

Mary Taylor, CPA
Auditor of State

**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

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**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed Through Ohio Department of Education:</i>					
National School Lunch Program	10.555	\$56,968	\$9,609	\$56,967	\$9,609
Total U.S. Department of Agriculture		56,968	9,609	56,967	9,609
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Grants- to States (IDEA, Part B)- FY 2009	84.027	0	0	4,317	0
Special Education Grants to States(IDEA, Part B) -FY 2010	84.027	206,329	0	206,287	0
ARRA- Special Education Grants to States	84.391	181,896	0	181,820	0
Total Special Education Grants to States		388,225	0	392,424	0
Title I Grants to Local Educational Agencies-FY 2010	84.010	161,760	0	161,760	0
ARRA - Title I Grants to Local Educational Agencies	84.389	55,606	0	54,330	0
Total Title I Grants to Local Educational Agencies		217,366	0	216,090	0
Safe and Drug-Free Schools and Communities State Grants - FY 2009	84.186	1,881	0	2,356	0
Safe and Drug-Free Schools and Communities State Grants - FY 2010	84.186	2,263	0	1,350	0
Total Safe and Drug-Free Schools and State Grants (Title IV)		4,144	0	3,706	0
Total State Grant for Innovative Programs	84.298	0	0	257	0
Total Education Technology State Grant (Title II, Part D)	84.318	1,448	0	1,448	0
Total State Fiscal Stabilization Grant (SFSF)	84.394	191,119	0	188,919	0
Total Improving Teacher Quality State Grant (Title II-A)	84.367	46,387	0	46,387	0
Total U.S. Department of Education		848,689	0	849,232	0
Total Federal Financial Assistance		<u>\$905,657</u>	<u>\$9,609</u>	<u>\$906,199</u>	<u>\$9,609</u>

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, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Berkshire Local School District (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C - FOOD DONATION PROGRAM

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



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 44021-0364

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 the Berkshire Local School District, Geauga County, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 13, 2010. 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 13, 2010.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, pass-through entities and others within the District. 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

December 13, 2010



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133, AND ON THE FEDERAL AWARDS RECEIPTS AND EXPENDITURE SCHEDULE

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

To the Board of Education:

Compliance

We have audited the compliance of the Berkshire Local School District, Geauga County, Ohio, (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 could directly and materially affect each of the Berkshire Local School District's major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. 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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 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, Geauga County, Ohio, complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2010.

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, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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**Internal Control Over Compliance
(Continued)**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, 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, Geauga County, Ohio, as of and for the year ended June 30, 2010, and have issued our report thereon dated December 13, 2010. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

December 13, 2010

**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010**

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):	Special Education Cluster: # 84.027 & 84.391 - Special Education – Grants to States
<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 FOR FEDERAL AWARDS

None

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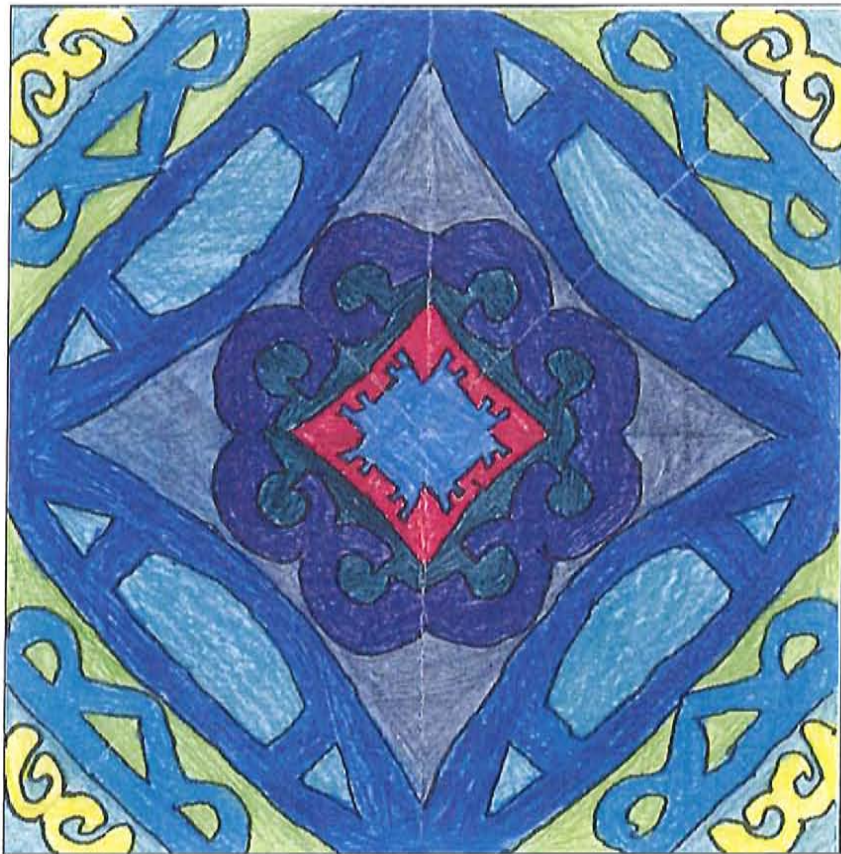
Mollee Chapman – 2nd Grade
Burton Elementary

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010

Berkshire Local School District
Burton, Ohio

Berkshire Local School District
Burton, Ohio

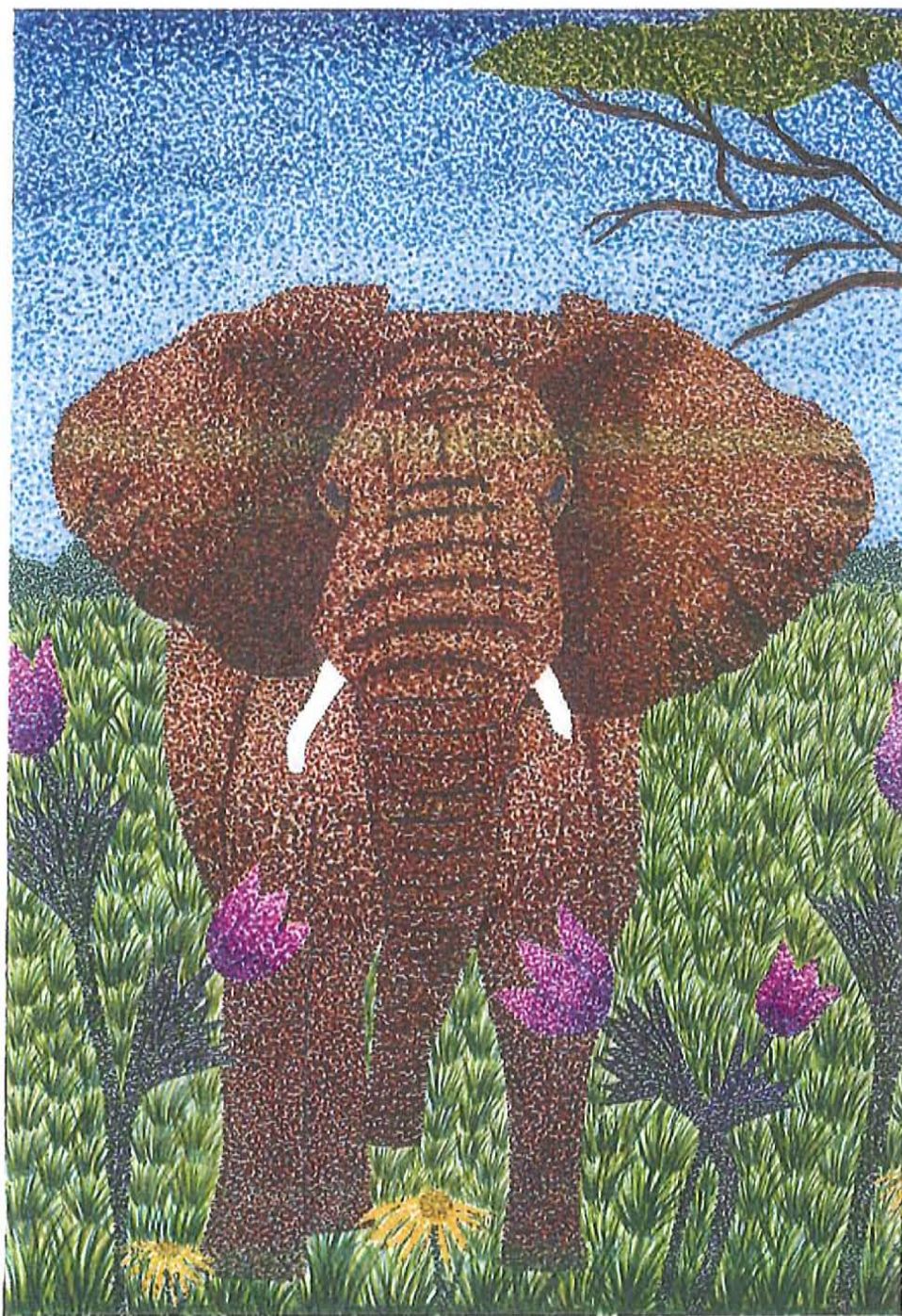
COMPREHENSIVE ANNUAL
FINANCIAL REPORT



Grace Lutat – 6th Grade
Berkshire Elementary

For the Fiscal Year Ended June 30, 2010

*Prepared by Beth A. McCaffrey
Treasurer*



Erica Dingman – Senior
Berkshire High School

Introductory Section

Berkshire Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010
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Berkshire Local School District

**14259 CLARIDON-TROY ROAD
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BURTON OH 44021**

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

December 13, 2010

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, 2010. 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 2010, 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, 71 certificated full time teaching personnel and 6 administrative employees to provide services to 1,077 students and other community members.

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

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

- *Berkshire High School* built in 1936, with additions in 1973 and 2002, houses 569 students from grades 7 through 12.
- *Burton Elementary School* built in 1959, with an addition in 1962, and modular addition in 2009, houses 508 students from grades kindergarten through 6.

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

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

The annual budget serves as the foundation for the Berkshire Local School District's financial planning and control. The legal level of control has been established by the Board of Education at fund level for the general fund and 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 remained steady despite the unpredictable economy. 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.

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

The high school and elementary building are located in Burton Village, known for its historical atmosphere – a place where history lives. Around the center of town and in the surrounding area are many specialty shops that add to the charm of the Village and to the local economy. These include All Matters, Inc., 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, or J.C's Restaurant; all are within walking distance of the square and the shops. One can end the day at the Red Maple Inn or the Goodwin Bed and Breakfast.

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

School District Local Funding

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

School District management will carefully control expenses during the coming years to continue to assure tax levy revenues are adequate and well spent. A one percent tax levy on earned income was approved by voters in May of 2007, with collection beginning in 2008. This levy replaced 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 2010, the School District maintained a restrictive budget and monitored costs to end the fiscal year with a conservative balance. The School District has continued to closely monitor expenditures as a result of declining revenue and anticipated revenue losses in the coming years. Various cost cutting measures including sharing transportation arrangements with other nearby districts when feasible. These efforts were made to attempt to keep ahead of the rising cost of utilities and fuel and building maintenance repairs. The School District is striving to maintain a quality education for its students within a tight budget.

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

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 26 indicators. On the 2009 report card the School District met, or exceeded the Ohio standard in 24 of 26 indicators and also met AYP, Adequate Yearly Progress in all areas including subgroups. The School District was rated in the category titled, "Excellent".

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 the Elementary School. The Title I 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 2010 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 2010 exceeded the State and national average scores on the American College Test (ACT). The composite score of 21.7 on the ACT matched the State average of 21.7 and surpassed 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. In 2009 the new Burton Elementary modular building was opened housing fourth through six grades. 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, 2008. This was the tenth consecutive year that the School District has received this prestigious award.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial 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.

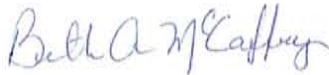
Acknowledgments

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, Diane Jordak and Jaime Berman. Assistance from the Geauga County Auditor's staff and outside agencies made possible the fair presentation of statistical data.

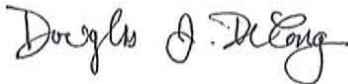
Special appreciation is expressed to the Local Government Services section of the State Auditor Mary Taylor's office for assistance in the planning, designing and reviewing of this financial report.

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,



Beth A. McCaffrey
Treasurer



Douglas Delong
Superintendent

Berkshire Local School District
Principal Officials
June 30, 2010

Board of Education

Jim Koster..... President
Roger Miller Vice-President
Tim Honkala Member
John Manfredi..... Member
Val Timmons Member

Treasurer

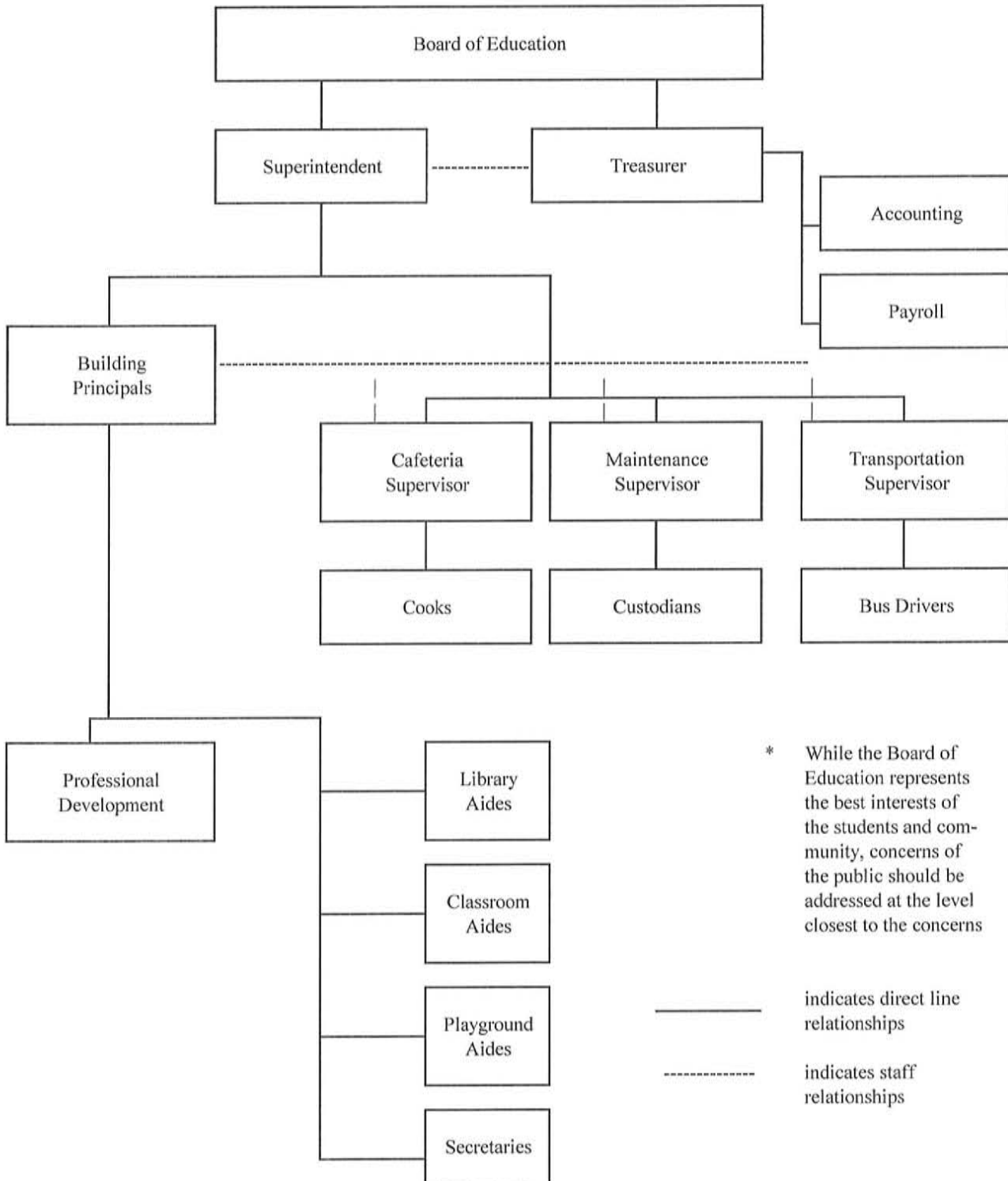
Mrs. Beth A. McCaffrey

Superintendent

Mr. Douglas Delong

Berkshire Local School District

Organizational Chart



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Erica Roy – Junior
Berkshire High School

Financial Section



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 the Berkshire Local School District, Geauga County, Ohio, (the District) as of and for the year ended June 30, 2010, 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 the Berkshire Local School District, Geauga County, Ohio, as of June 30, 2010, 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 December 13, 2010, 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.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

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

Mary Taylor, CPA
Auditor of State

December 13, 2010

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

The management's discussion and analysis of Berkshire Local School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key Financial Highlights for fiscal year 2010 are as follows:

- Total net assets of governmental activities increased \$64,589 which represents a 1.15 percent increase from fiscal year 2009.
- Total revenues of \$11,779,637 were comprised of general revenues in the amount of \$10,260,124 or 87.1 percent and program specific revenues from charges for services, grants and contributions in the amount of \$1,519,513 or 12.89 percent.
- Construction was completed on the new modular building next to the existing Burton Elementary. The new modular houses grades fourth through six. It has a total of ten classrooms along with restroom facilities and an 8,175 square foot gymnasium. Students from Troy Elementary now attend classes at Burton Elementary.
- The School District purchased two new buses for transporting students and updated computer equipment for students and staff.

Using the Basic Financial Statements

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

The Statement of Net 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 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 2010?" The Statement of Net Assets and the

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

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 fund and the permanent improvement capital projects fund.

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

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

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

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 2010 compared to 2009:

Table 1
 Net Assets
 Governmental Activities

	2010	2009	Change
Assets			
Current and Other Assets	\$8,191,636	\$8,784,358	(\$592,722)
Capital Assets, net	3,518,243	2,742,560	775,683
<i>Total Assets</i>	<u>11,709,879</u>	<u>11,526,918</u>	<u>182,961</u>
Liabilities			
Current Liabilities	5,169,643	5,095,422	74,221
Long-Term Liabilities			
Due Within One Year	182,726	138,620	44,106
Due In More Than One Year	692,213	692,168	45
<i>Total Liabilities</i>	<u>6,044,582</u>	<u>5,926,210</u>	<u>118,372</u>
Net Assets			
Invested in Capital Assets	3,518,243	2,742,560	775,683
Restricted for:			
Capital Projects	193,702	357,068	(163,366)
Set Asides	39,468	39,468	-
Other Purposes	101,406	51,841	49,565
Unrestricted	1,812,478	2,409,771	(597,293)
<i>Total Net Assets</i>	<u>\$5,665,297</u>	<u>\$5,600,708</u>	<u>\$64,589</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 2010 and 2009.

Table 2
 Governmental Activities

	2010	2009	Change
Program Revenues			
Charges for Services and Sales	\$559,716	\$590,606	(\$30,890)
Operating Grants and Contributions	959,797	522,346	437,451
Capital Grants and Contributions	0	10,013	(10,013)
<i>Total Program Revenues</i>	<u>1,519,513</u>	<u>1,122,965</u>	<u>396,548</u>

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

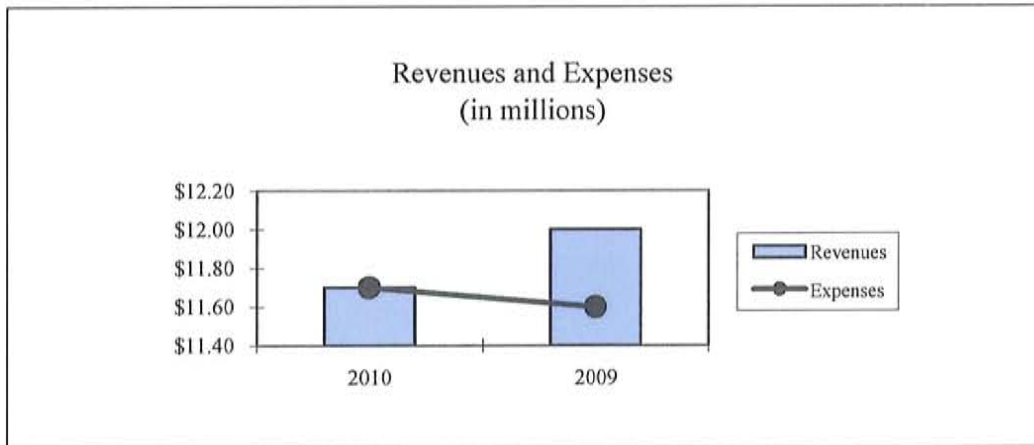
Table 2 (continued)
Governmental Activities

General Revenues			
Property Taxes	\$4,039,665	\$4,565,456	(\$525,791)
Income Taxes	1,536,729	1,656,813	(120,084)
Grants and Entitlements	4,650,889	4,620,371	30,518
Investments	13,083	52,667	(39,584)
Miscellaneous	19,758	14,978	4,780
<i>Total General Revenues</i>	<u>10,260,124</u>	<u>10,910,285</u>	<u>(650,161)</u>
<i>Total Revenues</i>	<u>11,779,637</u>	<u>12,033,250</u>	<u>(253,613)</u>
Program Expenses			
Instruction:			
Regular	4,830,346	5,062,708	(232,362)
Special	1,529,679	1,271,151	258,528
Vocational	76,125	78,115	(1,990)
Student Intervention	339,048	12,776	326,272
Support Services			
Pupil	600,884	602,816	(1,932)
Instructional Staff	455,767	442,628	13,139
Board of Education	41,679	87,962	(46,283)
Administration	1,113,593	1,142,152	(28,559)
Fiscal	382,159	406,222	(24,063)
Business	28,687	38,727	(10,040)
Operation and Maintenance of Plant	878,611	938,412	(59,801)
Pupil Transportation	791,630	762,715	28,915
Operation of Food Services	264,105	302,888	(38,783)
Extracurricular Activities	382,735	405,456	(22,721)
<i>Total Program Expenses</i>	<u>11,715,048</u>	<u>11,554,728</u>	<u>160,320</u>
<i>Increase in Net Assets</i>	64,589	478,522	(413,933)
Net Assets Beginning of Year	<u>5,600,708</u>	<u>5,122,186</u>	<u>478,522</u>
Net Assets End of Year	<u>\$5,665,297</u>	<u>\$5,600,708</u>	<u>\$64,589</u>

Graph 1
Revenues and Expenses
(In Millions)

	<u>2010</u>	<u>2009</u>
Revenues	\$11.7	\$12.0
Expenses	11.7	11.6

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
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 was due to little new construction coming on to the tax duplicate offset by the elimination of the 10 percent rollback for businesses that was effective in January 2006.

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

Overall expenses increased during fiscal year 2010 due to negotiated salary agreements as well as an 8.5 percent increase in healthcare costs. The School District completed negotiations for certified and non-certified employees at the end of fiscal year 2009; however, the contract was reopened for certified employees resulting in a one percent increase in 2010. 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.

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. Cafeteria prices did increase slightly in order to cover rising costs.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

In May 2006, the School District sold the Troy Elementary School building at an auction with the option to lease it back for two or more years. This was the beginning of the School District's long-term plan of bringing all elementary students under one roof. This final sale was completed in July 2006. The School District began construction on additional modular units to Burton Elementary during fiscal year 2009 and moved the Troy Elementary students into the new modular units in fiscal year 2010.

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

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

Table 3
 Total and Net Cost of Program Services
 Governmental Activities

	2010		2009	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction:				
Regular	\$4,830,346	(\$4,354,480)	\$5,062,708	(\$4,819,727)
Special	1,529,679	(923,407)	1,271,151	(867,913)
Vocational	76,125	(76,125)	78,115	(78,115)
Student Intervention	339,048	(339,048)	12,776	(12,776)
Support Services:				
Pupil	600,884	(591,816)	602,816	(591,226)
Instructional Staff	455,767	(455,767)	442,628	(442,312)
Board of Education	41,679	(41,679)	87,962	(87,962)
Administration	1,113,593	(1,109,020)	1,142,152	(1,133,152)
Fiscal	382,159	(382,159)	406,222	(406,222)
Business	28,687	(28,687)	38,727	(38,727)
Operation and Maintenance of Plant	878,611	(878,611)	938,412	(938,412)
Pupil Transportation	791,630	(791,630)	762,715	(752,702)
Operation of Food Services	264,105	(50,559)	302,888	(76,129)
Extracurricular Activities	382,735	(172,547)	405,456	(186,388)
Total	<u>\$11,715,048</u>	<u>(\$10,195,535)</u>	<u>\$11,554,728</u>	<u>(\$10,431,763)</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 revenues of \$11,807,370 and expenditures of \$12,197,020. The general fund decrease in fund balance is mainly due to the decreases in property tax and income tax collections. The permanent improvement fund balance decreased significantly as the School District began construction on additional modular units at Burton Elementary.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Other Governmental Funds had a slight increase in fund balance as the School District continues receiving additional 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 53 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 2010, 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.

The School District is continuing to see an increase in the required services for our special education students. Additional physical and occupational therapy services were needed for students this year and we saw an increase in our special education students needing services. There were no individually significant events that caused this variance. The School District ended the fiscal year \$1,332,428 higher than budgeted. This is due in large part to the School District's continued commitment to provide a quality education while still controlling the costs of a quality education.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal 2010 balances compared to 2009:

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

	2010	2009
Land	\$13,810	\$13,810
Construction in Progress	0	963,890
Land Improvements	89,901	97,188
Buildings and Improvements	2,725,329	1,076,434
Furniture, Fixtures and Equipment	273,013	261,109
Vehicles	416,190	330,129
<i>Total Capital Assets</i>	\$3,518,243	\$2,742,560

The School District began construction on additional modular units to Burton Elementary during the year. In addition to this construction in progress, the School District renovated restrooms, as well as installed a new gym floor at the high school. The School District also purchased two new buses during fiscal year 2010. These increases were offset by the annual depreciation. Ohio law requires school districts to set aside three

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional materials and supplies. For fiscal year 2010, this amounted to \$185,373 for each set aside. See Note 10 to the basic financial statements for additional information on the School District's capital assets and Note 19 for additional information regarding required set-asides.

Debt

The School District had no bonded debt in fiscal year 2010 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 the State's educational funding system is generating zero to minimal growth in funding operations. As the preceding information shows, the School District is heavily reliant on local property taxpayers.

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

The School District has committed itself to financial and educational excellence for many years to come. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 2000. Due to budget constraints during fiscal year 2009, the School District decided to forgo publishing a Comprehensive Annual Financial Report (CAFR) for one year and only publish the required Basic Financial Statements. The School District plans to publish a CAFR for fiscal year 2010 and submit it to GFOA for consideration.

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

Contacting the School District's Financial Management

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

Basic Financial Statements

Berkshire Local School District

Statement of Net Assets

June 30, 2010

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$3,167,440
Accounts Receivable	10,695
Intergovernmental Receivable	3,172
Prepaid Items	1,824
Inventory Held for Resale	4,357
Materials and Supplies Inventory	931
Income Taxes Receivable	718,145
Property Taxes Receivable	4,285,072
Nondepreciable Capital Assets	13,810
Depreciable Capital Assets, Net	<u>3,504,433</u>
<i>Total Assets</i>	<u>11,709,879</u>
Liabilities	
Accounts Payable	20,957
Accrued Wages and Benefits	996,182
Intergovernmental Payable	303,843
Matured Compensated Absences Payable	29,551
Matured Termination Benefits Payable	16,900
Deferred Revenue	3,783,279
Claims Payable	18,931
Long-Term Liabilities:	
Due Within One Year	182,726
Due In More Than One Year	<u>692,213</u>
<i>Total Liabilities</i>	<u>6,044,582</u>
Net Assets	
Invested in Capital Assets	3,518,243
Restricted for:	
Capital Projects	193,702
Set Asides	39,468
Other Purposes	101,406
Unrestricted	<u>1,812,478</u>
<i>Total Net Assets</i>	<u><u>\$5,665,297</u></u>

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$4,830,346	\$220,598	\$255,268	(\$4,354,480)
Special	1,529,679	0	606,272	(923,407)
Vocational	76,125	0	0	(76,125)
Student Intervention	339,048	0	0	(339,048)
Support Services:				
Pupil	600,884	0	9,068	(591,816)
Instructional Staff	455,767	0	0	(455,767)
Board of Education	41,679	0	0	(41,679)
Administration	1,113,593	0	4,573	(1,109,020)
Fiscal	382,159	0	0	(382,159)
Business	28,687	0	0	(28,687)
Operation and Maintenance of Plant	878,611	0	0	(878,611)
Pupil Transportation	791,630	0	0	(791,630)
Operation of Food Services	264,105	153,133	60,413	(50,559)
Extracurricular Activities	382,735	185,985	24,203	(172,547)
Totals	\$11,715,048	\$559,716	\$959,797	(10,195,535)
General Revenues				
Property Taxes Levied for:				
General Purposes				3,841,219
Capital Outlay				198,446
Income Taxes Levied for General Purposes				1,536,729
Grants and Entitlements not Restricted to				
Specific Programs				4,650,889
Investment Earnings				13,083
Miscellaneous				19,758
Total General Revenues				10,260,124
Change in Net Assets				64,589
<i>Net Assets Beginning of Year</i>				<u>5,600,708</u>
<i>Net Assets End of Year</i>				<u><u>\$5,665,297</u></u>

See accompanying notes to the basic financial statements

Berkshire Local School District
Balance Sheet
Governmental Funds
June 30, 2010

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,742,645	\$173,300	\$163,418	\$3,079,363
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	39,468	0	0	39,468
Accounts Receivable	10,695	0	0	10,695
Intergovernmental Receivable	0	0	3,172	3,172
Prepaid Items	1,824	0	0	1,824
Inventory Held for Resale	0	0	4,357	4,357
Materials and Supplies Inventory	0	0	931	931
Income Taxes Receivable	718,145	0	0	718,145
Property Taxes Receivable	4,075,171	209,901	0	4,285,072
<i>Total Assets</i>	<u>\$7,587,948</u>	<u>\$383,201</u>	<u>\$171,878</u>	<u>\$8,143,027</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$20,901	\$0	\$56	\$20,957
Accrued Wages and Benefits	979,008	0	17,174	996,182
Intergovernmental Payable	289,696	0	14,147	303,843
Matured Compensated Absences Payable	29,551	0	0	29,551
Matured Termination Benefits Payable	16,900	0	0	16,900
Deferred Revenue	3,797,642	191,521	0	3,989,163
<i>Total Liabilities</i>	<u>5,133,698</u>	<u>191,521</u>	<u>31,377</u>	<u>5,356,596</u>
 Fund Balances				
Reserved for Encumbrances	22,025	12,526	3,113	37,664
Reserved for Property Taxes	351,017	86,281	0	437,298
Reserved for Budget Stabilization	39,468	0	0	39,468
Unreserved:				
Undesignated, Reported in:				
General Fund	2,041,740	0	0	2,041,740
Special Revenue Funds	0	0	137,388	137,388
Capital Projects Fund	0	92,873	0	92,873
<i>Total Fund Balances</i>	<u>2,454,250</u>	<u>191,680</u>	<u>140,501</u>	<u>2,786,431</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$7,587,948</u>	<u>\$383,201</u>	<u>\$171,878</u>	<u>\$8,143,027</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, 2010*

Total Governmental Fund Balances	\$2,786,431
 <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.	3,518,243
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property Taxes	132,396
Income Taxes	<u>73,488</u>
Total	205,884
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.	29,678
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>(874,939)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$5,665,297</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, 2010

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Income Taxes	\$1,544,686	\$0	\$0	\$1,544,686
Property Taxes	3,855,408	204,033	0	4,059,441
Intergovernmental	4,576,386	74,503	930,484	5,581,373
Interest	13,079	4	0	13,083
Tuition and Fees	194,838	0	25,760	220,598
Extracurricular Activities	132,839	0	50,512	183,351
Contributions and Donations	4,068	0	25,245	29,313
Charges for Services	0	0	153,133	153,133
Rentals	2,634	0	0	2,634
Miscellaneous	19,758	0	0	19,758
<i>Total Revenues</i>	<u>10,343,696</u>	<u>278,540</u>	<u>1,185,134</u>	<u>11,807,370</u>
Expenditures				
Current:				
Instruction:				
Regular	4,300,924	17,857	279,320	4,598,101
Special	1,021,454	0	539,300	1,560,754
Vocational	70,925	0	0	70,925
Student Intervention	339,048	0	0	339,048
Support Services:				
Pupil	553,832	0	33,446	587,278
Instructional Staff	440,194	0	3,958	444,152
Board of Education	41,679	0	0	41,679
Administration	1,051,280	0	33,202	1,084,482
Fiscal	371,632	4,588	0	376,220
Business	28,687	0	0	28,687
Operation and Maintenance of Plant	805,339	157,727	0	963,066
Pupil Transportation	849,423	0	5,100	854,523
Operation of Food Services	0	0	244,249	244,249
Extracurricular Activities	282,697	0	98,914	381,611
Capital Outlay	366,098	256,147	0	622,245
<i>Total Expenditures</i>	<u>10,523,212</u>	<u>436,319</u>	<u>1,237,489</u>	<u>12,197,020</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(179,516)</u>	<u>(157,779)</u>	<u>(52,355)</u>	<u>(389,650)</u>
Other Financing Sources (Uses)				
Transfers In	0	0	116,600	116,600
Transfers Out	(416,600)	0	0	(416,600)
<i>Total Other Financing Sources (Uses)</i>	<u>(416,600)</u>	<u>0</u>	<u>116,600</u>	<u>(300,000)</u>
<i>Net Change in Fund Balances</i>	<u>(596,116)</u>	<u>(157,779)</u>	<u>64,245</u>	<u>(689,650)</u>
<i>Fund Balances, Beginning of Year</i>	<u>3,050,366</u>	<u>349,459</u>	<u>76,256</u>	<u>3,476,081</u>
<i>Fund Balances, End of Year</i>	<u>\$2,454,250</u>	<u>\$191,680</u>	<u>\$140,501</u>	<u>\$2,786,431</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, 2010*

Net Change in Fund Balances - Total Governmental Funds	(\$689,650)
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
 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	951,328
Depreciation	<u>(175,645)</u>
Total	775,683
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property Taxes	(19,776)
Income Taxes	<u>(7,957)</u>
Total	(27,733)
 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.	
	(44,151)
 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.	
	<u>50,440</u>
 <i>Change in Net Assets of Governmental Activities</i>	 <u><u>\$64,589</u></u>

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Income Taxes	\$1,666,500	\$1,550,000	\$1,577,032	\$27,032
Property Taxes	4,026,215	3,947,611	4,094,791	147,180
Intergovernmental	4,584,722	4,541,000	4,576,386	35,386
Interest	50,000	10,000	13,079	3,079
Tuition and Fees	181,700	194,993	194,838	(155)
Extracurricular Activities	70,000	91,980	132,839	40,859
Contributions and Donations	1,000	1,500	4,068	2,568
Rentals	3,000	3,000	2,634	(366)
Miscellaneous	4,000	14,800	16,160	1,360
<i>Total Revenues</i>	<u>10,587,137</u>	<u>10,354,884</u>	<u>10,611,827</u>	<u>256,943</u>
Expenditures				
Current:				
Instruction:				
Regular	4,978,052	4,566,483	4,395,531	170,952
Special	603,425	1,253,531	1,002,410	251,121
Vocational	73,688	71,690	70,042	1,648
Student Intervention Services	85,605	303,840	292,994	10,846
Support Services:				
Pupil	610,809	602,661	554,242	48,419
Instructional Staff	488,936	480,807	449,378	31,429
Board of Education	88,808	57,645	46,453	11,192
Administration	1,185,138	1,109,681	1,034,735	74,946
Fiscal	448,030	416,418	371,552	44,866
Business	10,837	28,750	28,687	63
Operation and Maintenance of Plant	1,142,393	986,215	823,560	162,655
Pupil Transportation	815,916	924,941	864,170	60,771
Operation of Food Services	2,598	2,598	0	2,598
Extracurricular Activities	340,358	330,840	291,920	38,920
Capital Outlay	957,122	556,421	530,834	25,587
<i>Total Expenditures</i>	<u>11,831,715</u>	<u>11,692,521</u>	<u>10,756,508</u>	<u>936,013</u>
<i>Excess of Revenues Under Expenditures</i>	(1,244,578)	(1,337,637)	(144,681)	1,192,956
Other Financing Uses				
Transfers Out	(391,378)	(550,072)	(410,600)	139,472
<i>Net Change in Fund Balance</i>	(1,635,956)	(1,887,709)	(555,281)	1,332,428
<i>Fund Balance Beginning of Year</i>	2,796,239	2,796,239	2,796,239	0
Prior Year Encumbrances Appropriated	513,093	513,093	513,093	0
<i>Fund Balance End of Year</i>	<u>\$1,673,376</u>	<u>\$1,421,623</u>	<u>\$2,754,051</u>	<u>\$1,332,428</u>

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Fund Net Assets
Internal Service Fund
June 30, 2010

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$48,609
Liabilities	
Claims Payable	<u>18,931</u>
Net Assets	
Unrestricted	<u><u>\$29,678</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, 2010*

	Insurance
Operating Revenues	
Charges for Services	\$117,992
Operating Expenses	
Purchased Services	1,844
Claims	365,708
<i>Total Operating Expenses</i>	367,552
<i>Loss Before Transfers</i>	(249,560)
Transfers In	300,000
<i>Change in Net Assets</i>	50,440
<i>Net Assets (Deficit), Beginning of Year</i>	(20,762)
<i>Net Assets, End of Year</i>	\$29,678

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, 2010

	Insurance
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$117,992
Cash Payments for Goods and Services	(1,844)
Cash Payments for Claims	(367,774)
<i>Net Cash Used for Operating Activities</i>	(251,626)
Cash Flows from Noncapital Financing Activities	
Transfers In	300,000
<i>Net Increase in Cash and Cash Equivalents</i>	48,374
<i>Cash and Cash Equivalents, Beginning of Year</i>	235
<i>Cash and Cash Equivalents, End of Year</i>	\$48,609
 Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating Loss	(\$249,560)
Adjustments:	
Decrease in Claims Payable	(2,066)
<i>Net Cash Used in Operating Activities</i>	(\$251,626)

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010

Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$51,189</u>
Liabilities	
Due to Students	\$40,617
Undistributed Monies	<u>10,572</u>
<i>Total Liabilities</i>	<u>\$51,189</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, 2010

Note 1 - Description of the School District and Reporting Entity

Berkshire Local School District (the "School District") operates under a locally elected Board form of government and provides educational services as authorized by state and/or federal agencies. This Board controls the School District's three instructional/support facilities staffed by 57 non-certified employees, 70 certified full time teaching personnel and 7 administrative employees to provide services to 1,077 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 Association of School Business Officials Workers' Compensation Group Rating Program. These organizations are presented in Notes 16, 17 and 18 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, 2010

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, 2010

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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and statements for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred 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 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred 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, 2009, but which were levied to finance fiscal year 2010 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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

E. Cash and Cash Equivalents

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

During fiscal year 2010, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2010.

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 2010 amounted to \$13,079.

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 amounts required by State statute to be set aside to create a reserve for budget stabilization. See Note 19 for additional information regarding set-asides.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

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

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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

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

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

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net assets.

K. Compensated Absences

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

L. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and 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.

M. Internal Activity

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

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

N. Fund Balance 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 and budget stabilization.

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

O. 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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

P. Operating Revenues and Expenses

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

Q. 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.

R. 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.

S. Budgetary Data

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary 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 2010, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, "Accounting and Reporting for Intangible Assets", Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the School District's financial statements.

GASB Statement No. 53 enhances the usefulness and comparability of derivative instrument information reported by state and local governments. This Statement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions. The implementation of this statement did not result in any change to the School District's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the School District's financial statements.

Note 4 – Budgetary Basis of Accounting

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

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

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Net Change in Fund Balance

GAAP Basis	(\$596,116)
Net Adjustment for Revenue Accruals	268,131
Net Adjustment for Expenditure Accruals	(199,234)
Encumbrances	<u>(28,062)</u>
Budget Basis	<u><u>(\$555,281)</u></u>

Note 5 - Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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, \$2,964,620 of the School District's bank balance of \$3,218,627 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, 2010, the School District had STAR Ohio as the only investment with an amount of \$49,473 and an average maturity of 56 days.

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

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

Note 6 - Property Taxes

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

Property taxes include amounts levied against all real property, public utility property and tangible personal property (used in business) located in the School District. Real property tax revenues received in calendar year 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 become a lien December 31, 2008, were levied after April 1, 2009 and are collected in 2010 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 revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 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, 2010, are available to finance fiscal year 2010 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, 2010 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2010 was \$351,017 in the general fund and \$18,380 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2009, was \$590,400 in the general fund and \$31,400 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
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second Half Collections		2010 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$211,677,320	97.71 %	\$213,449,110	97.58 %
Public Utility Personal	4,965,770	2.29	5,284,160	2.42
Total	<u>\$216,643,090</u>	<u>100.00 %</u>	<u>\$218,733,270</u>	<u>100.00 %</u>
Full tax rate per \$1,000 of assessed valuation	\$52.30		\$52.30	

Note 7- Receivables

Receivables at June 30, 2010, consisted of taxes, accounts (rent, student fees and tuition) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except for delinquent property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. At June 30, 2010, the food service and drug free schools special revenue funds had intergovernmental receivables of \$2,049 and \$1,123 respectively.

Note 8 - Income Tax

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

Note 9 - 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, 2010.

B. Litigation

The School District is not party to legal proceedings.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 10 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Nondepreciable Capital Assets				
Land	\$13,810	\$0	\$0	\$13,810
Construction in Progress	963,890	0	(963,890)	0
<i>Total Nondepreciable Capital Assets</i>	977,700	0	(963,890)	13,810
Depreciable Capital Assets				
Land Improvements	203,261	0	0	203,261
Buildings and Improvements	3,755,537	1,713,242	0	5,468,779
Furniture and Fixtures	1,083,598	56,512	0	1,140,110
Vehicles	872,439	145,464	(150,804)	867,099
<i>Total at Historical Cost</i>	5,914,835	1,915,218	(150,804)	7,679,249
Less: Accumulated Depreciation				
Land Improvements	(106,073)	(7,287)	0	(113,360)
Buildings and Improvements	(2,679,103)	(64,347)	0	(2,743,450)
Furniture and Fixtures	(822,489)	(44,608)	0	(867,097)
Vehicles	(542,310)	(59,403)	150,804	(450,909)
<i>Total Accumulated Depreciation</i>	(4,149,975)	(175,645) *	150,804	(4,174,816)
<i>Depreciable Capital Assets, Net of Accumulated Depreciation</i>	1,764,860	1,739,573	0	3,504,433
<i>Governmental Activities Capital Assets, Net</i>	\$2,742,560	\$1,739,573	(\$963,890)	\$3,518,243

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$84,652
Support Services:	
Instructional Staff	3,228
Administration	8,145
Operation and Maintenance of Plant	11,798
Pupil Transportation	58,947
Operation of Food Services	1,124
Extracurricular Activities	7,751
Total Depreciation Expense	\$175,645

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 11 - 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 2010, the School District participated in the Ohio Schools Council insurance program which contracted with Ohio Casualty. Ohio Casualty acts as the carrier and the coverage provided is as follows:

Type of Coverage	Amount
Building and Contents - replacement cost	\$21,017,507
Crime Insurance	50,000
Theft	75,000
Automobile Liability	1,000,000
Uninsured Motorists	1,000,000
General Liability	
Per Occurrence	1,000,000
Total per year	2,000,000
Commercial Umbrella	5,000,000

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

B. Workers' Compensation

For fiscal year 2010, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService provides administrative, cost control and actuarial services to the GRP.

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. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$125,000 per employee, per year.

The claims liability of \$18,931 reported in the internal service fund at June 30, 2010 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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

or unallocated claim adjustment expenses. Management's expectation is the claims liabilities will be paid within one year. Changes in the fund's claims liability amount for 2009 and 2010 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2009	\$26,400	\$375,698	\$381,101	\$20,997
2010	20,997	365,708	367,774	18,931

Note 12 - Employee Benefits

A. Compensated Absences

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

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

B. Life / Medical Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Met 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	\$38,633	\$16,900	\$38,633	\$16,900

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 13 – 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, disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and Berkshire Local School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2010, the allocation to pension and death benefits is 12.78 percent. The remaining 1.22 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$181,633, \$135,985, and \$129,030, respectively; 55.27 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

B. State Teachers Retirement System

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.

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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, 2010, 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 2009, 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, 2010, 2009, and 2008, were \$643,094, \$573,936, and \$609,378, respectively; 80.04 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$15,059 made by the School District and \$16,154 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, 2010, one member of the Board of Education has elected Social Security. The contribution rate is 6.2 percent of wages.

Note 14 – 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 2010, 1.22 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 2010, this amount was \$35,800. During fiscal year 2010, the School District paid \$30,113.

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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008, were \$7,128, \$62,233, \$58,881, respectively; 55.27 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008, were \$10,693, \$11,220, and \$9,297, respectively; 55.27 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

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 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 2010, 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, 2010, 2009, and 2008, were \$48,310, \$44,874, and \$46,875, respectively; 80.04 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

Note 15 - Long Term Obligations

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

	Principal Outstanding 06/30/09	Additions	Reductions	Principal Outstanding 06/30/10	Amount Due in One Year
Governmental Activities					
Compensated Absences	\$830,788	\$204,942	\$160,791	\$874,939	\$182,726

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

The School District's overall debt margin was \$19,210,420 with an unvoted debt margin of \$213,449 at June 30, 2010.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 16 - 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 2010, the School District paid \$36,162 to LGCA. Financial information can be obtained from the Lake Geauga Computer Association, 8221 Auburn Road, Painesville, Ohio 44077.

C. Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization among 126 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2010, the School District paid \$2,673 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 participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Energy USA served as the natural gas supplier and program manager from October 1, 2008 to September 30, 2010. Compass Energy has been selected as the new supplier and program manager for the period from October 1, 2010 through March 31, 2013. There are currently 143 participants in the program including the Berkshire School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 17 - 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 18 - Insurance Purchasing Pool

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

Note 19 - 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, 2010, 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, 2009	\$39,468	\$0	(\$2,265,707)
Current Year Set-aside Requirement	0	185,373	185,373
Qualifying Disbursements	0	(1,225,915)	(1,130)
Totals	<u>\$39,468</u>	<u>(\$1,040,542)</u>	<u>(\$2,081,464)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$39,468</u>	<u>\$0</u>	<u>(\$2,081,464)</u>
Set-aside Reserve Balance as of June 30, 2010	<u>\$39,468</u>	<u>\$0</u>	<u>\$0</u>

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

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 20 – Operating Lease

The School District has a lease agreement for the Troy Elementary School with Tom and 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 two years and expired on August 31, 2009. This was paid in full as of June 30, 2010.

Note 21 – Interfund Activity

During fiscal year 2010 the general fund transferred \$300,000 to the health insurance fund to support increases in current year claims. In order to fund operations \$100,000 was transferred to the food service fund, \$10,000 to the athletic fund and \$600 was transferred to public school support fund. In prior fiscal years the general fund advanced \$6,000 to the uniform schools supplies special revenue fund. During fiscal year 2010, this advance was reclassified as a transfer.

*Combining and Individual Fund
Statements and Schedules*

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.

Martha Holden Jennings Fund - This fund accounts for monies received to promote community involvement and to support activities between the school and the community.

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.

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

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

Title III-D Fund This fund accounts for Federal monies used for costs associated with English proficiency.

Fiscal Stabilization Fund - This fund accounts for Federal monies from the American Recovery and Reinvestment Act in State Fiscal Stabilization Funds (SFSF) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

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.

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

(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.

Berkshire Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Public School Support</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$143,681	\$4,584	\$9,275
Intergovernmental Receivable	2,049	0	0
Inventory Held for Resale	4,357	0	0
Materials and Supplies Inventory	931	0	0
<i>Total Assets</i>	<u>\$151,018</u>	<u>\$4,584</u>	<u>\$9,275</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$14	\$0	\$0
Accrued Wages and Benefits	17,174	0	0
Intergovernmental Payable	14,147	0	0
<i>Total Liabilities</i>	<u>31,335</u>	<u>0</u>	<u>0</u>
 Fund Balances			
Reserved for Encumbrances	0	0	0
Unreserved, Undesignated	119,683	4,584	9,275
<i>Total Fund Balances</i>	<u>119,683</u>	<u>4,584</u>	<u>9,275</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$151,018</u>	<u>\$4,584</u>	<u>\$9,275</u>

Athletics and Music	School Improvement Model	Fiscal Stabilization	Title VI-B
\$1,347	\$25	\$2,200	\$118
0	0	0	0
0	0	0	0
0	0	0	0
<u>\$1,347</u>	<u>\$25</u>	<u>\$2,200</u>	<u>\$118</u>
\$0	\$0	\$0	\$42
0	0	0	0
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>42</u>
0	0	2,200	0
1,347	25	0	76
<u>1,347</u>	<u>25</u>	<u>2,200</u>	<u>76</u>
<u>\$1,347</u>	<u>\$25</u>	<u>\$2,200</u>	<u>\$118</u>

(Continued)

Berkshire Local School District
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2010

	Title I	Drug Free Schools Grant	Total Nonmajor Special Revenue Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,275	\$913	\$163,418
Intergovernmental Receivable	0	1,123	3,172
Inventory Held for Resale	0	0	4,357
Materials and Supplies Inventory	0	0	931
<i>Total Assets</i>	<u>\$1,275</u>	<u>\$2,036</u>	<u>\$171,878</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$56
Accrued Wages and Benefits	0	0	17,174
Intergovernmental Payable	0	0	14,147
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>31,377</u>
 Fund Balances			
Reserved for Encumbrances	0	913	3,113
Unreserved, Undesignated	1,275	1,123	137,388
<i>Total Fund Balances</i>	<u>1,275</u>	<u>2,036</u>	<u>140,501</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,275</u>	<u>\$2,036</u>	<u>\$171,878</u>

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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, 2010

	Food Service	Uniform School Supplies	Public School Support
Revenues			
Intergovernmental	\$60,413	\$0	\$0
Tuition and Fees	0	25,760	0
Extracurricular Activities	0	0	4,140
Contributions and Donations	0	0	22,718
Charges for Services	153,133	0	0
<i>Total Revenues</i>	<u>213,546</u>	<u>25,760</u>	<u>26,858</u>
Expenditures			
Current:			
Instruction:			
Regular	0	27,570	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	244,249	0	0
Extracurricular Activities	0	0	28,821
<i>Total Expenditures</i>	<u>244,249</u>	<u>27,570</u>	<u>28,821</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(30,703)	(1,810)	(1,963)
Other Financing Sources			
Transfers In	100,000	6,000	600
<i>Net Change in Fund Balances</i>	69,297	4,190	(1,363)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>50,386</u>	<u>394</u>	<u>10,638</u>
<i>Fund Balances End of Year</i>	<u><u>\$119,683</u></u>	<u><u>\$4,584</u></u>	<u><u>\$9,275</u></u>

Martha Holden Jennings	Athletics and Music	Educational Management Information Systems	ONenet	School Improvement Model	Title III-D
\$0	\$0	\$5,000	\$4,573	\$0	\$682
0	0	0	0	0	0
0	46,372	0	0	0	0
1,042	1,485	0	0	0	0
0	0	0	0	0	0
1,042	47,857	5,000	4,573	0	682
0	0	0	0	0	682
1,867	0	0	0	0	0
0	0	5,000	0	0	0
0	0	0	0	0	0
0	0	0	4,573	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	70,093	0	0	0	0
1,867	70,093	5,000	4,573	0	682
(825)	(22,236)	0	0	0	0
0	10,000	0	0	0	0
(825)	(12,236)	0	0	0	0
825	13,583	0	0	25	0
\$0	\$1,347	\$0	\$0	\$25	\$0

(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

	Fiscal Stabilization	Title VI-B	Title I
Revenues			
Intergovernmental	\$203,005	\$388,225	\$217,365
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>203,005</u>	<u>388,225</u>	<u>217,365</u>
Expenditures			
Current:			
Instruction:			
Regular	200,805	0	0
Special	0	322,893	214,540
Support Services:			
Pupil	0	25,751	1,247
Instructional Staff	0	3,958	0
Administration	0	28,629	0
Pupil Transportation	0	5,100	0
Operation of Food Services	0	0	0
Extracurricular Activities	0	0	0
<i>Total Expenditures</i>	<u>200,805</u>	<u>386,331</u>	<u>215,787</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,200	1,894	1,578
Other Financing Sources			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	2,200	1,894	1,578
<i>Fund Balances (Deficit) Beginning of Year</i>	0	(1,818)	(303)
<i>Fund Balances End of Year</i>	<u>\$2,200</u>	<u>\$76</u>	<u>\$1,275</u>

Title II-D	Title V	Drug Free Schools Grant	Class Size Reduction Grant	Total Nonmajor Special Revenue Funds
\$1,448	\$0	\$3,386	\$46,387	\$930,484
0	0	0	0	25,760
0	0	0	0	50,512
0	0	0	0	25,245
0	0	0	0	153,133
1,448	0	3,386	46,387	1,185,134
0	257	3,706	46,300	279,320
0	0	0	0	539,300
1,448	0	0	0	33,446
0	0	0	0	3,958
0	0	0	0	33,202
0	0	0	0	5,100
0	0	0	0	244,249
0	0	0	0	98,914
1,448	257	3,706	46,300	1,237,489
0	(257)	(320)	87	(52,355)
0	0	0	0	116,600
0	(257)	(320)	87	64,245
0	257	2,356	(87)	76,256
\$0	\$0	\$2,036	\$0	\$140,501

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.

Unclaimed Funds This fund accounts for checks written by the district that have not been presented for payment.

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, 2010

	Beginning Balance 6/30/09	Additions	Deductions	Ending Balance 6/30/10
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$40,875	\$79,831	\$73,861	\$46,845
Liabilities				
Due to Students	\$40,617	\$0	\$0	\$40,617
Undistributed Monies	258	79,831	73,861	6,228
Total Liabilities	\$40,875	\$79,831	\$73,861	\$46,845
<i>Unclaimed Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$956	\$621	\$0	\$1,577
Liabilities				
Undistributed Monies	\$956	\$621	\$0	\$1,577
<i>Elementary</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,797	\$647	\$677	\$2,767
Liabilities				
Undistributed Monies	\$2,797	\$647	\$677	\$2,767
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$44,628	\$81,099	\$74,538	\$51,189
Liabilities				
Due to Students	\$40,617	\$0	\$0	\$40,617
Undistributed Monies	4,011	81,099	74,538	10,572
Total Liabilities	\$44,628	\$81,099	\$74,538	\$51,189

**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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Income Taxes	\$1,666,500	\$1,550,000	\$1,577,032	\$27,032
Property Taxes	4,026,215	3,947,611	4,094,791	147,180
Intergovernmental	4,584,722	4,541,000	4,576,386	35,386
Interest	50,000	10,000	13,079	3,079
Tuition and Fees	181,700	194,993	194,838	(155)
Extracurricular Activities	70,000	91,980	132,839	40,859
Contributions and Donations	1,000	1,500	4,068	2,568
Rentals	3,000	3,000	2,634	(366)
Miscellaneous	4,000	14,800	16,160	1,360
<i>Total Revenues</i>	<u>10,587,137</u>	<u>10,354,884</u>	<u>10,611,827</u>	<u>256,943</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,293,774	3,107,159	3,027,020	80,139
Fringe Benefits	952,368	814,082	775,908	38,174
Purchased Services	539,975	483,461	452,378	31,083
Materials and Supplies	176,935	140,853	120,319	20,534
Capital Outlay - New	15,000	20,928	19,906	1,022
Total Regular	<u>4,978,052</u>	<u>4,566,483</u>	<u>4,395,531</u>	<u>170,952</u>
Special:				
Salaries and Wages	101,711	415,567	378,116	37,451
Fringe Benefits	79,992	161,888	115,480	46,408
Purchased Services	416,497	672,843	508,002	164,841
Materials and Supplies	5,225	3,233	812	2,421
Total Special	<u>603,425</u>	<u>1,253,531</u>	<u>1,002,410</u>	<u>251,121</u>
Vocational:				
Salaries and Wages	56,853	53,396	53,396	0
Fringe Benefits	13,669	13,814	12,229	1,585
Materials and Supplies	3,166	4,480	4,417	63
Total Vocational	<u>73,688</u>	<u>71,690</u>	<u>70,042</u>	<u>1,648</u>
Student Intervention Services:				
Salaries and Wages	18,757	228,131	227,446	685
Fringe Benefits	60,629	72,555	65,423	7,132
Materials and Supplies	6,219	3,154	125	3,029
Total Student Intervention Services	<u>85,605</u>	<u>303,840</u>	<u>292,994</u>	<u>10,846</u>
Total Instruction	<u>\$5,740,770</u>	<u>\$6,195,544</u>	<u>\$5,760,977</u>	<u>\$434,567</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Support Services:				
Pupil:				
Salaries and Wages	\$388,352	\$359,352	\$349,455	\$9,897
Fringe Benefits	135,298	135,700	117,661	18,039
Purchased Services	81,659	102,134	82,443	19,691
Materials and Supplies	5,500	5,475	4,683	792
Total Pupil	<u>610,809</u>	<u>602,661</u>	<u>554,242</u>	<u>48,419</u>
Instructional Staff:				
Salaries and Wages	299,059	286,469	276,885	9,584
Fringe Benefits	73,380	84,016	77,971	6,045
Purchased Services	54,930	62,924	61,138	1,786
Materials and Supplies	51,567	36,165	22,778	13,387
Capital Outlay - New	10,000	11,233	10,606	627
Total Instructional Staff	<u>488,936</u>	<u>480,807</u>	<u>449,378</u>	<u>31,429</u>
Board of Education:				
Salaries and Wages	5,116	5,100	5,100	0
Fringe Benefits	619	977	952	25
Purchased Services	41,500	35,382	28,711	6,671
Materials and Supplies	720	1,046	402	644
Other	40,853	15,140	11,288	3,852
Total Board of Education	<u>88,808</u>	<u>57,645</u>	<u>46,453</u>	<u>11,192</u>
Administration:				
Salaries and Wages	615,615	558,828	547,204	11,624
Fringe Benefits	229,240	229,577	210,726	18,851
Purchased Services	44,045	30,885	15,103	15,782
Materials and Supplies	7,994	7,031	3,164	3,867
Capital Outlay - Replacement	3,500	1,001	0	1,001
Other	284,744	282,359	258,538	23,821
Total Administration	<u>\$1,185,138</u>	<u>\$1,109,681</u>	<u>\$1,034,735</u>	<u>\$74,946</u>

(continued)

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fiscal:				
Salaries and Wages	\$183,972	\$140,413	\$139,080	\$1,333
Fringe Benefits	70,580	72,490	58,779	13,711
Purchased Services	36,105	37,656	32,093	5,563
Materials and Supplies	5,300	5,503	5,418	85
Capital Outlay - Replacement	1,500	1,500	0	1,500
Other	150,573	158,856	136,182	22,674
Total Fiscal	<u>448,030</u>	<u>416,418</u>	<u>371,552</u>	<u>44,866</u>
Business:				
Other	10,837	28,750	28,687	63
Operation and Maintenance of Plant:				
Salaries and Wages	435,368	375,802	337,094	38,708
Fringe Benefits	131,420	129,428	104,452	24,976
Purchased Services	499,275	403,216	331,991	71,225
Materials and Supplies	66,630	68,069	49,175	18,894
Capital Outlay - New	8,000	8,000	848	7,152
Capital Outlay - Replacement	1,700	1,700	0	1,700
Total Operation and Maintenance of Plant	<u>1,142,393</u>	<u>986,215</u>	<u>823,560</u>	<u>162,655</u>
Pupil Transportation:				
Salaries and Wages	437,035	393,047	375,072	17,975
Fringe Benefits	138,278	153,803	149,026	4,777
Purchased Services	123,200	132,302	115,281	17,021
Materials and Supplies	117,403	103,085	83,004	20,081
Capital Outlay - Replacement	0	142,704	141,787	917
Total Pupil Transportation	<u>815,916</u>	<u>924,941</u>	<u>864,170</u>	<u>60,771</u>
Total Support Services	<u>4,790,867</u>	<u>4,607,118</u>	<u>4,172,777</u>	<u>434,341</u>
Operation of Food Services:				
Fringe Benefits	\$2,598	\$2,598	\$0	\$2,598

(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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	\$21,406	\$28,623	\$28,623	\$0
Fringe Benefits	7,710	8,424	8,298	126
Total Academic and Subject Oriented Activities	<u>29,116</u>	<u>37,047</u>	<u>36,921</u>	<u>126</u>
Sports Oriented Activities:				
Salaries and Wages	271,042	253,042	219,181	33,861
Fringe Benefits	30,308	30,699	27,605	3,094
Purchased Services	0	160	160	0
Total Sports Oriented Activities	<u>301,350</u>	<u>283,901</u>	<u>246,946</u>	<u>36,955</u>
School and Public Service Co-Curricular Activities:				
Salaries and Wages	7,832	7,832	7,126	706
Fringe Benefits	2,060	2,060	927	1,133
Total School and Public Service Co-Curricular Activities	<u>9,892</u>	<u>9,892</u>	<u>8,053</u>	<u>1,839</u>
Total Extracurricular Activities	<u>340,358</u>	<u>330,840</u>	<u>291,920</u>	<u>38,920</u>
Capital Outlay:				
Purchased Services	0	4,500	3,242	1,258
Capital Outlay - New	957,122	551,921	527,592	24,329
Total Capital Outlay	<u>957,122</u>	<u>556,421</u>	<u>530,834</u>	<u>25,587</u>
<i>Total Expenditures</i>	<u>11,831,715</u>	<u>11,692,521</u>	<u>10,756,508</u>	<u>936,013</u>
<i>Excess of Revenues Under Expenditures</i>	(1,244,578)	(1,337,637)	(144,681)	(1,192,956)
Other Financing Uses				
Transfers Out	<u>(391,378)</u>	<u>(550,072)</u>	<u>(410,600)</u>	<u>139,472</u>
<i>Net Change in Fund Balance</i>	(1,635,956)	(1,887,709)	(555,281)	(1,332,428)
<i>Fund Balance Beginning of Year</i>	2,796,239	2,796,239	2,796,239	0
Prior Year Encumbrances Appropriated	<u>513,093</u>	<u>513,093</u>	<u>513,093</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,673,376</u>	<u>\$1,421,623</u>	<u>\$2,754,051</u>	<u>(\$1,332,428)</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, 2010

	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$208,671	\$217,053	\$8,382
Intergovernmental	75,172	74,503	(669)
Interest	0	4	4
<i>Total Revenues</i>	<u>283,843</u>	<u>291,560</u>	<u>7,717</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	28,172	18,397	9,775
Support Services:			
Fiscal:			
Other	5,000	4,588	412
Operation and Maintenance of Plant:			
Purchased Services	139,869	138,613	1,256
Capital Outlay - New	33,558	32,699	859
Total Operation and Maintenance of Plant	<u>173,427</u>	<u>171,312</u>	<u>2,115</u>
Total Support Services	<u>178,427</u>	<u>175,900</u>	<u>2,527</u>
Capital Outlay:			
Site Improvement Services	27,669	27,544	125
Architecture and Engineering Services	29,024	29,024	0
Building Acquisition and Construction Services	141,934	141,934	0
Building Improvement Services	59,974	59,587	387
Total Capital Outlay	<u>258,601</u>	<u>258,089</u>	<u>512</u>
<i>Total Expenditures</i>	<u>465,200</u>	<u>452,386</u>	<u>12,302</u>
<i>Net Change in Fund Balance</i>	(181,357)	(160,826)	(20,531)
<i>Fund Balance Beginning of Year</i>	206,400	206,400	0
Prior Year Encumbrances Appropriated	<u>115,200</u>	<u>115,200</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$140,243</u>	<u>\$160,774</u>	<u>(20,531)</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$42,000	\$58,364	\$16,364
Charges for Services	168,000	153,133	(14,867)
<i>Total Revenues</i>	<u>210,000</u>	<u>211,497</u>	<u>1,497</u>
Expenditures			
Current:			
Operation of Food Services:			
Salaries and Wages	108,501	108,500	1
Fringe Benefits	72,444	59,272	13,172
Purchased Services	800	736	64
Materials and Supplies	199,622	81,675	117,947
<i>Total Expenditures</i>	<u>381,367</u>	<u>250,183</u>	<u>131,184</u>
<i>Excess of Revenues Under Expenditures</i>	(171,367)	(38,686)	132,681
Other Financing Sources			
Transfers In	100,000	100,000	0
<i>Net Change in Fund Balance</i>	(71,367)	61,314	132,681
<i>Fund Balance Beginning of Year</i>	<u>82,367</u>	<u>82,367</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,000</u></u>	<u><u>\$143,681</u></u>	<u><u>\$132,681</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$22,500	\$25,760	\$3,260
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	28,292	27,570	722
<i>Net Change in Fund Balance</i>	(5,792)	(1,810)	3,982
<i>Fund Balance Beginning of Year</i>	6,394	6,394	0
<i>Fund Balance End of Year</i>	\$602	\$4,584	\$3,982

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$16,000	\$4,140	(\$11,860)
Contributions and Donations	8,500	22,718	14,218
<i>Total Revenues</i>	24,500	26,858	2,358
Expenditures			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	34,000	28,821	5,179
<i>Excess of Revenues Under Expenditures</i>	(9,500)	(1,963)	7,537
Other Financing Sources			
Operating Transfers In	0	600	600
<i>Net Change in Fund Balance</i>	(9,500)	(1,363)	8,137
<i>Fund Balance Beginning of Year</i>	10,638	10,638	0
<i>Fund Balance End of Year</i>	\$1,138	\$9,275	\$8,137

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Martha Holden Jennings Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$1,042	\$1,042	\$0
<i>Total Revenues</i>	1,042	1,042	0
Expenditures			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	2,042	2,042	0
<i>Excess of Revenues Under Expenditures</i>	(1,000)	(1,000)	0
<i>Net Change in Fund Balance</i>	(1,000)	(1,000)	0
<i>Fund Balance Beginning of Year</i>	1,000	1,000	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
Athletics and Music Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$70,000	\$46,372	(\$23,628)
Contributions and Donations	0	1,485	1,485
<i>Total Revenues</i>	<u>70,000</u>	<u>47,857</u>	<u>(22,143)</u>
Expenditures			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	2,531	2,438	93
Fringe Benefits	361	352	9
Purchased Services	64,957	63,752	1,205
Materials and Supplies	2,729	2,729	0
Other	822	822	0
<i>Total Expenditures</i>	<u>71,400</u>	<u>70,093</u>	<u>1,307</u>
<i>Excess of Revenues Under Expenditures</i>	(1,400)	(22,236)	(20,836)
Other Financing Sources			
Operating Transfers In	0	10,000	10,000
<i>Net Change in Fund Balance</i>	(1,400)	(12,236)	(10,836)
<i>Fund Balance Beginning of Year</i>	<u>13,584</u>	<u>13,584</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$12,184</u>	<u>\$1,348</u>	<u>(\$10,836)</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$5,000	\$5,000	\$0
Expenditures			
Current:			
Support Services:			
Pupil:			
Salaries and Wages	3,722	3,722	0
Fringe Benefits	13	13	0
Purchased Services	1,265	1,265	0
Total Support Services	5,000	5,000	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
ONEnet Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$6,000	\$4,573	(\$1,427)
Expenditures			
Current:			
Support Services:			
Administration:			
Purchased Services	4,573	4,573	0
<i>Net Change in Fund Balance</i>	1,427	0	(1,427)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$1,427	\$0	(\$1,427)

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
School Improvement Model
For the Fiscal Year Ended June 30, 2010

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

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title III - D
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$682	\$682	\$0
Expenditures			
Current:			
Regular Instruction:			
Purchased Services	493	493	0
Materials and Supplies	189	189	0
Total Regular Instruction	682	682	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
Fiscal Stabilization Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$205,460	\$203,005	(\$2,455)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	83,542	83,542	0
Fringe Benefits	3,467	3,467	0
Purchased Services	12,682	12,682	0
Materials and Supplies	80,352	80,352	0
Capital Outlay - New	22,961	22,962	(1)
<i>Total Expenditures</i>	203,004	203,005	(1)
<i>Net Change in Fund Balance</i>	2,456	0	(2,456)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$2,456	\$0	(\$2,456)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$443,068	\$388,225	(\$54,843)
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	50,739	50,739	0
Fringe Benefits	391	391	0
Purchased Services	144,300	144,300	0
Materials and Supplies	32,769	32,769	0
Capital Outlay - New	95,029	94,952	77
Total Instruction	323,228	323,151	77
Support Services:			
Pupil:			
Purchased Services	26,000	26,000	0
Materials and Supplies	1,000	1,000	0
Total Pupil	27,000	27,000	0
Instructional Staff:			
Salaries and Wages	1,540	1,540	0
Purchased Services	1,360	1,360	0
Materials and Supplies	100	100	0
Other	1,000	1,000	0
Total Instructional Staff	4,000	4,000	0
Administration:			
Salaries and Wages	28,777	28,777	0
Fringe Benefits	3,780	3,780	0
Materials and Supplies	658	658	0
Total Administration	\$33,215	\$33,215	\$0

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Pupil Transportation: Purchased Services	\$5,100	\$5,100	\$0
Total Support Services	69,315	69,315	0
<i>Total Expenditures</i>	392,543	392,466	77
<i>Net Change in Fund Balance</i>	50,525	(4,241)	(54,766)
<i>Fund Balance Beginning of Year</i>	2,317	2,317	0
Prior Year Encumbrances Appropriated	2,000	2,000	0
<i>Fund Balance End of Year</i>	\$54,842	\$76	(\$54,766)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$253,074	\$217,365	(\$35,709)
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	145,176	145,176	0
Fringe Benefits	18,144	18,144	0
Materials and Supplies	45,875	45,875	0
Capital Outlay - New	5,648	5,648	0
Total Instruction	214,843	214,843	0
Support Services:			
Pupil:			
Purchased Services	1,247	1,247	0
<i>Total Expenditures</i>	216,090	216,090	0
<i>Net Change in Fund Balance</i>	36,984	1,275	(35,709)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$36,984	\$1,275	(\$35,709)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$1,448	\$1,448	\$0
Expenditures			
Current:			
Support Services:			
Pupil:			
Purchased Services	1,448	1,448	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title V Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$257	\$257	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	257	257	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
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$5,267	\$4,144	(\$1,123)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	0	0	0
Purchased Services	3,519	3,519	0
Materials and Supplies	1,100	1,100	0
<i>Total Expenditures</i>	4,619	4,619	0
<i>Net Change in Fund Balance</i>	648	(475)	(1,123)
<i>Fund Deficit Beginning of Year</i>	(1,881)	(1,881)	0
Prior Year Encumbrances Appropriated	2,356	2,356	0
<i>Fund Balance End of Year</i>	\$1,123	\$0	(\$1,123)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$46,387	\$46,387	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	34,281	34,281	0
Fringe Benefits	4,760	4,760	0
Purchased Services	7,346	7,346	0
<i>Total Expenditures</i>	46,387	46,387	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, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$100,000	\$117,992	\$17,992
Expenses			
Purchased Services	1,844	1,844	0
Claims	398,156	367,774	30,382
<i>Total Expenses</i>	400,000	369,618	30,382
<i>Excess of Revenues Under Expenses Before Transfers</i>	(300,000)	(251,626)	48,374
Transfers In	300,000	300,000	0
<i>Net Change in Fund Equity</i>	0	48,374	48,374
<i>Fund Equity Beginning of Year</i>	235	235	0
<i>Fund Equity End of Year</i>	\$235	\$48,609	\$48,374

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Hannah Espinosa – 2nd Grade
Burton Elementary

Statistical Section

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Statistical Section

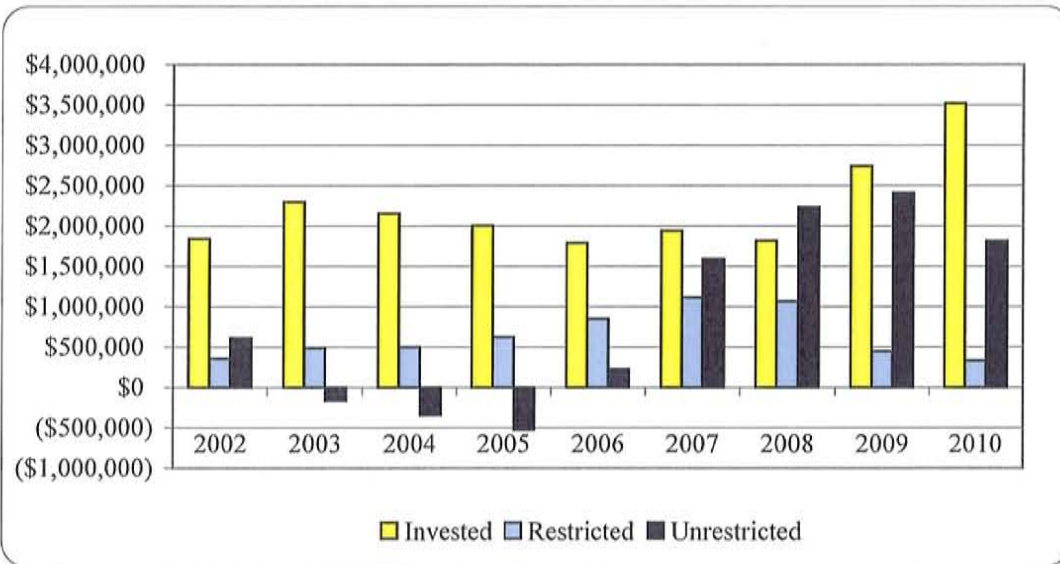
This part of the Berkshire Local School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School District's overall financial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

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

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. 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 Nine Fiscal Years
(accrual basis of accounting)

	2010	2009	2008	2007
Invested in Capital Assets, Net of Related Debt	\$3,518,243	\$2,742,560	\$1,818,772	\$1,940,269
Restricted for:				
Capital Projects	193,702	357,068	953,421	922,955
Debt Service	0	0	0	0
Set Asides	39,468	39,468	39,468	39,468
Other Purposes	101,406	51,841	74,824	151,441
Unrestricted (Deficit)	1,812,478	2,409,771	2,235,701	1,592,209
Total Net Assets	\$5,665,297	\$5,600,708	\$5,122,186	\$4,646,342



2006	2005	2004	2003	2002
\$1,789,300	\$2,003,813	\$2,154,459	\$2,296,818	\$1,843,250
640,564	471,040	302,853	310,541	156,522
0	0	0	52,024	52,204
39,468	39,468	39,468	39,468	39,468
168,066	110,672	156,379	87,604	107,382
228,005	(525,586)	(342,388)	(163,721)	609,162
<u>\$2,865,403</u>	<u>\$2,099,407</u>	<u>\$2,310,771</u>	<u>\$2,622,734</u>	<u>\$2,807,988</u>

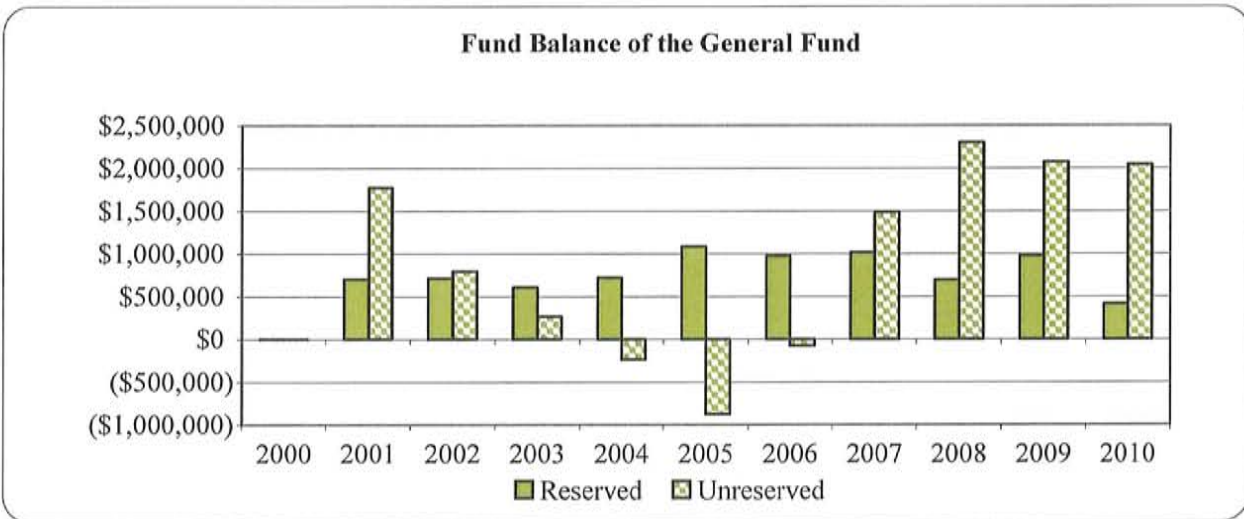
Berkshire Local School District
Changes in Net Assets of Governmental Activities
Last Nine Fiscal Years
(accrual basis of accounting)

	2010	2009	2008	2007
Expenses				
Regular Instruction	\$4,830,346	\$5,062,708	\$4,800,546	\$4,495,206
Special Instruction	1,529,679	1,271,151	1,263,407	1,326,200
Vocational Instruction	76,125	78,115	58,924	60,671
Student Intervention	339,048	12,776	0	0
Pupil Support	600,884	602,816	619,086	614,007
Instructional Staff Support	455,767	442,628	485,694	423,189
Board of Education	41,679	87,962	54,834	36,959
Administration	1,113,593	1,142,152	1,002,491	1,102,186
Fiscal	382,159	406,222	334,840	348,188
Business	28,687	38,727	32,706	28,018
Operation and Maintenance of Plant	878,611	938,412	1,048,609	1,136,704
Pupil Transportation	791,630	762,715	982,780	693,519
Operation of Food Services	264,105	302,888	311,629	270,350
Extracurricular Activities	382,735	405,456	446,431	391,545
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenses</i>	<u>11,715,048</u>	<u>11,554,728</u>	<u>11,441,977</u>	<u>10,926,742</u>
Program Revenues				
Charges for Services				
Regular Instruction	220,598	185,794	197,407	467,384
Special Instruction	0	28,265	0	0
Operation and Maintenance of Plant	0	0	5,314	0
Operation of Food Service	153,133	174,575	184,448	190,268
Extracurricular Activities	185,985	201,972	246,908	151,692
Operating Grants and Contributions	959,797	522,346	642,954	608,524
Capital Grants and Contributions	0	10,013	30,062	0
<i>Total Program Revenues</i>	<u>1,519,513</u>	<u>1,122,965</u>	<u>1,307,093</u>	<u>1,417,868</u>
Net Expense	<u>(10,195,535)</u>	<u>(10,431,763)</u>	<u>(10,134,884)</u>	<u>(9,508,874)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes	3,841,219	4,338,549	4,304,017	4,766,622
Capital Outlay	198,446	226,907	226,907	249,327
Income Taxes Levied for:				
General Purposes	1,536,729	1,656,813	1,710,748	1,501,823
Grants and Entitlements not				
Restricted to Specific Programs	4,650,889	4,620,371	4,234,744	4,221,620
Unrestricted Contributions	0	0	0	0
Investment Earnings	13,083	52,667	124,954	176,711
Gain on Sale of Capital Assets	0	0	0	365,160
Miscellaneous	19,758	14,978	9,358	8,550
<i>Total General Revenues</i>	<u>10,260,124</u>	<u>10,910,285</u>	<u>10,610,728</u>	<u>11,289,813</u>
<i>Change in Net Assets</i>	<u>\$64,589</u>	<u>\$478,522</u>	<u>\$475,844</u>	<u>\$1,780,939</u>

2006	2005	2004	2003	2002
\$4,693,751	\$5,188,198	\$4,988,073	\$4,905,643	\$5,062,243
1,564,547	1,390,995	1,153,426	967,922	954,287
55,414	55,653	53,983	47,206	53,659
0	0	0	0	0
611,399	615,690	605,670	599,157	648,079
407,207	504,650	474,125	542,635	410,336
61,313	46,666	51,839	47,565	49,191
829,843	873,703	879,946	1,003,572	951,540
322,274	320,702	334,441	309,202	286,878
29,925	36,421	27,850	16,910	33,972
1,052,876	1,044,789	1,118,464	1,088,676	1,070,121
763,710	809,410	816,997	827,529	786,010
331,153	385,017	388,659	424,048	401,456
363,747	373,143	425,556	413,973	351,015
884	3,006	5,078	340	2,594
<u>11,088,043</u>	<u>11,648,043</u>	<u>11,324,107</u>	<u>11,194,378</u>	<u>11,061,381</u>
98,213	87,553	79,894	75,428	45,157
0	0	0	0	0
10,677	7,783	6,968	11,484	22,843
220,821	250,221	262,367	261,458	255,269
290,301	151,534	135,663	133,834	137,212
647,025	703,894	684,384	438,818	408,776
5,333	11,130	13,034	320,315	27,343
<u>1,272,370</u>	<u>1,212,115</u>	<u>1,182,310</u>	<u>1,241,337</u>	<u>896,600</u>
<u>(9,815,673)</u>	<u>(10,435,928)</u>	<u>(10,141,797)</u>	<u>(9,953,041)</u>	<u>(10,164,781)</u>
4,777,030	4,859,170	4,536,033	4,493,546	3,912,786
252,820	286,289	240,597	260,450	234,293
1,329,783	1,182,066	1,092,823	1,046,293	1,085,872
4,015,962	3,857,075	3,851,111	3,797,347	3,693,492
10,649	0	0	0	0
91,189	34,686	24,063	88,847	136,719
103,118	0	0	0	0
1,118	5,278	85,207	81,484	110,889
<u>10,581,669</u>	<u>10,224,564</u>	<u>9,829,834</u>	<u>9,767,967</u>	<u>9,174,051</u>
<u>\$765,996</u>	<u>(\$211,364)</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)

	2010	2009	2008	2007
General Fund				
Reserved	\$412,510	\$975,989	\$695,341	\$1,017,180
Unreserved	2,041,740	2,074,377	2,300,013	1,486,945
<i>Total General Fund</i>	<u>2,454,250</u>	<u>3,050,366</u>	<u>2,995,354</u>	<u>2,504,125</u>
All Other Governmental Funds				
Reserved	101,920	148,174	151,933	121,426
Unreserved, Undesignated, Reported in:				
Special Revenue funds (Deficit)	137,388	71,375	51,585	57,547
Debt Service funds	0	0	0	0
Capital Projects funds	92,873	206,166	804,933	815,411
Total All Other Governmental Funds	<u>332,181</u>	<u>425,715</u>	<u>1,008,451</u>	<u>994,384</u>
Total Governmental Funds	<u><u>\$2,786,431</u></u>	<u><u>\$3,476,081</u></u>	<u><u>\$4,003,805</u></u>	<u><u>\$3,498,509</u></u>



2006	2005	2004	2003	2002	2001
\$975,425	\$1,081,687	\$720,833	\$606,338	\$713,107	\$699,924
(73,635)	(876,971)	(237,113)	265,095	793,705	1,773,148
901,790	204,716	483,720	871,433	1,506,812	2,473,072
235,130	201,771	110,697	218,634	76,104	301,072
156,030	73,826	113,164	40,004	(10,411)	82,033
0	0	0	52,024	52,024	52,024
408,063	285,158	228,061	104,951	79,897	18,948
799,223	560,755	451,922	415,613	197,614	454,077
\$1,701,013	\$765,471	\$935,642	\$1,287,046	\$1,704,426	\$2,927,149

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

	2010	2009	2008	2007	2006
Revenues					
Income Taxes	\$1,544,686	\$1,680,604	\$1,605,512	\$1,501,823	\$1,329,783
Property Taxes	4,059,441	4,560,815	4,425,741	5,155,342	5,026,267
Intergovernmental	5,581,373	5,125,435	4,874,439	4,759,998	4,644,456
Interest	13,083	52,667	124,954	176,711	91,189
Tuition and Fees	220,598	214,059	197,099	221,754	56,244
Extracurricular Activities	183,351	197,688	246,908	309,758	290,301
Contributions and Donations	29,313	27,295	33,321	70,146	34,513
Charges for Services	153,133	174,681	184,756	270,045	262,790
Rentals	2,634	4,178	5,314	7,787	10,677
Miscellaneous	19,758	14,978	9,358	8,550	1,118
<i>Total Revenues</i>	<u>11,807,370</u>	<u>12,052,400</u>	<u>11,707,402</u>	<u>12,481,914</u>	<u>11,747,338</u>
Expenditures					
Current:					
Instruction:					
Regular	4,598,101	4,910,346	4,551,570	4,359,350	4,510,378
Special	1,560,754	1,248,295	1,270,129	1,329,869	1,535,933
Vocational	70,925	67,117	63,351	59,507	54,762
Student Intervention	339,048	12,776	0	0	0
Support Services:					
Pupil	587,278	585,437	596,768	610,225	606,815
Instructional Staff	444,152	413,989	466,354	433,541	400,096
Board of Education	41,679	87,962	54,834	36,959	46,539
Administration	1,084,482	1,103,077	1,027,474	1,067,488	805,231
Fiscal	376,220	403,219	332,881	371,725	313,693
Business	28,687	38,727	32,706	28,018	29,925
Operation and Maintenance of Plant	963,066	1,103,255	958,097	967,069	973,686
Pupil Transportation	854,523	749,980	753,843	768,513	690,623
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	0
Operation of Food Services	244,249	270,217	294,331	262,839	320,715
Extracurricular Activities	381,611	403,839	445,806	390,948	354,006
Capital Outlay	622,245	921,888	223,962	369,621	334,672
Debt Service:					
Principal Retirement	0	0	0	0	68,736
Interest and Fiscal Charges	0	0	0	0	994
<i>Total Expenditures</i>	<u>12,197,020</u>	<u>12,320,124</u>	<u>11,072,106</u>	<u>11,055,672</u>	<u>11,046,804</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(389,650)</u>	<u>(267,724)</u>	<u>635,296</u>	<u>1,426,242</u>	<u>700,534</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	0	0	0	371,254	235,008
Inception of Capital Lease	0	0	0	0	0
Transfers In	116,600	165,444	0	30,808	0
Transfers Out	(416,600)	(425,444)	(130,000)	(30,808)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(300,000)</u>	<u>(260,000)</u>	<u>(130,000)</u>	<u>371,254</u>	<u>235,008</u>
<i>Net Change in Fund Balances</i>	<u>(\$689,650)</u>	<u>(\$527,724)</u>	<u>\$505,296</u>	<u>\$1,797,496</u>	<u>\$935,542</u>
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.65%

2005	2004	2003	2002	2001
\$1,182,066	\$1,092,823	\$1,046,293	\$1,085,872	\$1,166,466
5,103,176	4,775,107	4,766,751	4,139,397	4,237,312
4,553,248	4,501,737	4,245,726	4,043,960	4,040,140
34,686	24,063	88,847	136,719	227,269
55,769	46,141	44,700	20,084	16,524
151,534	135,663	133,834	137,212	110,065
18,851	46,792	39,214	85,485	92,922
282,005	296,120	289,347	280,342	6,750
7,783	6,968	11,484	22,843	12,363
5,278	85,207	81,484	110,889	50,347
<u>11,394,396</u>	<u>11,010,621</u>	<u>10,747,680</u>	<u>10,062,803</u>	<u>9,960,158</u>
4,970,513	4,794,030	5,085,157	4,944,160	4,654,551
1,423,454	1,155,584	964,032	962,436	822,642
54,833	51,639	46,735	53,643	49,833
0	0	0	0	0
613,912	579,799	594,738	633,850	500,736
499,865	470,724	539,961	411,761	313,565
45,977	51,018	47,562	49,197	71,719
852,759	876,884	992,446	914,134	834,443
315,633	325,462	296,593	280,236	245,493
36,421	27,850	16,910	33,972	20,783
1,008,026	1,070,456	1,042,087	1,003,395	1,041,022
770,480	761,529	789,847	836,990	649,639
0	0	0	0	0
0	0	81,255	33,050	29,428
392,307	377,141	336,601	357,014	0
357,388	418,126	391,254	345,444	325,269
146,929	325,713	152,444	393,131	361,586
72,947	70,879	6,339	30,000	30,000
3,123	5,191	0	3,113	4,669
<u>11,564,567</u>	<u>11,362,025</u>	<u>11,383,961</u>	<u>11,285,526</u>	<u>9,955,378</u>
<u>(170,171)</u>	<u>(351,404)</u>	<u>(636,281)</u>	<u>(1,222,723)</u>	<u>4,780</u>
0	0	0	0	62
0	0	218,901	0	0
0	52,024	25,000	25,000	0
0	<u>(52,024)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>
0	0	218,901	0	<u>(24,938)</u>
<u>(\$170,171)</u>	<u>(\$351,404)</u>	<u>(\$417,380)</u>	<u>(\$1,222,723)</u>	<u>(\$20,158)</u>
0.67%	0.69%	0.06%	0.30%	0.36%

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		
2010	\$189,031,680	\$24,417,430	\$213,449,110	\$609,854,600	\$0
2009	187,824,100	23,853,220	211,677,320	604,792,343	0
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

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of a true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010)

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

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

Personal		Public Utility Personal		Total	
Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$0	\$5,284,160	\$6,004,727	\$218,733,270	\$615,859,327	\$21.92695
0	4,965,770	5,642,920	216,643,090	610,435,263	21.67722
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

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

	2010	2009	2008	2007	2006
Unvoted Millage					
Operating	\$4.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000
Voted Millage - by levy					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	7.7579	7.7572	7.7505	7.7472	7.7462
Commercial/Industrial	7.4948	7.5018	7.4899	7.4844	7.3781
Tangible/Public Utility Personal	26.1000	26.1000	26.1000	26.1000	26.1000
1977 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	1.4862	1.4861	1.4848	1.4841	1.4840
Commercial/Industrial	1.4358	1.4371	1.4349	1.4338	1.4134
Tangible/Public Utility Personal	5.0000	5.0000	5.0000	5.0000	5.0000
1983 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.0086	2.0095	2.0107	2.0118	2.0121
Commercial/Industrial	2.5780	2.5804	2.5763	2.5744	2.5378
Tangible/Public Utility Personal	4.7000	4.7000	4.7000	4.7000	4.7000
1985 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	1.9231	1.9229	1.9251	1.9262	1.9265
Commercial/Industrial	2.4683	2.4706	2.4667	2.4648	2.4298
Tangible/Public Utility Personal	4.5000	4.5000	4.5000	4.5000	4.5000
1988 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.3256	2.3254	2.3289	2.3306	2.3312
Commercial/Industrial	2.8106	2.8132	2.8088	2.8067	2.7668
Tangible/Public Utility Personal	5.0000	5.0000	5.0000	5.0000	5.0000
2005 Permanent Improvements - 5 years (1)					
Effective Millage Rates					
Residential/Agricultural	1.0188	1.0187	1.0225	1.0244	1.0249
Commercial/Industrial	1.4214	1.4228	1.4205	1.4195	1.3993
Tangible/Public Utility Personal	2.5000	2.5000	2.5000	2.5000	2.5000
Total Effective Voted Millage by type of property					
Residential/Agricultural	16.5202	16.5187	16.5225	16.5243	16.5249
Commercial/Industrial	18.2088	18.2260	18.1971	18.1836	17.9252
Tangible/Public Utility Personal	47.8000	47.8000	47.8000	47.8000	47.8000

2005	2004	2003	2002	2001
\$4.5000	\$4.5000	\$4.5000	\$4.5000	\$4.5000
7.5200	7.5170	7.5095	7.2747	7.2656
8.2787	8.1365	8.1268	8.4077	8.4110
26.1000	26.1000	26.1000	26.1000	26.1000
1.4406	1.4400	1.4386	1.3936	1.3919
1.5860	1.5587	1.5569	1.6107	1.6113
5.0000	5.0000	5.0000	5.0000	5.0000
2.0893	2.0903	2.0929	2.1730	2.1761
2.8476	2.7987	2.7954	2.8920	2.8931
4.7000	4.7000	4.7000	4.7000	4.7000
2.0004	2.0014	2.0038	2.0805	2.0835
2.7264	2.6796	2.6764	2.7689	2.7700
4.5000	4.5000	4.5000	4.5000	4.5000
2.4497	2.4512	2.4552	2.5782	2.5829
3.1046	3.0513	3.0476	3.1530	3.1542
5.0000	5.0000	5.0000	5.0000	5.0000
1.1537	1.1554	1.1594	1.2854	1.2901
1.5701	1.5432	1.5413	1.5946	1.5952
2.5000	2.5000	2.5000	2.5000	2.5000
16.6537	16.6553	16.6594	16.7854	16.7901
20.1134	19.7680	19.7444	20.4269	20.4348
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

	2010	2009	2008	2007	2006
Overlapping Rates by Taxing District					
Auburn Joint Vocational School District Voted Millage					
Effective Millage Rates					
Residential/Agricultural	\$1.5000	\$1.5000	\$1.5000	\$1.5000	\$1.5000
Commercial/Industrial	1.5000	1.5000	1.5000	1.5000	1.5000
Tangible/Public Utility Personal	1.5000	1.5000	1.5000	1.5000	1.5000
Burton Public Library Voted Millage					
Effective Millage Rates					
Residential/Agricultural	1.1956	1.1955	0.7926	0.7941	0.7945
Commercial/Industrial	1.1989	1.2000	0.8905	0.8898	0.8772
Tangible/Public Utility Personal	1.2000	1.2000	1.0000	1.0000	1.0000
Village of Burton Unvoted Millage					
Effective Millage Rates					
Residential/Agricultural	8.1174	8.1172	8.1326	8.1302	8.1252
Commercial/Industrial	9.3172	9.3172	9.3407	9.3440	9.1220
Tangible/Public Utility Personal	9.7500	9.7500	9.7500	9.7500	9.7500
Township of Burton Voted Millage					
Effective Millage Rates					
Residential/Agricultural	5.9316	5.9289	5.9351	5.9387	5.9448
Commercial/Industrial	6.3107	6.3099	6.3099	6.3070	6.3072
Tangible/Public Utility Personal	7.2500	7.2500	7.2500	7.2500	7.2500
Township of Claridon Voted Millage					
Effective Millage Rates					
Residential/Agricultural	6.5171	6.5153	6.5245	6.5348	6.5377
Commercial/Industrial	6.2884	6.2874	6.2874	6.2873	6.2914
Tangible/Public Utility Personal	9.4000	9.4000	9.4000	9.4000	9.4000
Township of Troy Voted Millage					
Effective Millage Rates					
Residential/Agricultural	9.3722	9.3777	9.4210	9.4284	9.4212
Commercial/Industrial	8.3976	8.4153	8.3713	8.3613	8.2919
Tangible/Public Utility Personal	12.5000	12.5000	12.5000	12.5000	12.5000
Geauga County Voted Millage					
Effective Millage Rates					
Residential/Agricultural	11.2064	10.9011	10.8584	10.8751	10.8912
Commercial/Industrial	12.0948	11.5893	11.4913	11.5035	11.4143
Tangible/Public Utility Personal	15.1000	15.1000	15.1000	15.1000	15.1000

(1) This is renewed every five years and was last renewed in 2008.

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

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

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

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

Source: Ohio Department of Taxation

2005	2004	2003	2002	2001
\$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
0.8943	0.8956	0.8987	0.9964	0.7427
0.9843	0.9674	0.9662	0.9996	0.7606
1.0000	1.0000	1.0000	1.0000	1.0000
8.7626	8.7626	8.7634	7.8498	7.8814
9.5308	9.2209	9.1944	8.2366	8.2366
9.7500	9.7500	9.7500	8.7500	8.7500
5.2931	5.3819	5.3861	4.9773	4.9840
5.6419	5.7536	5.7536	5.2041	8.2041
6.8000	7.1000	7.1000	7.1000	7.1000
6.3170	6.3238	6.3436	6.6782	6.6908
6.7227	6.7227	6.7262	6.8776	6.8776
9.4000	9.4000	9.4000	9.4000	9.4000
10.1821	10.1830	10.2093	11.1219	11.1410
9.3190	9.3190	9.3190	9.4826	9.4928
12.5000	12.5000	12.5000	12.5000	12.5000
11.8767	10.8587	10.3876	10.9916	10.0209
12.6037	11.7554	11.2985	11.5829	10.5950
15.1000	15.1000	14.6000	14.4000	13.4000

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2009	\$4,830,649	\$4,729,877	97.91%	\$205,453	\$4,935,330	102.17%
2008	5,041,199	4,888,884	96.98	229,328	5,118,212	101.53
2007	5,329,712	5,108,242	95.84	161,485	5,269,727	98.87
2006	5,768,910	5,328,272	92.36	190,742	5,519,014	95.67
2005	5,309,213	5,118,387	96.41	190,147	5,308,534	99.99
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

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 2010 information cannot be presented because all collections have not been made by June 30, 2010.
- (3) The County does not maintain delinquency information by tax year.

Berkshire Local School District

Principal Taxpayers

Real Estate Tax

2010 and 2001

Name of Taxpayer	2010	
	Assessed Value	Percent of Real Property Assessed Value
Great Lakes Cheese Company, Inc.	\$4,016,460	1.88 %
Saint Gobain Ceramics & Plastics, Inc.	2,114,350	0.99
Thistle Lane Real Properties LLC	1,642,380	0.77
Excel Polymers LLC	1,252,520	0.60
John & James Masternick Trustees	1,089,280	0.51
Luxenburg Properties BH	1,020,830	0.48
Troy Oaks Homes	933,390	0.44
Bridge Creek Properties LLC	721,530	0.34
Preston Real Estate Holding Co	634,120	0.30
Grandview Golf Club	614,130	0.29
Totals	<u>\$14,038,990</u>	<u>6.58 %</u>

Total Real Estate Tax Assessed Valuation \$213,449,110

Name of Taxpayer	2001	
	Assessed Value	Percent of Real Property Assessed Value
Great Lakes Cheese	\$3,867,190	2.55 %
Berkshire Hills Limited	1,321,310	0.87
M.A. Hanna Company	1,135,520	0.75
John J. Masternick	1,061,110	0.70
Troy Oaks Homes	788,810	0.52
Farmore Farms Limited	709,120	0.47
Safra Inn LLO	648,700	0.43
Blaine M. Kaufmann	505,470	0.33
Grandview Golf Course	493,510	0.32
Stepen Rajki, Jr.	492,010	0.32
Totals	<u>\$11,022,750</u>	<u>7.45 %</u>

Total Real Estate Tax Assessed Valuation \$147,965,940

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

Berkshire Local School District

Principal Taxpayers

Public Utilities Tax

2010 and 2001

<u>Name of Taxpayer</u>	2010	
	<u>Assessed Value</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$4,312,660	81.61 %
American Transmission Systems Inc	393,830	7.45
East Ohio Gas Company	325,140	6.15
Ohio Edison	247,380	4.68
Total	<u>\$5,279,010</u>	<u>99.90</u>
Total Public Utilities Assessed Valuation	<u>\$5,284,160</u>	

<u>Name of Taxpayer</u>	2001	
	<u>Assessed Value</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$4,171,370	64.87 %
Ohio Bell Telephone Company	1,000,640	15.56
East Ohio Gas Company	202,530	3.15
Ohio Edison	190,760	2.97
Total	<u>\$5,565,300</u>	<u>86.55 %</u>
Total Public Utilities Assessed Valuation	<u>\$8,186,330</u>	

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

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

<u>Tax Year (2)</u>	<u>Tax Rate</u>	<u>Total Tax Collected</u>	<u>Taxes from Withholding</u>	<u>Percentage of Taxes from Withholding</u>	<u>Taxes from Direct Payments</u>	<u>Percentage of Taxes from Direct Payments</u>
2010	1.00 %	\$1,536,729	\$910,880	55.78 %	\$679,542	44.22 %
2009	1.00	1,656,813	932,045	51.98	795,602	48.02
2008	1.00	1,710,748	721,954	45.80	927,225	54.20
2007	0.75	1,501,823	687,835	45.80	813,988	54.20
2006	0.75	1,329,783	711,434	53.50	618,349	46.50
2005	0.75	1,182,066	632,405	53.50	549,661	46.50
2004	0.75	1,092,823	611,981	56.00	480,842	44.00
2003	0.75	1,046,293	600,572	57.40	445,721	42.60
2002	0.75	1,085,872	612,432	56.40	473,440	43.60
2001	0.75	1,166,466	597,231	51.20	569,235	48.80

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

(2) Fiscal year 2002 through 2010 are on an accrual basis and 2001 is on a modified accrual basis.

Source: Ohio Department of Taxation

Berkshire Local School District
*Computation of Direct and Overlapping
 Governmental Activities Debt
 December 31, 2009*

	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct:			
Berkshire Local School District	<u>\$0</u>	100.00%	<u>\$0</u>
Overlapping:			
Geauga County			
Special Assessment Bonds	2,291,402	7.52%	172,313
General Obligation Notes	<u>13,518,819</u>	7.52%	<u>1,016,615</u>
Total Overlapping	<u>15,810,221</u>	7.52%	<u>1,188,929</u>
Total	<u><u>\$15,810,221</u></u>		<u><u>\$1,188,929</u></u>

Source: Office of the Auditor, Geauga County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2009 collection year.

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

Fiscal Year	Population (1)		Estimated Actual Value (2)	General Bonded Debt		
				Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2010	8,647	b	\$615,859,327	\$0	0.00%	\$0.00
2009	8,647	b	610,435,263	0	0.00	0.00
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	501,877,218	0	0.00	0.00
2001	8,647	b	493,996,277	30,000	0.00	3.47

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

General Debt			
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
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

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

	2010	2009	2008	2007	2006
Assessed Valuation (1)	<u>\$213,449,110</u>	<u>\$211,677,320</u>	<u>\$213,734,860</u>	<u>\$211,384,080</u>	<u>\$208,710,760</u>
Debt Limit - 9% of Assessed Value (2)	\$19,210,420	\$19,050,959	\$19,236,137	\$19,024,567	\$18,783,968
Amount of Debt Applicable to Debt Limit					
General Obligation Bonds	0	0	0	0	0
Less Amount Available in Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$19,210,420</u>	<u>\$19,050,959</u>	<u>\$19,236,137</u>	<u>\$19,024,567</u>	<u>\$18,783,968</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$213,449	\$211,677	\$213,735	\$211,384	\$208,711
Amount of Debt Applicable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$213,449</u>	<u>\$211,677</u>	<u>\$213,735</u>	<u>\$211,384</u>	<u>\$208,711</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Geauga County Auditor and School District Financial Records

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

2005	2004	2003	2002	2001
<u>\$204,313,540</u>	<u>\$201,518,040</u>	<u>\$197,387,490</u>	<u>\$173,485,230</u>	<u>\$171,635,720</u>
\$18,388,219	\$18,136,624	\$17,764,874	\$15,613,671	\$15,447,215
0	0	0	0	30,000
<u>0</u>	<u>0</u>	<u>(52,024)</u>	<u>(52,024)</u>	<u>(85,137)</u>
0	0	0	0	0
<u>\$18,388,219</u>	<u>\$18,136,624</u>	<u>\$17,764,874</u>	<u>\$15,613,671</u>	<u>\$15,447,215</u>
100.00%	100.00%	100.00%	100.00%	100.00%
\$204,314	\$201,518	\$197,387	\$173,485	\$171,636
0	0	0	0	0
<u>\$204,314</u>	<u>\$201,518</u>	<u>\$197,387</u>	<u>\$173,485</u>	<u>\$171,636</u>
100.00%	100.00%	100.00%	100.00%	100.00%

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

Year	Population (2)	Total Personal Income (2)	Personal Income Per Capita (2)	Median Household Income (2)
2010	1,450	\$28,298,200	\$19,516	\$41,830
2009	1,450	28,298,200	19,516	41,830
2008	1,450	28,298,200	19,516	41,830
2007	1,450	28,298,200	19,516	41,830
2006	1,450	28,298,200	19,516	41,830
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

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	7.5 %	\$218,733,270
37.50	135,100	7.5	216,643,090
37.50	135,100	5.8	219,106,490
37.50	135,100	4.9	222,205,650
37.50	135,100	4.4	224,618,500
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

Berkshire Local School District
Principal Employers
December 31, 2009 and December 31, 2004 (1)

December 31, 2009			
Employer	City	Nature of Business or Activity	Employees
Great Lakes Cheese	Troy	Cheese Packaging and Distribution	600
Excell Polymers, LLC	Burton	Manufacturing	184
Burton Health Care	Burton	Long-term Health Care and Rehabilitation	182
Berkshire School Board of Education	Burton	Education	134
Preston Superstore	Burton	Automobile Sales	125
Duramax	Troy	Manufacturing	84
ARMS Trucking	Burton	Trucking	75
BFG Supply, Incorporated	Burton	Wholesale Distributor - Greenhouse	55
Troy Manufacturing	Troy	Manufacturing	33
Ronyak Paving	Burton	Paving	14
Total			<u>1,486</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 Superstore	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 Six Fiscal Years (1)

	2010	2009	2008	2007	2006	2005
Burton Elementary School						
Constructed in 1959						
Total Building Square Footage	41,645	41,645	29,549	29,549	29,549	29,549
Enrollment Grades K-6	508	495	363	408	421	371
Student Capacity	640	640	450	450	450	450
Regular Instruction Classrooms	23	16	30	23	23	23
Regular Instruction Teachers	23	21	30	24	26	26
Special Instruction Classrooms	4	4	3	2	2	2
Special Instruction Teachers	8	8	3	2	3	3
Troy Elementary School						
Constructed in 1924						
Total Building Square Footage	0	18,556	18,556	18,556	18,556	18,556
Enrollment Grades 1-6	0	163	163	149	159	99
Student Capacity	0	190	190	190	190	190
Regular Instruction Classrooms	0	6	6	10	10	10
Regular Instruction Teachers	0	6	6	11	11	9
Special Instruction Classrooms	0	1	1	1	1	1
Special Instruction Teachers	0	1	1	1	1	1
Claridon Elementary School						
Constructed in 1920						
Total Building Square Footage	0	0	0	0	0	15,467
Enrollment Grades 1-6	0	0	0	0	0	142
Student Capacity	0	0	0	0	0	200
Regular Instruction Classrooms	0	0	0	0	0	6
Regular Instruction Teachers	0	0	0	0	0	6
Special Instruction Classrooms	0	0	0	0	0	0
Special Instruction Teachers	0	0	0	0	0	0
Junior High/High School						
Constructed in 1936						
Total Building Square Footage	95,485	95,485	95,485	95,485	95,485	95,485
Enrollment Grades 7-12	569	629	619	690	702	724
Student Capacity	760	760	760	760	760	760
Regular Instruction Classrooms	32	32	32	32	32	32
Regular Instruction Teachers	30	30	30	31	32	32
Special Instruction Classrooms	5	5	5	4	4	4
Special Instruction Teachers	5	5	5	4	4	4

(1) Information prior to 2005 is not available

Source: School District Records

Berkshire Local School District
Per Pupil Cost
Last Nine 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
2010	\$12,197,020	1,077	\$11,325	(3.21%)	73	14.8	155	14.4%
2009	12,320,124	1,124	10,961	11.78	73	15.4	144	12.8
2008	11,072,106	1,145	9,670	8.32	75	15.3	131	11.4
2007	11,055,672	1,247	8,866	2.81	75	16.6	54	4.3
2006	11,046,804	1,282	8,617	(0.46)	79	16.2	49	3.8
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	11,285,526	1,395	8,090	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

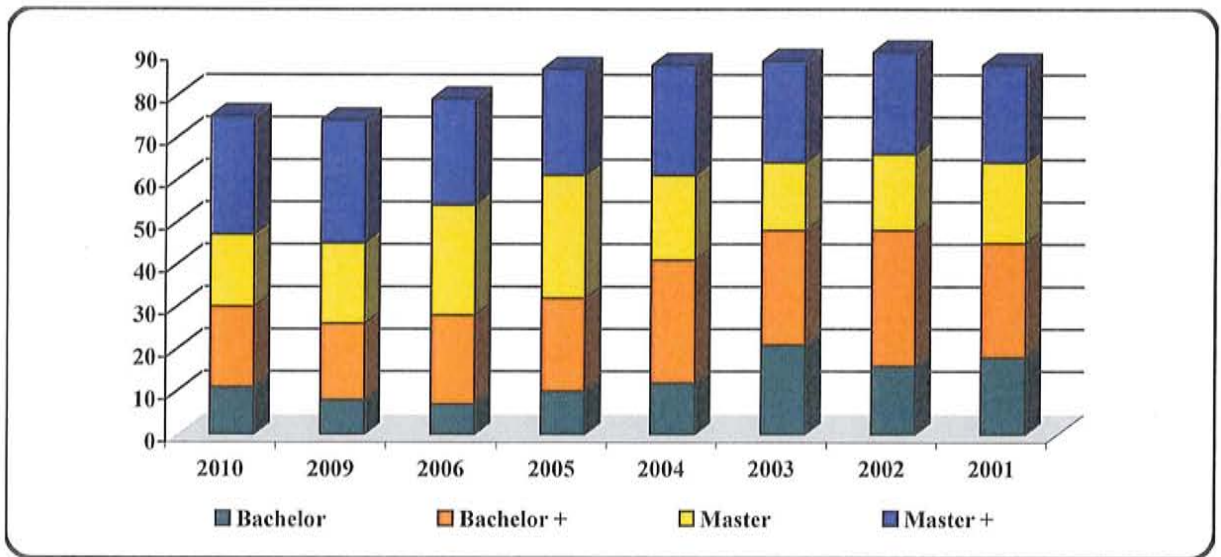
Fiscal Year	Berkshire Attendance Rate	State Average	Berkshire Graduation Rate	State Average
2009	94.40	94.30	95.20	90.00
2008	94.60	93.00	94.20	90.00
2007	94.10	93.00	94.00	90.00
2006	95.20	94.10	95.30	86.20
2005	95.60	94.30	94.60	85.90
2004	95.90	94.50	95.40	84.30
2003	95.70	94.50	98.30	83.90
2002	95.50	94.30	92.50	82.80
2001	96.00	93.90	95.00	81.20
2000	95.70	93.60	95.10	80.70

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	2010	2009	2008	2007	2006	2005	2004	2003
Bachelor's Degree	11	8	8	5	7	10	12	21
Bachelor + 15	4	3	3	2	0	4	3	8
Bachelor + 150	15	15	15	19	21	18	26	19
Master's Degree	17	19	20	22	26	29	20	16
Master + 15	12	11	11	13	11	11	14	11
Master + 30	16	18	18	14	14	14	12	13
Total	75	74	75	75	79	86	87	88

(1) Information prior to 2001 is not available



Source: School District Records

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

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003
Regular Instruction								
Elementary Classroom Teachers	31.00	30.00	30.00	35.00	33.00	34.00	39.00	39.00
High School Classroom Teachers	29.00	30.00	30.00	31.00	31.00	33.00	33.00	33.00
Special Instruction								
Elementary Classroom Teachers	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00
Gifted Education Teachers	1.00	1.00	1.00	0.50	0.50	1.00	1.00	1.00
High School Classroom Teachers	4.00	3.00	5.00	4.00	3.00	4.00	3.00	3.00
Vocational Instruction								
High School Classroom Teachers	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pupil Support Services								
Guidance Counselors	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Librarians	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Psychologists	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Speech and Language Pathologists	2.00	2.00	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	1.00	1.00
Aides	5.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Administration								
Elementary	2.00	3.00	3.00	3.00	3.00	3.50	3.00	3.00
High School	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Central Office	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Secretarial	7.50	8.00	3.00	3.00	3.00	3.00	3.00	3.00
Technology	1.00	1.50	1.50	1.00	1.00	1.00	1.00	1.00
Fiscal Services								
Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Clerks	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operation of Plant								
Custodians	7.50	7.50	7.50	9.00	9.00	10.50	11.00	11.00
Maintenance	1.00	1.00	1.00	1.00	2.00	1.00	1.00	1.00
Pupil Transportation								
Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Bus Drivers	10.00	10.00	10.00	9.00	13.00	13.00	13.00	13.00
Bus Aides	5.00	6.00	5.00	2.00	1.00	2.00	1.00	1.00
Van Drivers	2.00	2.00	2.00	1.00	1.00	2.00	1.00	0.50
Food Service Program								
Elementary Cooks	4.00	4.00	6.00	5.00	5.00	5.00	5.00	6.00
High School Cooks	3.00	3.00	4.00	4.00	4.00	5.00	5.00	4.00
Totals	<u>134.00</u>	<u>139.00</u>	<u>138.00</u>	<u>136.50</u>	<u>138.50</u>	<u>147.00</u>	<u>149.00</u>	<u>148.50</u>

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

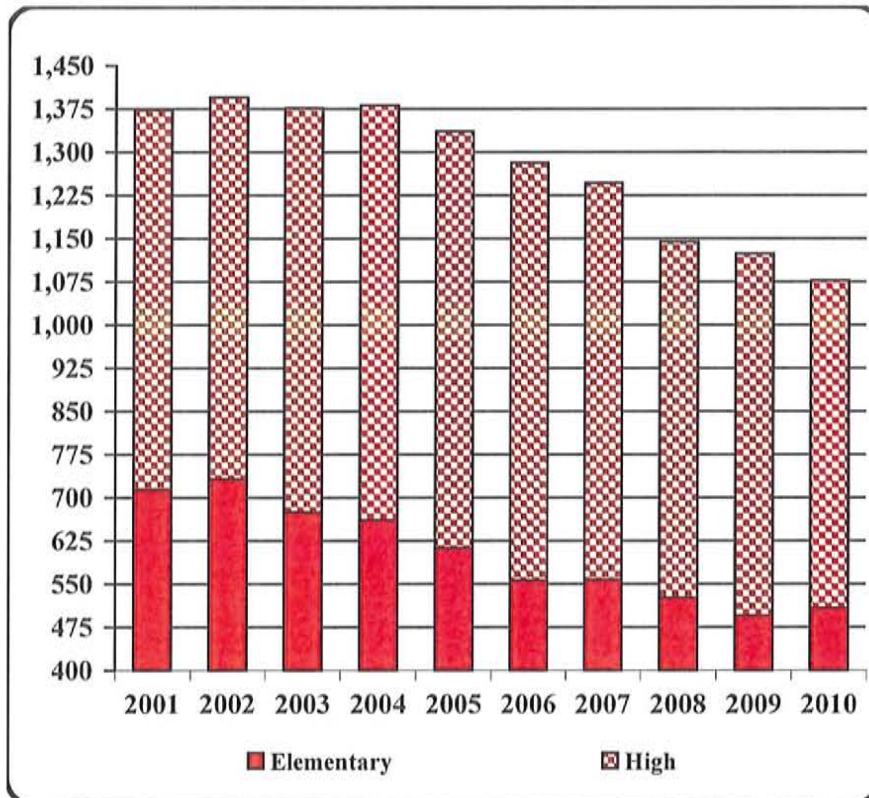
(1) Information prior to 2003 is not available

Source: School District Records

Berkshire Local School District
Enrollment Statistics
Last Ten Fiscal Years

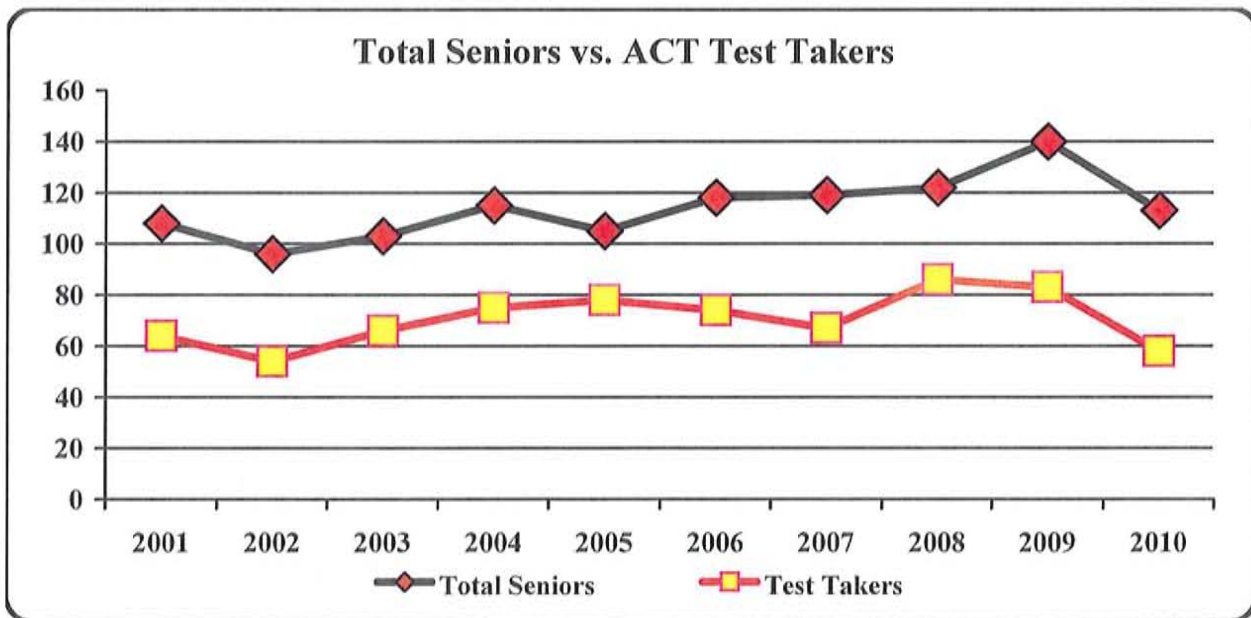
Fiscal Year	Elementary Schools	Junior/High School	Total
2010	508	569	1,077
2009	495	629	1,124
2008	526	619	1,145
2007	557	690	1,247
2006	556	726	1,282
2005	612	724	1,336
2004	661	720	1,381
2003	675	702	1,377
2002	732	663	1,395
2001	714	659	1,373

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
2010	58	113	51.33 %	21.7	21.7	21.1
2009	83	140	59.29	22.6	21.7	21.1
2008	86	122	70.49	22.6	21.7	21.1
2007	67	119	56.30	22.4	21.6	21.2
2006	74	118	62.71	21.8	21.5	21.1
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



Source: High School Guidance Office,
 Berkshire Local School District

Berkshire Local School District
SAT Composite Scores
Last Ten Fiscal Years

School Year	Number of Senior Test Takers	Berkshire Verbal	Ohio Verbal	National Verbal
2010	4	510	537	502
2009	6	560	526	502
2008	n/a	n/a	534	502
2007	119	573	536	502
2006	118	570	535	503
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

Source: High School Guidance Office, Berkshire Local School District

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

<u>Berkshire Math</u>	<u>Ohio Math</u>	<u>National Math</u>
520	546	515
530	533	515
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

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

Fiscal Year	Berkshire Average	State Average
2010	18.1	19.1
2009	18.1	19.1
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

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
DECEMBER 28, 2010**