	\$41,830
2007	1,450	28,298,200	19,516	41,830
2006	1,450	28,298,200	19,516	41,830
2005	1,450	28,298,200	19,516	41,830
2004	1,450	28,298,200	19,516	41,830
2003	1,450	28,298,200	19,516	41,830
2002	1,450	28,298,200	19,516	41,830
2001	1,450	28,298,200	19,516	41,830
2000	1,450	28,298,200	19,516	41,830

Source 2000 U.S. Census  
 Geauga County

- (1) Information prior to 2000 is not available
- (2) Information presented is for the Village of Burton. Information for the Townships of Burton, Troy and Claridon was not available.

Median Age (2)	Median Value of Residential Property (2)	Geauga County Unemployment Rate	Total Assessed Property Value
37.50	\$135,100	5.8 %	\$219,106,490
37.50	135,100	4.9	222,205,650
37.50	135,100	4.4	224,618,500
37.50	135,100	4.7	204,313,540
37.50	135,100	4.7	201,518,040
37.50	135,100	4.9	197,387,490
37.50	135,100	4.1	173,485,230
37.50	135,100	3.4	171,635,720
37.50	135,100	3.1	162,943,150

**Berkshire Local School District**  
*Principal Employers*  
*December 31, 2007 and December 31, 2004 (1)*

December 31, 2007			
Employer	City	Nature of Business or Activity	Employees
Great Lakes Cheese	Troy	Cheese Packaging and Distribution	577
Excell Polymers, LLC	Burton	Manufacturing	210
Berkshire School Board of Education	Burton	Education	138
Burton Health Care	Burton	Long-term Health Care and Rehabilitation	132
BFG Supply, Incorporated	Burton	Wholesale Distributor - Greenhouse	132
Duramax	Troy	Manufacturing	84
ARMS Trucking	Burton	Trucking	11
Preston Chevrolet, Cadillac, Ford, Kia	Burton	Automobile Sales	80
Ronyak Paving	Burton	Paving	58
Troy Manufacturing	Troy	Manufacturing	26
Total			<u>1,448</u>
Total Employment within the School District			<u>n/a</u>

December 31, 2004 (1)			
Employer	City	Nature of Business or Activity	Employees
Great Lakes Cheese	Troy	Packaging	500
Excell Polymers, LLC	Burton	Manufacturing	214
BFG	Burton	Sales	190
Berkshire School Board of Education	Burton	Education	158
Burton Health Care	Burton	Health Care	125
Duramax	Troy	Manufacturing	90
Preston Chevrolet	Burton	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 prior to 2004 is not available.

n/a - Information not available.



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

	2008	2007	2006	2005
<b>Burton Elementary School</b>				
Constructed in 1959				
Total Building Square Footage	29,549	29,549	29,549	29,549
Enrollment Grades K-6	363	408	421	371
Student Capacity	450	450	450	450
Regular Instruction Classrooms	30	23	23	23
Regular Instruction Teachers	30	24	26	26
Special Instruction Classrooms	3	2	2	2
Special Instruction Teachers	3	2	3	3
<b>Troy Elementary School</b>				
Constructed in 1924				
Total Building Square Footage	18,556	18,556	18,556	18,556
Enrollment Grades 1-6	163	149	159	99
Student Capacity	190	190	190	190
Regular Instruction Classrooms	6	10	10	10
Regular Instruction Teachers	6	11	11	9
Special Instruction Classrooms	1	1	1	1
Special Instruction Teachers	1	1	1	1
<b>Claridon Elementary School</b>				
Constructed in 1920				
Total Building Square Footage	0	0	0	15,467
Enrollment Grades 1-6	0	0	0	142
Student Capacity	0	0	0	200
Regular Instruction Classrooms	0	0	0	6
Regular Instruction Teachers	0	0	0	6
Special Instruction Classrooms	0	0	0	0
Special Instruction Teachers	0	0	0	0
<b>Junior High/High School</b>				
Constructed in 1936				
Total Building Square Footage	95,485	95,485	95,485	95,485
Enrollment Grades 7-12	619	690	702	724
Student Capacity	760	760	760	760
Regular Instruction Classrooms	32	32	32	32
Regular Instruction Teachers	30	31	32	32
Special Instruction Classrooms	5	4	4	4
Special Instruction Teachers	5	4	4	4

(1) Information prior to 2005 is not available

Source: School District Records

**Berkshire Local School District**  
*Per Pupil Cost*  
*Last Seven Fiscal Years (1)*

Fiscal Year	Expenditures	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Students Receiving Free or Reduced Lunch	Percentage of Enrollment
2008	\$11,072,106	1,145	\$9,670	8.32%	75	15.3	131	11.4%
2007	11,055,672	1,247	8,866	2.81	75	16.6	54	4.3
2006	11,046,804	1,282	8,617	(0.46)	79	16.2	49	3.8
2005	11,564,567	1,336	8,656	5.21	86	15.5	47	3.5
2004	11,362,025	1,381	8,227	(0.48)	87	15.9	68	4.9
2003	11,383,961	1,377	8,267	2.37	88	15.6	52	3.8
2002	11,265,964	1,395	8,076	0.00	90	15.5	52	3.7

Source: School District Records

(1) Information prior to 2002 is not available

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

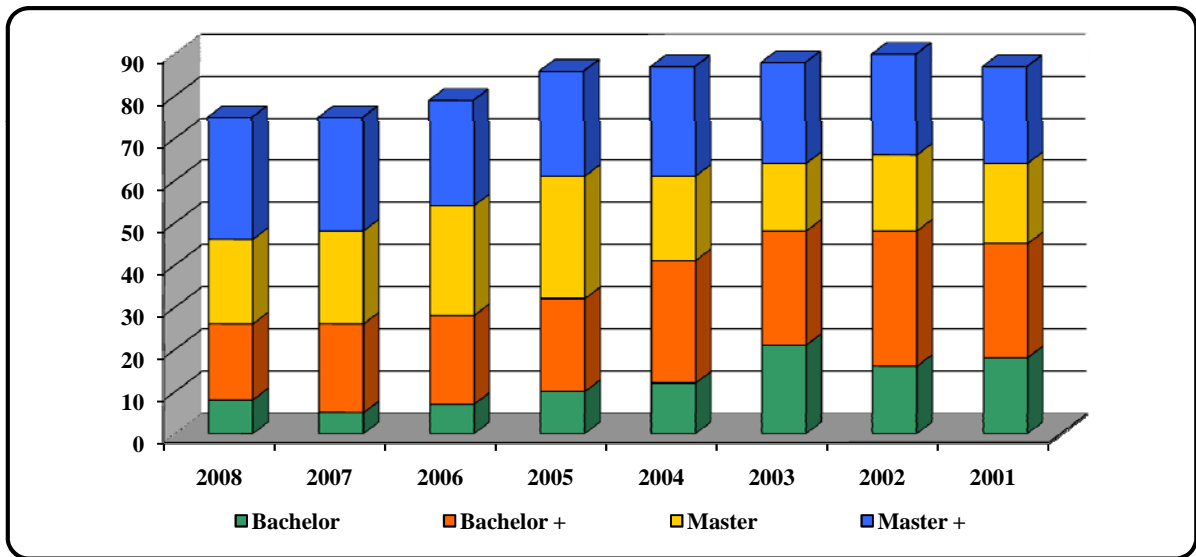
Fiscal Year	Berkshire Attendance Rate	State Average	Berkshire Graduation Rate	State Average
2008	94.60%	93.00%	94.20%	90.00%
2007	94.10	93.00	94.00	90.00
2006	95.20	94.10	95.30	86.20
2005	95.60	94.30	94.60	85.90
2004	95.90	94.50	95.40	84.30
2003	95.70	94.50	98.30	83.90
2002	95.50	94.30	92.50	82.80
2001	96.00	93.90	95.00	81.20
2000	95.70	93.60	95.10	80.70
1999	96.10	93.50	96.10	81.40

Source: Ohio Department of Education Local Report Cards

**Berkshire Local School District**  
*Full-Time Equivalent School District Teachers by Education*  
*Last Eight Fiscal Years (1)*

Degree	2008	2007	2006	2005	2004	2003	2002	2001
Bachelor's Degree	8	5	7	10	12	21	16	18
Bachelor + 15	3	2	0	4	3	8	7	3
Bachelor + 150	15	19	21	18	26	19	25	24
Master's Degree	20	22	26	29	20	16	18	19
Master + 15	11	13	11	11	14	11	9	6
Master + 30	18	14	14	14	12	13	15	17
Total	<u>75</u>	<u>75</u>	<u>79</u>	<u>86</u>	<u>87</u>	<u>88</u>	<u>90</u>	<u>87</u>

(1) Information prior to 2001 is not available



Source: School District Records

**Berkshire Local School District**  
*School District Employees by Function/Program*  
*Last Six Fiscal Years (1)*

Function/Program	2008	2007	2006	2005	2004	2003
<b>Regular Instruction</b>						
Elementary Classroom Teachers	30.00	35.00	33.00	34.00	39.00	39.00
High School Classroom Teachers	30.00	31.00	31.00	33.00	33.00	33.00
<b>Special Instruction</b>						
Elementary Classroom Teachers	4.00	3.00	4.00	4.00	4.00	4.00
Gifted Education Teachers	1.00	0.50	0.50	1.00	1.00	1.00
High School Classroom Teachers	5.00	4.00	3.00	4.00	3.00	3.00
<b>Vocational Instruction</b>						
High School Classroom Teachers	1.00	1.00	1.00	1.00	1.00	1.00
<b>Pupil Support Services</b>						
Guidance Counselors	2.00	2.00	3.00	3.00	3.00	3.00
Librarians	1.00	1.00	1.00	1.00	1.00	1.00
Psychologists	1.00	1.00	1.00	1.00	1.00	1.00
Speech and Language Pathologists	2.00	2.00	1.00	1.00	1.00	1.00
Nurse	1.00	1.00	1.00	1.00	1.00	1.00
<b>Administrators</b>						
Elementary	2.00	2.00	2.00	3.50	3.00	3.00
High School	2.00	2.00	2.00	2.00	2.00	2.00
<b>Operation of Plant</b>						
Custodians	7.50	9.00	9.00	10.50	11.00	11.00
Maintenance	1.00	1.00	2.00	1.00	1.00	1.00
<b>Pupil Transportation</b>						
Bus Drivers	10.00	9.00	13.00	13.00	13.00	13.00
Bus Aides	5.00	2.00	1.00	2.00	1.00	1.00
Van Drivers	2.00	1.00	1.00	2.00	1.00	0.50
<b>Food Service Program</b>						
Elementary Cooks	6.00	5.00	5.00	5.00	5.00	6.00
High School Cooks	4.00	4.00	4.00	5.00	5.00	4.00
<b>Totals</b>	<u>117.50</u>	<u>116.50</u>	<u>118.50</u>	<u>128.00</u>	<u>130.00</u>	<u>129.50</u>

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

(1) Information prior to 2003 is not available

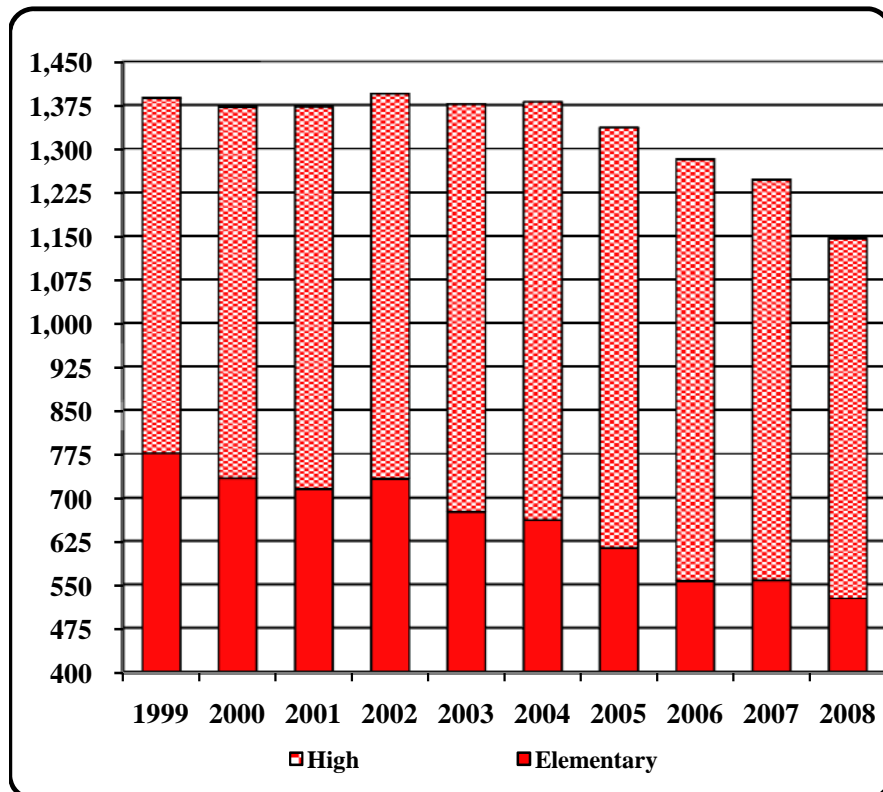
Source: School District Records

**Berkshire Local School District**

*Enrollment Statistics  
Last Ten Fiscal Years*

Fiscal Year	Elementary Schools	Junior/High School	Total
2008	526	619	1,145
2007	557	690	1,247
2006	556	726	1,282
2005	612	724	1,336
2004	661	720	1,381
2003	675	702	1,377
2002	732	663	1,395
2001	714	659	1,373
2000	733	639	1,372
1999	776	611	1,387

Source: School District Records

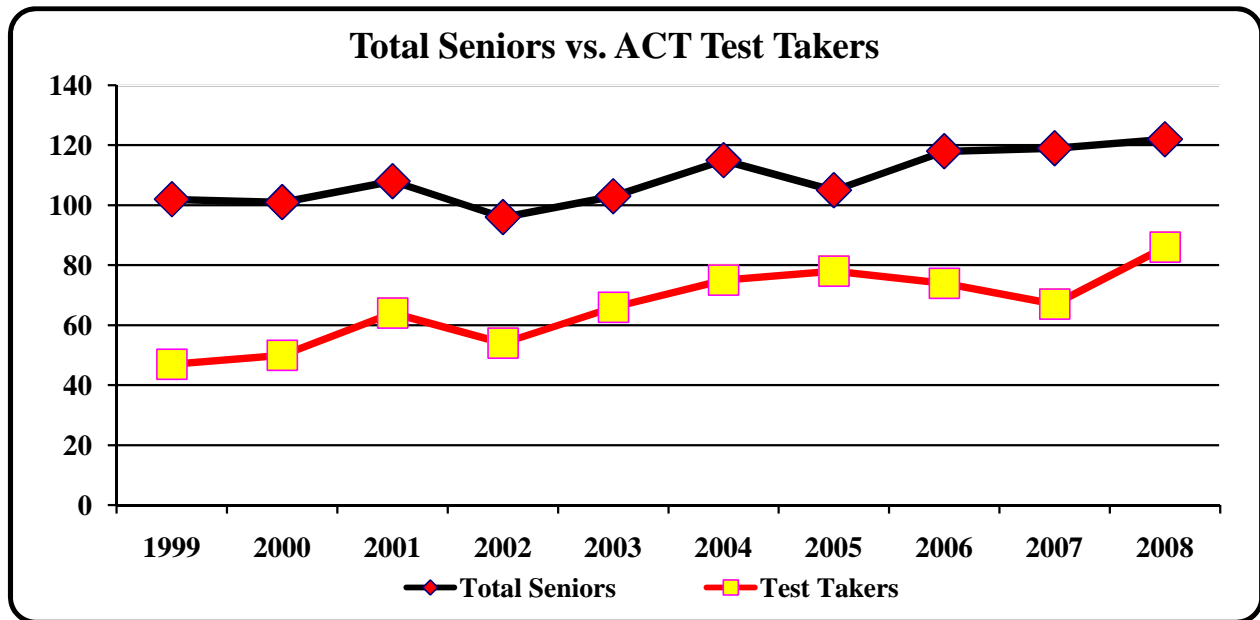


**Berkshire Local School District**

*ACT Composite Scores*

*Last Ten School Years*

School Year	Number of Test Takers	Number of Seniors	Percent of Students	Berkshire Composite	Ohio Composite	National Composite
2008	86	122	70.49 %	22.6	21.7	21.1
2007	67	119	56.30	22.4	21.6	21.2
2006	74	118	62.71	21.8	21.5	21.1
2005	78	105	74.29	20.7	21.4	20.9
2004	75	115	65.22	20.5	21.4	20.9
2003	66	103	64.08	22.1	21.4	20.8
2002	54	96	56.25	22.9	21.4	20.8
2001	64	108	59.26	22.5	21.4	21.0
2000	50	101	49.50	22.7	21.4	21.0
1999	47	102	46.08	22.0	21.4	21.0



Source: High School Guidance Office,  
Berkshire Local School District

**Berkshire Local School District**

*SAT Composite Scores*

*Last Ten Fiscal Years*

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<u>School Year</u>	<u>Number of Senior Test Takers</u>	<u>Berkshire Verbal</u>	<u>Ohio Verbal</u>	<u>National Verbal</u>
2008	n/a	n/a	534	502
2007	119	573	536	502
2006	118	570	535	503
2005	105	571	539	508
2004	115	575	538	508
2003	103	565	536	507
2002	96	526	533	504
2001	108	535	534	506
2000	101	535	533	505
1999	102	535	534	505

Source: High School Guidance Office, Berkshire Local School District

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



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<u>Berkshire Math</u>	<u>Ohio Math</u>	<u>National Math</u>
n/a	544	515
568	542	515
560	544	518
555	543	520
574	542	518
539	541	519
503	540	516
524	539	514
516	539	514
523	538	511

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

Fiscal Year	Berkshire Average	State Average
2008	15.3	18.6
2007	16.6	19.6
2006	16.2	18.6
2005	15.5	18.5
2004	15.9	18.5
2003	15.6	16.5
2002	15.5	16.9
2001	16.0	18.0
2000	16.3	18.1
1999	16.7	18.6

Source: Ohio Department of Education, EMIS Reports



**Mary Taylor, CPA**  
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**  
**FEBRUARY 12, 2009**