

Mary Taylor, CPA
Auditor of State

**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

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**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	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>						
Food Distribution Program	N/A	10.550	\$0	\$17,177	\$0	\$17,177
National School Lunch Program	LL-P4-06	10.555	38,073	0	38,073	0
Total U.S. Department of Agriculture			<u>38,073</u>	<u>17,177</u>	<u>38,073</u>	<u>17,177</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Grants to States	6B-SF-07	84.027	224,503	0	260,833	0
Title I Grants to Local Educational Agencies	C1-S1-06	84.010	(26,450)	0	0	0
Title I Grants to Local Educational Agencies	C1-S1-07	84.010	223,487	0	223,441	0
Total Title I Grants to Local Educational Agencies			<u>197,037</u>	<u>0</u>	<u>223,441</u>	<u>0</u>
Safe and Drug-Free Schools and Communities State Grants	DR-S1-07	84.186	5,275	0	5,275	0
State Grant for Innovative Programs	C2-S1-06	84.298	(13)	0	0	0
State Grant for Innovative Programs	C2-S1-07	84.298	4,920	0	0	0
Total State Grant for Innovative Programs			<u>4,907</u>	<u>0</u>	<u>0</u>	<u>0</u>
Education Technology State Grant	TJ-S1-07	84.318	2,681	0	1,750	0
Improving Teacher Quality State Grant	TR-S1-06	84.367	(4,358)	0	0	0
Improving Teacher Quality State Grant	TR-S1-07	84.367	53,039	0	53,039	0
Total Improving Teacher Quality State Grant			<u>48,681</u>	<u>0</u>	<u>53,039</u>	<u>0</u>
Total U.S. Department of Education			<u>483,084</u>	<u>0</u>	<u>544,338</u>	<u>0</u>
Total Federal Financial Assistance			<u>\$521,157</u>	<u>\$17,177</u>	<u>\$582,411</u>	<u>\$17,177</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 EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C – FOOD DONATION PROGRAM

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

NOTE D – NEGATIVE RECEIPTS

The negative receipts for the Title 1 Grants to Local Educational Agencies CFDA #84.010 in the amount of \$26,450, State Grant for Innovative Programs CFDA #84.298 in the amount of \$13, and the Improving Teacher Quality State Grant CFDA #84.367 in the amount of \$4,358 represent amounts that were transferred or refunded to the State due to expiration of period of availability.

CFDA – Catalog of Federal Domestic Assistance



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Berkshire Local School District, Geauga County, Ohio (the District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

We noted certain matters that we reported to the District's management in a separate letter dated January 18, 2008.

Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated January 18, 2008.

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



Mary Taylor, CPA
Auditor of State

January 18, 2008



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

Compliance

We have audited the compliance of Berkshire Local School District, 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 apply to its major federal program for the year ended June 30, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Berkshire Local School District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2007.

Internal Control Over Compliance

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

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

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

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

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Berkshire Local School District as of and for the year ended June 30, 2007, and have issued our report thereon dated January 18, 2008. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

January 18, 2007

**BERKSHIRE LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
FISCAL YEAR END JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title 1 CFDA #84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Berkshire Local School District Burton, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

Prepared by

Treasurer's Office

Merry Lou Tramont
Treasurer

Berkshire Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007
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Berkshire Local School District

**14259 CLARIDON-TROY ROAD
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January 18, 2008

Board of Education Members
Berkshire Local School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Berkshire Local School District for the fiscal year ended June 30, 2007. This CAFR conforms to generally accepted accounting principles as applicable to governmental entities, and enables the School District to comply with the legal requirement 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.

Independent auditor State Auditor Mary Taylor, has issued an unqualified (“clean”) opinion on the Berkshire Local School District’s financial statements for the fiscal year ended June 30, 2007. The Independent Accountants’ Report is located at the front of the financial section of this report.

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 three instructional/support facilities staffed by 56 non-certificated employees, 75 certificated full time teaching personnel and 6 administrative employees to provide services to 1,247 students and other community members.

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

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

- Berkshire High School built in 1936, with additions in 1973 and 2002, houses 690 students from grades 7 through 12.
- Burton Elementary School built in 1959, with an addition in 1962, houses 408 students from grades kindergarten through 6.
- Troy Elementary School built in 1924, with additions in 1930 and 1966, houses 149 students from grades kindergarten through 6.

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

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

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

The Board of Education is required to adopt a final budget by no later than the close of the fiscal year. 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 the fund level. The Treasurer has been given authority to allocate board appropriations to the function and object levels within each fund. Transfers between funds, however, need special approval from the Board.

Economic Condition and Outlook

The Berkshire Local School District is noteworthy for a variety of reasons. It is rural and includes part of the second largest Amish population in Ohio, yet it is an easy commute to Cleveland, a major metropolitan center. The population contains a relatively high number of senior citizens, testimony to the fact that the region is a safe, desirable place to live. Property values have risen steadily and upscale housing developments have replaced several defunct farms in the area. Several businesses are located in the area such as Great Lakes Cheese Company, M.A. Hanna Company, Troy Manufacturing, Burton Floral and Garden, Preston Superstore, and TRC Manufacturing. Saint-Gobain Crystals and Detectors started construction in the summer of 2007 to build a new manufacturing plant for synthetic crystals in the Great Lakes Parkway in Troy Township. This over 100,000 square foot project will bring nearly 200 jobs to the School District community. Saint-Gobain was granted a five-year 100 percent tax abatement as part of the agreement for relocating from nearby Newbury Township.

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

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

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

School District Local Funding

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

School District management will carefully control expenses during the coming years to continue to assure tax levy revenues are adequate and well spent. A one percent tax levy on earned income was approved by voters in May of 2007, to begin collection in 2008. This levy replaced the current .75 percent income tax on all income. The additional income is expected to carry the School District through the next five-year period beginning in 2008. 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 2007, the School District maintained a restrictive budget and monitored costs to end the fiscal year with an unreserved, undesignated fund balance of \$1,486,945 in the General Fund, up \$1,560,580 from the prior fiscal year. The School District has continued to reduce expenditures as a result of declining revenue and anticipated revenue losses in the coming years. Various cost cutting measures included sharing a treasurer and a computer tech repair person with neighboring school districts. These were needed to keep ahead of the rising cost of utilities and fuel and building maintenance repairs. The School District is striving to maintain a quality education for its students within a tight budget.

Relevant Financial Policies

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

Long-Term Planning

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

Major Initiatives

Strategic Planning/Long-term Financial Goals

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

The School District has continued to reduce expenditures as a result of declining revenues and anticipated declining enrollment in the coming years. With the passage of the earned income tax levy, the School District will be able to continue operating at the current levels and have the ability to meet rising costs in the area of health care, utilities, and gas. The Board decided to reduce the pay-to-participate fee by \$75 for both high school and junior high school athletics as a measure of good faith for passage of the levy.

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 financial implications of building a new kindergarten through 8th grade facility or renovating the Burton Elementary campus to house the Troy Elementary students. The School District has no current debt and is looking at loan options for financing the construction project as opposed to going for bonds. Whatever direction the Board decides to go they want to make sure the needs of the School District are met with the lowest financial impact on the community.

Ohio Report Card

The Ohio Report Card is issued in February of each school year. The report uses data from the previous school year to inform the public of School District success or failure in 30 indicators. On the 2007 report card the School District met, or exceeded the Ohio standard in 27 of 30 indicators. The School District maintained a rating 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 Class-Size Reduction Grant under Title V allowing for additional teachers at Kindergarten and Grade One levels. The Title 1 Reading Recovery program improves the reading for eligible students in First Grade at each of the elementary buildings. Student readiness for advancement in each grade has been the primary focus of these services.

Educational Programs and Facilities Improvements

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

During the 2007 school year, the School District’s curriculum included a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and vocational programs. Advanced placement courses are offered at the high school in Biology and Chemistry. The high school offers over 180 courses on the main campus with over 50 additional vocational offering at Auburn Career Center.

The graduating class of 2007 exceeded the State and national average scores on both the American College Test (ACT) and the Scholastic Aptitude Test (SAT). The composite score of 22.4 on the ACT surpassed the State average of 21.6 and the national average of 21.2. The mean scores on the SAT of 573 in verbal and 568 in mathematics surpassed the State mean score and the national mean score of 502 in verbal and the State mean score and the national mean score of 515 in mathematics. More than 74 percent of the high school graduates indicated they intended to continue their education at the university or college level immediately after graduation. Another 14 percent are planning to attend a vocational/trade school following graduation.

The School District regularly accesses the needs of the buildings and what facility improvements are needed for that school year. Minor repairs and updates have been made during the current year while looking to the major needs and planning for those projects in the near future. The high school restrooms will be completely renovated following the end of the 2008 school year, along with the repaving of the student side of the high school parking lot. 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, 2006. This is the eighth consecutive year that the School District has received this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In order

to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Special appreciation is expressed to State Auditor 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,

Merry Lou Tramont
Treasurer

James Knapp
Superintendent

Berkshire Local School District

Principal Officials

June 30, 2007

Board of Education

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

Treasurer

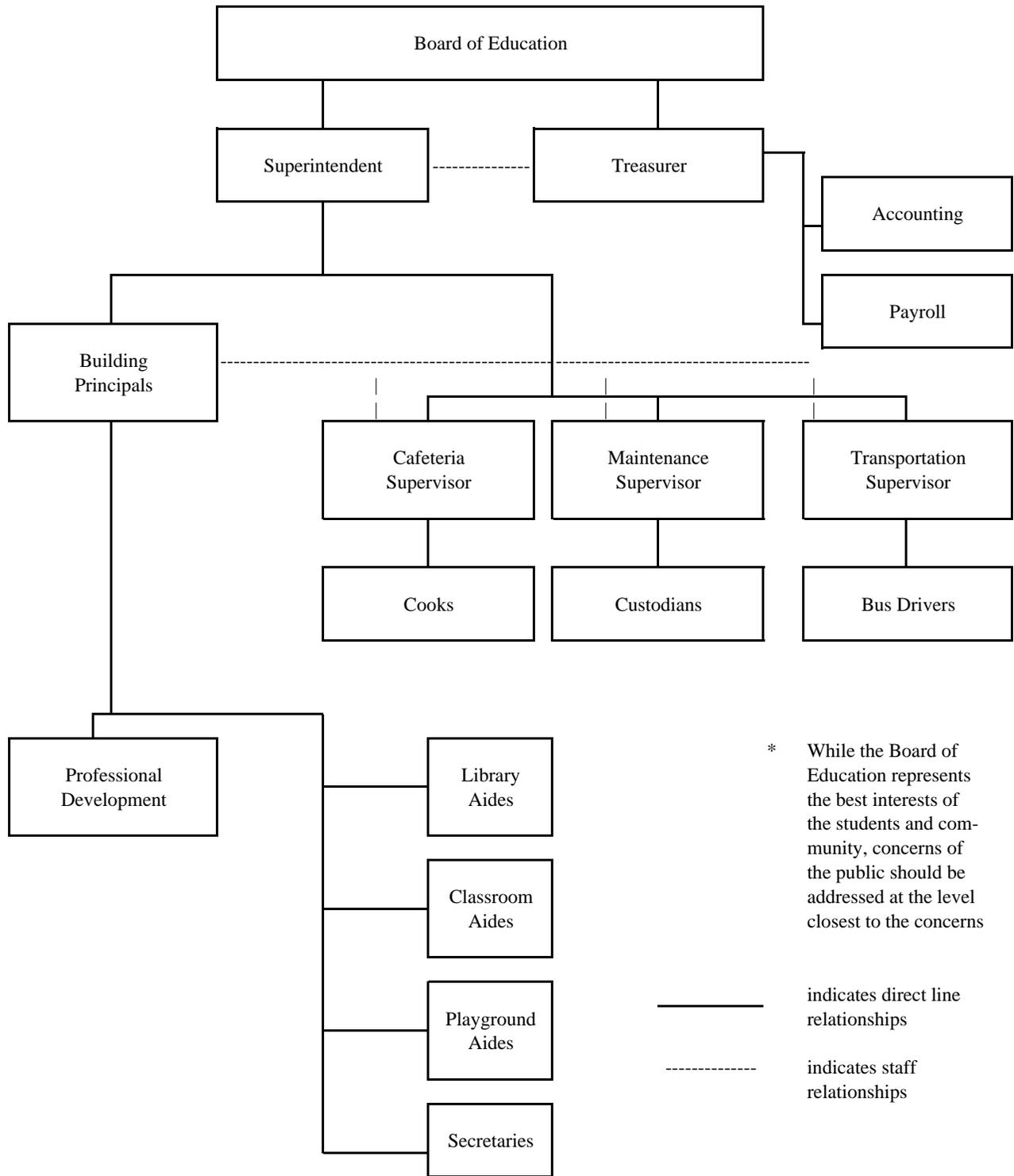
Mrs. Merry Lou Tramont

Superintendent

Mr. James E. Knapp

Berkshire Local School District

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Berkshire Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



President

Executive Director



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Berkshire Local School District, Geauga County, Ohio (the District), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Berkshire Local School District, Geauga County, Ohio, as of June 30, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Mary Taylor, CPA
Auditor of State

January 18, 2008

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
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, 2007. 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 2007 are as follows:

- Total net assets of governmental activities increased \$1,780,939 which represents a 62.15 percent increase from fiscal year 2006.
- Total revenues of \$12,707,681 were comprised of general revenues in the amount of \$11,289,813 or 88.84 percent and program specific revenues from charges for services, grants and contributions in the amount of \$1,417,868 or 11.16 percent.
- Total assets of governmental activities increased by \$1,724,227 which includes cash and cash equivalents, capital assets and income taxes receivable increases of \$1,450,068, \$150,969 and \$145,274, respectively, while property taxes receivable decreased by \$103,263.
- The School District had \$10,926,742 in expenses related to governmental activities; only \$1,417,868 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and school foundation) of \$11,289,813 helped to provide for these programs.
- The general fund balance increased \$1,602,335 to \$2,504,125 at fiscal year end, up from \$901,790 at June 30, 2006.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes pertaining to those statements. These statements are organized so the reader can understand 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 *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 non-major funds presented in total in one column. In the case of Berkshire Local School District, the general fund and the permanent improvement capital projects fund are the most significant funds.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2007?" The *Statement of Net Assets* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. Accrual 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 performance, demographic and socioeconomic factors and willingness of the community to support the School District.

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 service and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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 as governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are 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 you 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.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

The School District as a Whole

You may recall that the *Statement of Net Assets* provides the perspective of the School District as a whole. Table 1 provides a comparison of the School District's Net Assets for 2007 compared to 2006:

Table (1)
 Net Assets
 Governmental Activities

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Assets			
Current and Other Assets	\$8,973,545	\$7,400,287	\$1,573,258
Capital Assets	1,940,269	1,789,300	150,969
<i>Total Assets</i>	<u>10,913,814</u>	<u>9,189,587</u>	<u>1,724,227</u>
Liabilities			
Current Liabilities	5,380,671	5,416,184	(35,513)
Long-Term Liabilities			
Due within One Year	51,513	48,288	3,225
Due in More than One Year	835,288	859,712	(24,424)
<i>Total Liabilities</i>	<u>6,267,472</u>	<u>6,324,184</u>	<u>(56,712)</u>
Net Assets			
Invested in Capital Assets			
Net of Related Debt	1,940,269	1,789,300	150,969
Restricted for:			
Capital Projects	922,955	640,564	282,391
Set Asides	39,468	39,468	0
Other Purposes	151,441	168,066	(16,625)
Unrestricted (Deficit)	1,592,209	228,005	1,364,204
<i>Total Net Assets</i>	<u>\$4,646,342</u>	<u>\$2,865,403</u>	<u>\$1,780,939</u>

Total assets increased \$1,724,227. This increase was largely due to the increase in available cash at the end of the fiscal year. With the effects of cuts and careful spending, the School District was able to end with a cash balance able to cover over two months of expenses.

Total liabilities decreased \$56,712. Deferred revenue decreased \$73,640 in correlation to the decrease in taxes receivable. An increase in intergovernmental payable of \$26,128 offsets this decrease.

As a result total net assets increased \$1,780,939 over fiscal year 2006.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Table 2 shows the changes in net assets for fiscal year 2007 compared to 2006.

Table (2)
Change in Net Assets
Governmental Activities

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Revenues			
<i>Program Revenues</i>			
Charges for Services and Sales	\$809,344	\$620,012	\$189,332
Operating Grants and Contributions	608,524	647,025	(38,501)
Capital Grants and Contributions	0	5,333	(5,333)
<i>Total Program Revenues</i>	<u>1,417,868</u>	<u>1,272,370</u>	<u>145,498</u>
<i>General Revenues</i>			
Property and Other Local Taxes	5,015,949	5,029,850	(13,901)
Income Taxes	1,501,823	1,329,783	172,040
Intergovernmental	4,221,620	4,015,962	205,658
Unrestricted Contributions	0	10,649	(10,649)
Investment Earnings	176,711	91,189	85,522
Gain on Sale of Capital Assets	365,160	103,118	262,042
Miscellaneous	8,550	1,118	7,432
<i>Total General Revenues</i>	<u>11,289,813</u>	<u>10,581,669</u>	<u>708,144</u>
<i>Total Revenues</i>	<u>12,707,681</u>	<u>11,854,039</u>	<u>853,642</u>
<i>Program Expenses</i>			
Current:			
Instruction:			
Regular	4,495,206	4,693,751	(198,545)
Special	1,326,200	1,564,547	(238,347)
Vocational	60,671	55,414	5,257
Support Services:			
Pupil	614,007	611,399	2,608
Instructional Staff	423,189	407,207	15,982
Board of Education	36,959	61,313	(24,354)
Administration	1,102,186	829,843	272,343
Fiscal	348,188	322,274	25,914
Business	28,018	29,925	(1,907)
Operation and Maintenance of Plant	1,136,704	1,052,876	83,828
Pupil Transportation	693,519	763,710	(70,191)
Operation of Food Services	270,350	331,153	(60,803)
Extracurricular Activities	391,545	363,747	27,798
Interest and Fiscal Charges	0	884	(884)
<i>Total Program Expenses</i>	<u>10,926,742</u>	<u>11,088,043</u>	<u>(161,301)</u>
<i>Increase in Net Assets</i>	1,780,939	765,996	1,014,943
Net Assets Beginning of Year	<u>2,865,403</u>	<u>2,099,407</u>	<u>765,996</u>
<i>Net Assets End of Year</i>	<u><u>\$4,646,342</u></u>	<u><u>\$2,865,403</u></u>	<u><u>\$1,780,939</u></u>

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Governmental Activities

The School District has carefully planned its financial existence by forecasting its revenue and expenses over the next five years. In November of 1992, the School District successfully passed a .75 percent income tax levy that was estimated to grow with inflation. It currently generates over \$1 million in revenue each year. In May of 2007, the School District succeeded on the second try to pass a one percent earned income tax levy to replace the current .75 percent income tax levy. This new levy will generate over \$1,480,000 in revenue each year starting in 2008 (to be collected in 2009).

Property taxes and School District income tax made up 51.29 percent of total revenues for governmental activities for Berkshire Local School District in fiscal year 2007. The community, through its willingness to provide property tax revenues and income tax revenue, is by far the primary support for Berkshire Local School District students. The 33.22 percent provided by the grants and entitlements portion of general revenues includes monies received from the Ohio Department of Education, State Foundation Program and property tax relief such as the homestead exemptions and rollbacks provided by HB 920.

Program Revenues for governmental activities provided 11.16 percent of governmental revenues with over 88.84 percent of all governmental activities supported through property and income taxes, grants and entitlements, and other general revenues.

53.83 percent of the School District's budget is used to fund instructional expenses which include salaries, benefits, materials and supplies for teaching the students of the School District. Additional supporting services for pupils, staff, food services, maintenance of plant, transportation and business operations encompass an additional 42.58 percent. The remaining amount of program expenses, 3.59 percent, is budgeted to facilitate numerous extracurricular activities.

During the fiscal year, administration expenses increased due to the purchase of new computers and salary increases which also increased regular instruction. The decrease in the special education expenses is due to a reduction in grant monies available for special education services.

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services for 2007 compared to 2006.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

(Table 3)
 Total and Net Cost of Program Services
 Governmental Activities

	2007		2006	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction:				
Regular	\$4,495,206	\$3,963,836	\$4,693,751	\$4,522,144
Special	1,326,200	1,005,313	1,564,547	1,242,862
Vocational	60,671	60,498	55,414	55,414
Support Services:				
Pupil	614,007	533,333	611,399	498,743
Instructional Staff	423,189	412,655	407,207	393,518
Board of Education	36,959	36,849	61,313	61,313
Administration	1,102,186	1,062,753	829,843	795,381
Fiscal	348,188	347,211	322,274	322,274
Business	28,018	27,838	29,925	29,778
Operation and Maintenance of Plant	1,136,704	1,133,934	1,052,876	1,042,199
Pupil Transportation	693,519	688,788	763,710	753,335
Operation of Food Services	270,350	39,348	331,153	46,485
Extracurricular Activities	391,545	196,518	363,747	51,343
Interest and Fiscal Charges	0	0	884	884
Total	\$10,926,742	\$9,508,874	\$11,088,043	\$9,815,673

Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset operating costs. Only 13 percent of the total costs of the services provided by the School District are covered by these additional funds. Operation of food service is the only expense function almost completely supported by funds other than taxes revenues. The School District receives reimbursement for free and reduced lunches on a monthly basis from the Ohio Department of Education. Grant monies help to cover 24.19 percent of special instruction expenses. Since the School District instituted a pay-to-participate policy 38.75 percent of the extracurricular activities expenses are covered by these fees.

The School District's Funds

Information about the School District's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$12,481,914 and expenditures of \$11,055,672. The net change in fund balance for the fiscal year was most significant in the General Fund, an increase of \$1,602,335 due to the effects of the cost cutting measures taken by the School District during the year. As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds, property taxes are the largest revenue source, accounting for 41.3 percent of total governmental revenue. 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.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

The permanent improvement revenues of \$288,087, 89.09 percent of which are from property taxes, allowed for capital improvements. The expenditures were \$369,621 for 2007.

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 budgeted fund is the General Fund.

During the course of fiscal 2007, the School District amended its general fund budget numerous times. Many of the amendments are due to changes in expenditure priorities at the building levels. For the general fund, the final budget basis revenue estimate was \$10,488,091 representing a \$234,061 increase from the original budget estimates of \$10,254,030. Most of this difference was due to conservative tax estimates in the School District's income tax. The School District's general fund balance at the end of the fiscal year was \$1,693,226. Additional revenues and a conservative approach to expenditures helped the School District increase its ending fund balance significantly over the prior year.

The School District revises its budget throughout the fiscal year. For the General Fund the final budget basis expenditure estimate was \$10,413,703, an increase of \$677,129 over the original budget estimates of \$9,736,574, but actual expenditures only amounted to \$9,751,639. Significant increases from the original budget were made in regular and special education instruction, and administration to cover the needs of the buildings to operate during the school year.

The School District uses a site-based budgeting system designed to tightly control total site budgets but provide flexibility for site management. Building principals are given a per pupil allocation for textbook, instructional materials and equipment. HB412 requires the School District to set aside three percent of certain general fund revenues for the purchase of textbooks and materials related to instruction which site-based budgets help to meet.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2007 the School District had \$1,940,269 invested in land, land improvements, buildings and improvements, furniture and fixtures and vehicles in governmental activities. Table 4 shows fiscal year 2007 balances compared to fiscal year 2006:

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

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

	2007	2006
Land	\$13,810	\$14,295
Land Improvements	115,580	117,331
Buildings and Improvements	1,063,294	972,699
Furniture and Fixtures	366,944	377,533
Vehicles	380,641	307,442
Total	\$1,940,269	\$1,789,300

During May of 2007, Valuation Engineers completed an appraisal of the School District's capital assets. This along with the Board following the Auditor of State's recommendation to increase the capitalization threshold from \$1,500 to \$2,500 created a valuation adjustment. Beginning balances for fiscal year 2007 were restated to reflect these changes. The School District purchased two new buses and made some building upgrades during the year. The Troy Elementary Building was sold at an auction in May 2006, however the transaction was not completed until July 2006. Therefore the asset was removed from capital assets during this fiscal year. See Note 11 to the Basic Financial Statements for additional capital asset information.

Debt

The School District had no bonded debt in fiscal year 2007 and also maintains a AAA bond rating.

Challenges and Opportunities

Berkshire Local School District has continued to maintain the highest standards of service to our students, parents and community. The School District is always presented with challenges and opportunities. The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. Recent national events and their impact on the Berkshire Local School District and the surrounding area are very much under review and analysis. Economic recession has had minor impact on our industries. We have limited local industry, but we are a much diversified community with many residents working outside our School District in varying types of employment. This has protected our School District income tax from a drastic loss to this point.

The School District is not without its share of challenges. The need for additional funds for operating is seen as a constant challenge for the School District in light of budget cuts at the State level for funding education and the School District's history of operating failures. The School District did meet this challenge head on when they decided to change the current .75 percent income tax to a 1 percent earned income tax. After two tries on the ballot the levy was passed in May 2007. The Board, staff members, administrators and community members combined to educate the voting population about the benefits of an earned income tax compared to the current income tax. With an earned income tax, only income reported on W-2's and self-employment 1099's are levied the 1 percent income tax. This is a benefit to our senior citizen population since it removes their retirement and investment income from the calculation. Our in-home meetings had a tremendous positive effect on getting the levy to pass. Additionally, the actions of local and state governments continue to impact the School District.

Berkshire Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Tax abated industries have always been an asset to the School District because the CRA (Community Reinvestment Area) legislation abated real estate tax only, not tangible property taxes on the inventories and equipment of businesses. The tangible personal property tax is being phased out – the assessment percentage for all property, including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009. Economic factors have not had an adverse impact on commercial or industrial growth in the School District.

Residential growth has slowly continued over the past year. Housing developments continue to move toward completion. Affordable new homes in the \$124,500 to \$250,000 price range are still available. Statistically very low growth to no growth is projected for the School District over the next few years.

The School District also has the challenge of building maintenance and upkeep of three aging buildings. In an effort to cut costs due to levy failures, the School District sold its Troy Elementary building with the option to lease it for two or more years. During this time frame the School District has been planning and reviewing the options for housing those elementary students. Currently two plans are being considered; one to add an additional building and upgrades at the Burton Elementary campus and the other to build a new kindergarten through eighth grade building on the land across from the current board office. The Board has spent much time and consideration on this issue and is working with the Burt Hill Architects to decide the best action to take for the benefit of the students of the School District.

Berkshire Local School District has committed itself to financial reporting excellence for many years. The School District has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting since 2000. The School District is committed to continuous improvement in financial reporting to our community.

As a result of the challenges mentioned, it is imperative the School District's management continue to carefully and prudently plan in order to provide the resources required to meet student needs over the next several years.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and 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 questions about this report or need additional financial information contact Merry Lou Tramont, Treasurer at Berkshire Local School District, 14259 Claridon Troy Road, P.O. Box 364, Burton, Ohio 44021 or email at Be_Tramont@lgca.org.

Berkshire Local School District

Statement of Net Assets

June 30, 2007

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,903,814
Accounts Receivable	232
Intergovernmental Receivable	97,393
Prepaid Items	5,384
Inventory Held for Resale	3,031
Materials and Supplies Inventory	32,730
Income Taxes Receivable	732,358
Property Taxes Receivable	5,198,603
Nondepreciable Capital Assets	13,810
Depreciable Capital Assets, Net	<u>1,926,459</u>
<i>Total Assets</i>	<u>10,913,814</u>
Liabilities	
Accounts Payable	6,438
Accrued Wages	781,345
Intergovernmental Payable	258,364
Matured Compensated Absences Payable	66,969
Deferred Revenue	4,256,695
Claims Payable	10,860
Long-Term Liabilities:	
Due Within One Year	51,513
Due In More Than One Year	<u>835,288</u>
<i>Total Liabilities</i>	<u>6,267,472</u>
Net Assets	
Invested in Capital Assets	1,940,269
Restricted for:	
Capital Projects	922,955
Set Asides	39,468
Other Purposes	151,441
Unrestricted	<u>1,592,209</u>
<i>Total Net Assets</i>	<u><u>\$4,646,342</u></u>

See accompanying notes to the basic financial statements

Berkshire Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2007

	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	\$4,495,206	\$467,384	\$63,986	(\$3,963,836)
Special	1,326,200	0	320,887	(1,005,313)
Vocational	60,671	0	173	(60,498)
Support Services:				
Pupil	614,007	0	80,674	(533,333)
Instructional Staff	423,189	0	10,534	(412,655)
Board of Education	36,959	0	110	(36,849)
Administration	1,102,186	0	39,433	(1,062,753)
Fiscal	348,188	0	977	(347,211)
Business	28,018	0	180	(27,838)
Operation and Maintenance of Plant	1,136,704	0	2,770	(1,133,934)
Pupil Transportation	693,519	0	4,731	(688,788)
Operation of Food Services	270,350	190,268	40,734	(39,348)
Extracurricular Activities	391,545	151,692	43,335	(196,518)
<i>Totals</i>	\$10,926,742	\$809,344	\$608,524	(9,508,874)
General Revenues				
Property Taxes Levied for:				
				4,766,622
				249,327
				1,501,823
				4,221,620
				176,711
				365,160
				8,550
				<i>Total General Revenues</i> 11,289,813
				1,780,939
				<i>Net Assets Beginning of Year</i> <i>Restated (See Note 3)</i> 2,865,403
				<i>Net Assets End of Year</i> \$4,646,342

See accompanying notes to the basic financial statements

Berkshire Local School District

Balance Sheet

Governmental Funds

June 30, 2007

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$1,746,946	\$875,817	\$178,706	\$2,801,469
Restricted Assets:				
Equity in Pooled Cash and				
Cash Equivalents	39,468	0	0	39,468
Accounts Receivable	102	0	130	232
Interfund Receivable	42,330	0	0	42,330
Intergovernmental Receivable	89,956	0	7,437	97,393
Prepays	5,114	0	270	5,384
Inventory Held for Resale	0	0	3,031	3,031
Materials and Supplies Inventory	32,243	0	487	32,730
Income Taxes Receivable	732,358	0	0	732,358
Property Taxes Receivable	4,940,298	258,305	0	5,198,603
	<u>\$7,628,815</u>	<u>\$1,134,122</u>	<u>\$190,061</u>	<u>\$8,952,998</u>
<i>Total Assets</i>				
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$6,306	\$0	\$132	\$6,438
Accrued Wages and Benefits	729,232	0	52,113	781,345
Interfund Payable	0	0	42,330	42,330
Intergovernmental Payable	236,385	0	21,979	258,364
Matured Compensated Absences Payable	66,969	0	0	66,969
Deferred Revenue	4,085,798	213,245	0	4,299,043
	<u>5,124,690</u>	<u>213,245</u>	<u>116,554</u>	<u>5,454,489</u>
<i>Total Liabilities</i>				
 Fund Balances				
Reserved for Encumbrances	123,212	60,406	15,960	199,578
Reserved for Property Taxes	854,500	45,060	0	899,560
Reserved for Budget Stabilization	39,468	0	0	39,468
Unreserved:				
Undesignated, Reported in:				
General Fund	1,486,945	0	0	1,486,945
Special Revenue Funds	0	0	57,547	57,547
Capital Projects Funds	0	815,411	0	815,411
	<u>2,504,125</u>	<u>920,877</u>	<u>73,507</u>	<u>3,498,509</u>
<i>Total Fund Balances</i>				
<i>Total Liabilities and Fund Balances</i>	<u>\$7,628,815</u>	<u>\$1,134,122</u>	<u>\$190,061</u>	<u>\$8,952,998</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, 2007*

Total Governmental Fund Balances	\$3,498,509
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,940,269
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. These deferrals are attributed to property taxes.	42,348
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.	52,017
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>(886,801)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$4,646,342</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, 2007

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Income Taxes	\$1,501,823	\$0	\$0	\$1,501,823
Property Taxes	4,898,686	256,656	0	5,155,342
Intergovernmental	4,185,242	31,431	543,325	4,759,998
Interest	176,711	0	0	176,711
Tuition and Fees	201,265	0	20,489	221,754
Extracurricular Activities	168,005	0	141,753	309,758
Contributions and Donations	27,407	0	42,739	70,146
Charges for Services	80,027	0	190,018	270,045
Rentals	7,787	0	0	7,787
Miscellaneous	8,550	0	0	8,550
<i>Total Revenues</i>	<u>11,255,503</u>	<u>288,087</u>	<u>938,324</u>	<u>12,481,914</u>
Expenditures				
Current:				
Instruction:				
Regular	4,278,128	0	81,222	4,359,350
Special	931,837	0	398,032	1,329,869
Vocational	59,507	0	0	59,507
Support Services:				
Pupil	523,595	0	86,630	610,225
Instructional Staff	421,817	0	11,724	433,541
Board of Education	36,959	0	0	36,959
Administration	1,026,668	0	40,820	1,067,488
Fiscal	371,725	0	0	371,725
Business	27,918	0	100	28,018
Operation and Maintenance of Plant	967,069	0	0	967,069
Pupil Transportation	765,533	0	2,980	768,513
Operation of Food Services	2,722	0	260,117	262,839
Extracurricular Activities	208,882	0	182,066	390,948
Capital Outlay	0	369,621	0	369,621
<i>Total Expenditures</i>	<u>9,622,360</u>	<u>369,621</u>	<u>1,063,691</u>	<u>11,055,672</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,633,143</u>	<u>(81,534)</u>	<u>(125,367)</u>	<u>1,426,242</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	371,254	0	371,254
Transfers In	0	0	30,808	30,808
Transfers Out	(30,808)	0	0	(30,808)
<i>Total Other Financing Sources (Uses)</i>	<u>(30,808)</u>	<u>371,254</u>	<u>30,808</u>	<u>371,254</u>
<i>Net Change in Fund Balances</i>	1,602,335	289,720	(94,559)	1,797,496
<i>Fund Balances Beginning of Year</i>	<u>901,790</u>	<u>631,157</u>	<u>168,066</u>	<u>1,701,013</u>
<i>Fund Balances End of Year</i>	<u>\$2,504,125</u>	<u>\$920,877</u>	<u>\$73,507</u>	<u>\$3,498,509</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, 2007*

Net Change in Fund Balances - Total Governmental Funds \$1,797,496

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

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

Capital Outlay	\$353,698
Depreciation	<u>(176,599)</u>

Total	177,099
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Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (26,130)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These revenues were attributed to property taxes. (139,393)

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. 21,199

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. (49,332)

Change in Net Assets of Governmental Activities \$1,780,939

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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Income Taxes	\$1,200,000	\$1,318,485	\$1,356,549	\$38,064
Property and Other Local Taxes	4,865,583	4,623,984	4,794,795	170,811
Intergovernmental	3,954,524	4,161,217	4,095,286	(65,931)
Interest	37,201	100,000	176,711	76,711
Tuition and Fees	21,299	55,000	201,895	146,895
Extracurricular Activities	133,323	161,405	173,555	12,150
Contributions and Donations	3,000	27,000	27,407	407
Charges for Services	2,000	15,000	80,027	65,027
Rentals	5,000	5,000	7,787	2,787
Miscellaneous	32,100	21,000	9,623	(11,377)
<i>Total Revenues</i>	<u>10,254,030</u>	<u>10,488,091</u>	<u>10,923,635</u>	<u>435,544</u>
Expenditures				
Current:				
Instruction:				
Regular	5,350,253	4,457,587	4,337,465	120,122
Special	4,027	1,115,421	1,022,090	93,331
Vocational	1,625	63,043	59,108	3,935
Support Services:				
Pupil	562,005	542,871	513,528	29,343
Instructional Staff	455,706	437,819	415,042	22,777
Board of Education	57,311	48,623	40,252	8,371
Administration	844,396	1,023,540	991,735	31,805
Fiscal	346,470	389,391	369,913	19,478
Business	0	37,000	27,918	9,082
Operation and Maintenance of Plant	1,053,656	1,122,141	975,009	147,132
Pupil Transportation	831,425	914,914	769,219	145,695
Operation of Food Services	4,200	15,061	13,244	1,817
Extracurricular Activities	225,500	246,292	217,116	29,176
<i>Total Expenditures</i>	<u>9,736,574</u>	<u>10,413,703</u>	<u>9,751,639</u>	<u>662,064</u>
<i>Excess of Revenues Over Expenditures</i>	<u>517,456</u>	<u>74,388</u>	<u>1,171,996</u>	<u>1,097,608</u>
Other Financing Uses				
Advance Out	0	(6,000)	(6,000)	0
Transfers Out	0	(31,000)	(30,808)	192
<i>Total Other Financing Uses</i>	<u>0</u>	<u>(37,000)</u>	<u>(36,808)</u>	<u>192</u>
<i>Net Change in Fund Balance</i>	517,456	37,388	1,135,188	1,097,800
<i>Fund Balance Beginning of Year</i>	370,809	370,809	370,809	0
Prior Year Encumbrances Appropriated	<u>187,229</u>	<u>187,229</u>	<u>187,229</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,075,494</u>	<u>\$595,426</u>	<u>\$1,693,226</u>	<u>\$1,097,800</u>

See accompanying notes to the basic financial statements

Berkshire Local School District

Statement of Fund Net Assets

Internal Service Fund

June 30, 2007

	<u>Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$62,877
Liabilities	
Claims Payable	<u>10,860</u>
Net Assets	
Unrestricted	<u><u>\$52,017</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, 2007*

	Insurance
Operating Revenues	
Charges for Services	\$213,307
Operating Expenses	
Purchased Services	738
Claims	261,901
<i>Total Operating Expenses</i>	262,639
<i>Change in Net Assets</i>	(49,332)
<i>Net Assets Beginning of Year</i>	101,349
<i>Net Assets End of Year</i>	\$52,017

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, 2007

	Insurance
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$213,307
Cash Payments for Goods and Services	(738)
Cash Payments for Claims	(261,163)
<i>Net Decrease in Cash and Cash Equivalents</i>	(48,594)
<i>Cash and Cash Equivalents Beginning of Year</i>	111,471
<i>Cash and Cash Equivalents End of Year</i>	\$62,877
 Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating Loss	(\$49,332)
Adjustments:	
Increase in Claims Payable	738
<i>Net Cash Used in Operating Activities</i>	(\$48,594)
 See accompanying notes to the basic financial statements	

Berkshire Local School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2007

Assets

Equity in Pooled Cash and Cash Equivalents	<u>\$45,366</u>
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Liabilities

Due to Students	\$41,579
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Undistributed Monies	<u>3,787</u>
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<i>Total Liabilities</i>	<u>\$45,366</u>
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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, 2007

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 56 non-certified employees, 75 certified full time teaching personnel and 6 administrative employees to provide services to 1,247 students and other community members.

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

The School District serves an area of approximately 70 square miles. It is located in Geauga County, including all of Burton, Claridon, and Troy Townships, Ohio. The School District is the 412th largest in the State of Ohio (among 612 school districts) in terms of enrollment. It currently operates three instructional buildings and one administrative building.

Reporting Entity

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

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

The School District is associated with three jointly governed organizations, one related organization and one insurance purchasing pool. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Ohio Schools Council Association, the Burton Public Library and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Notes 17, 18 and 19 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary fund provided they do not 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, 2007

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.

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

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 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 employee computer purchases.

C. Measurement Focus

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

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

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

D. Basis of Accounting

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the fiscal year in which the income is earned and revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2007, the School District invested in STAROhio. STAROhio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2007.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

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 2007 amounted to \$176,711, which includes \$66,517 assigned from other School District funds.

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

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or the laws of other governments, or imposed by enabling legislation. Restricted assets in the general fund represent amounts required by State statute to be set aside to create a reserve for budget stabilization. See Note 20 for additional information regarding set-asides.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

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

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The School District contracted with Valuation Engineers to do an appraisal update of all of the School Districts capital assets. The capitalization threshold increased from one thousand five hundred dollars to 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:

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Description	Governmental Activities Estimated Lives
Land Improvements	99 years
Buildings and Improvements	10 - 50 years
Furniture and Fixtures	6 - 10 years
Vehicles	3 - 10 years

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

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

K. Accrued Liabilities and Long-term Obligations

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

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

L. 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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

M. 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. The government-wide statement of net assets reports restricted net assets of \$1,113,864, none of which are restricted by enabling legislation. 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.

N. 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.

O. 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.

P. Estimates

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

Q. Budgetary Data

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

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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

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 - Restatement of Net Assets

During fiscal year 2007, the School District increased its capital threshold to \$2,500 from \$1,500, and a reappraisal of capital assets was completed and it showed that they were understated. This restatement decreased net assets at June 30, 2006 by \$31,115, from \$2,896,518 to \$2,865,403. In addition, the School District corrected the estimated useful lives of its buildings from 30 to 50 years.

Note 4 – Accountability and Compliance

A. Accountability

The following funds had deficit fund balances as of June 30, 2007:

<i>Special Revenue Funds</i>	
Uniform School Supplies	\$3,825
School Improvement Model	84
Title VI-B	40,845
Title I	33,180

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

B. Compliance

The School District had a negative cash fund balance of \$36,330 in the Title VI-B fund indicating that revenue from other sources were used to pay obligations for this fund, contrary to Ohio Revised Code Section 5705.10.

In order to eliminate this deficit, the School District will be closely monitoring the drawdown of grant funds and make advances during the year.

The employee dental plan internal service fund had expenditures plus encumbrances in excess of appropriations in the amount of \$12,901, contrary to Ohio Revised Code Section 5705.41.

Although this violation was not corrected by year end, management has indicated that expenditures will be closely monitored to ensure no future violations.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting its financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

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).
4. Advances-In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Investments reported at cost (budget) rather than fair value (GAAP).

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

Net Change in Fund Balance	
GAAP Basis	\$1,602,335
Net Adjustment for Revenue Accruals	(331,868)
Net Adjustment for Expenditure Accruals	239
Advances Out	(6,000)
Encumbrances	(129,518)
Budget Basis	\$1,135,188

Note 6 - Deposits and Investments

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

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

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

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

Berkshire Local School District
Notes to the Basic Financial Statements
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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 (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$2,787,395 of the School District's bank balance of \$2,991,216 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, 2007, the School District had STAROhio as the only investment with an amount of \$46,908 and a maturity of 33 days.

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

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 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2007 represents collections of calendar year 2006 taxes. Real property taxes received in calendar year 2007 were levied after April 1, 2006, on the assessed value listed as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2007 represents collections of calendar year 2006 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 became a lien December 31, 2005, were levied after April 1, 2006 and are collected in 2007 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2007 (other than public utility property tax) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Geauga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2007, are available to finance fiscal year 2007 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, 2007 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

The amount available as an advance at June 30, 2007 was \$854,500 in the general fund and \$45,060 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2006, was \$750,609 in the general fund and \$39,181 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.

The assessed values upon which the fiscal year 2007 taxes were collected are:

	2006 Second Half Collections		2007 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$203,700,640	90.69 %	\$206,164,140	92.78 %
Public Utility Personal	6,205,680	2.76	6,276,010	2.82
Tangible Personal Property	14,712,180	6.55	9,765,500	4.40
Total	\$224,618,500	100.00 %	\$222,205,650	100.00 %
Full tax rate per \$1,000 of assessed valuation	\$52.30		\$52.30	

Note 8 - Receivables

Receivables at June 30, 2007, 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 are expected to be collected within one year.

A summary of the intergovernmental receivables follows:

	Amount
Tuition and Fees	\$89,956
Food Service	5,955
Title VI-B	1,482
<i>Total Intergovernmental Receivables</i>	\$97,393

Note 9 - Income Tax

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 10 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2007.

B. Litigation

The School District is not party to legal proceedings.

Note 11 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	Restated Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Nondepreciable Capital Assets				
Land	\$14,295	\$0	(\$485)	\$13,810
Depreciable Capital Assets				
Land Improvements	198,982	0	0	198,982
Buildings and Improvements	3,684,671	171,788	(242,686)	3,613,773
Furniture and Fixtures	1,068,936	39,664	0	1,108,600
Vehicles	773,931	142,246	(142,846)	773,331
<i>Total at Historical Cost</i>	<u>5,726,520</u>	<u>353,698</u>	<u>(385,532)</u>	<u>5,694,686</u>
Less: Accumulated Depreciation				
Land Improvements	(81,651)	(1,751)	0	(83,402)
Buildings and Improvements	(2,711,972)	(55,548)	217,041	(2,550,479)
Furniture and Fixtures	(691,403)	(50,253)	0	(741,656)
Vehicles	(466,489)	(69,047)	142,846	(392,690)
<i>Total Accumulated Depreciation</i>	<u>(3,951,515)</u>	<u>(176,599) *</u>	<u>359,887</u>	<u>(3,768,227)</u>
<i>Depreciable Capital Assets, Net of Accumulated Depreciation</i>	<u>1,775,005</u>	<u>177,099</u>	<u>(25,645)</u>	<u>1,926,459</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$1,789,300</u>	<u>\$177,099</u>	<u>(\$26,130)</u>	<u>\$1,940,269</u>

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$72,967
Support Services:	
Instructional Staff	6,165
Administration	20,644
Fiscal	719
Operation and Maintenance of Plant	2,300
Pupil Transportation	68,225
Operation of Food Services	4,982
Extracurricular Activities	597
Total Depreciation Expense	\$176,599

Note 12 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2007, the School District participated in the Ohio Schools Council insurance program which contracted with Indiana Insurance. Indiana Insurance acts as the carrier and the coverage provided is as follows:

Type of Coverage	Amount
Building and Contents - replacement cost	\$19,977,026
Inland Marine Coverage	1,165,191
Crime Insurance	255,000
Theft	15,000
Extra Expense	1,000,000
Automobile Liability	1,000,000
Uninsured Motorists	50,000
General Liability	
Per Occurrence	1,000,000
Total per year	2,000,000
Boiler and Machinery	30,000,000
Consequential Loss	100,000
Expediting Expense	100,000
Hazardous Substance	100,000
Ammonia Contamination	100,000

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

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

B. Workers' Compensation

For fiscal year 2007, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

C. Other Employee Benefits

The School District has elected to provide dental coverage benefits through a self-insurance program. The School District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a dental plan with a \$75 family and \$25 single. A third party administrator, Barrett Benefits, Inc., located in Beachwood, Ohio, reviews all dental claims which are then paid by the School District. The premiums are paid by the fund that pays the salary for the employee and are based on historical cost information.

The claims liability of \$10,860 reported in the internal service fund at June 30, 2007 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for 2006 and 2007 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2006	\$3,652	\$292,171	\$285,701	\$10,122
2007	10,122	261,901	261,163	10,860

Note 13 - Employee Benefits

A. Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 315 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 75 days.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

B. Life / Medical Insurance

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

C. Retirement Incentive

The School District Board of Education offers employees participation in a Retirement Incentive program. Participation is open to employees who are eligible for service retirement under the State Teachers Retirement System (STRS) and School Employees Retirement System (SERS). Each employee who qualifies for and takes retirement must notify the Board in writing of the employee's intention prior to April 30. The employee receives a retirement incentive of 20 percent of the employee's last year's salary. The incentive is paid upon retirement. Payments during fiscal year 2007 were \$23,680. No liability was carried forward to fiscal year 2008.

Note 14 - Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by visiting ohsers.org.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2007, 10.68 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006 and 2005 were \$149,791, \$149,738 and \$159,084 respectively; 51.73 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. 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 East Broad Street Columbus, OH 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio Web site at www.strs.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 member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan

Berkshire Local School District
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For the Fiscal Year Ended June 30, 2007

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 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. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2007, 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 2006, 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, 2007, 2006, and 2005 were \$574,938, \$581,144, and \$632,183 respectively; 84.5 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. Contributions to the DC and Combined Plans for fiscal year 2007 were \$7,808 made by the School District and \$12,072 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, 2007, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

Note 15 - Postemployment Benefits

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

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$44,226 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2007, the balance in the Fund was \$4.1 billion. For the year ended June 30, 2007, net health care costs paid by STRS were \$265,558,000 and STRS had 122,934 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll, compared to 3.42 percent of covered payroll for fiscal year 2006. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$74,615.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next year. Expenses for health care at June 30, 2006, (the latest information available), were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has 59,492 participants eligible to receive benefits.

Note 16 - Long Term Obligations

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

	Principal Outstanding 06/30/06	Additions	Reductions	Principal Outstanding 06/30/07	Amount Due in One Year
Governmental Activities					
Compensated Absences	<u>\$908,000</u>	<u>\$22,090</u>	<u>\$43,289</u>	<u>\$886,801</u>	<u>\$51,513</u>

The compensated absences payable will be paid from the general fund.

The School District's overall debt margin was \$19,024,567 with an unvoted debt margin of \$211,384 at June 30, 2007.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

Note 17 - Jointly Governed Organizations

A. Auburn Career Center

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

B. Lake Geauga Computer Association

The Lake Geauga Computer Association (the "LGCA") is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its eighteen member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on the School District's continued participation. During fiscal year 2007, the School District paid \$46,925 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 108 school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2007, the School District paid \$1,231 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 Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June, these estimated payments are compared to their actual usage for the year end and necessary adjustments are made.

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

The School District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school district will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

Note 18 - Related Organization

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

Note 19 - Insurance Purchasing Pool

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

Note 20 - Set Asides

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2007, 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.

Berkshire Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbook Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2006	\$39,468	\$0	(\$2,617,833)
Current Year Set-aside Requirement	0	196,902	196,902
Qualifying Disbursements	0	(282,114)	(15,257)
Totals	\$39,468	(\$85,212)	(\$2,436,188)
Set-aside Balance Carried Forward to Future Fiscal Years	\$39,468	\$0	(\$2,436,188)
Set-aside Reserve Balance as of June 30, 2007	\$39,468	\$0	\$0

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

Note 21 – Operating Lease

The School District has one noncancellable operating lease. The future minimum lease payment is \$29,000 in fiscal year 2008.

Note 22 – Interfund Activity and Balances

A. Interfund Transfers

During fiscal year 2007 the General fund transferred \$26,450 to the Title I fund and \$4,358 into the Class Size Reduction Grant fund to cover expenditures which exceeded grant amounts.

B. Interfund Balances

During fiscal year 2007 the General fund advanced \$36,330 to the Title VI-B fund to offset deficit cash and \$6,000 to the Uniform School Supplies fund to cover expenses.

Combining Statements and Individual Fund Schedules

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds (continued)

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

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

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

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

Berkshire Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Food Service	Uniform School Supplies	Public School Support	Athletics and Music	Educational Management Information Systems	SchoolNet Professional Development
Assets						
Equity in Pooled Cash and						
Cash Equivalents	\$91,343	\$2,175	\$20,707	\$49,703	\$3,664	\$2,699
Accounts Receivable	0	0	0	130	0	0
Intergovernmental Receivable	5,955	0	0	0	0	0
Prepaid Items	0	0	0	0	0	0
Inventory Held for Resale	3,031	0	0	0	0	0
Materials and Supplies Inventory	487	0	0	0	0	0
<i>Total Assets</i>	<u>\$100,816</u>	<u>\$2,175</u>	<u>\$20,707</u>	<u>\$49,833</u>	<u>\$3,664</u>	<u>\$2,699</u>
 Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$0	\$0	\$0	\$132	\$0	\$0
Accrued Wages and Benefits	19,235	0	0	0	0	0
Interfund Payable	0	6,000	0	0	0	0
Intergovernmental Payable	14,935	0	0	320	0	0
<i>Total Liabilities</i>	<u>34,170</u>	<u>6,000</u>	<u>0</u>	<u>452</u>	<u>0</u>	<u>0</u>
 Fund Balances						
Reserved for Encumbrances	4,831	0	0	1,210	0	0
Unreserved, Undesignated (Deficit)	61,815	(3,825)	20,707	48,171	3,664	2,699
<i>Total Fund Balances (Deficit)</i>	<u>66,646</u>	<u>(3,825)</u>	<u>20,707</u>	<u>49,381</u>	<u>3,664</u>	<u>2,699</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$100,816</u>	<u>\$2,175</u>	<u>\$20,707</u>	<u>\$49,833</u>	<u>\$3,664</u>	<u>\$2,699</u>

Ohio Reads Grant	School Improvement Model	Title VI-B	Title I	Title V	Title II-D	Total Nonmajor Special Revenue Funds
\$2,506	\$25	\$0	\$46	\$4,907	\$931	\$178,706
0	0	0	0	0	0	130
0	0	1,482	0	0	0	7,437
0	0	270	0	0	0	270
0	0	0	0	0	0	3,031
0	0	0	0	0	0	487
<u>\$2,506</u>	<u>\$25</u>	<u>\$1,752</u>	<u>\$46</u>	<u>\$4,907</u>	<u>\$931</u>	<u>\$190,061</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$132
0	0	4,236	28,642	0	0	52,113
0	0	36,330	0	0	0	42,330
0	109	2,031	4,584	0	0	21,979
0	109	42,597	33,226	0	0	116,554
500	0	2,445	50	4,920	2,004	15,960
2,006	(84)	(43,290)	(33,230)	(13)	(1,073)	57,547
2,506	(84)	(40,845)	(33,180)	4,907	931	73,507
<u>\$2,506</u>	<u>\$25</u>	<u>\$1,752</u>	<u>\$46</u>	<u>\$4,907</u>	<u>\$931</u>	<u>\$190,061</u>

Berkshire Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007

	Food Service	Uniform School Supplies	Public School Support
Revenues			
Intergovernmental	\$40,719	\$0	\$0
Tuition and Fees	0	20,489	0
Extracurricular Activities	0	0	12,134
Contributions and Donations	0	0	14,382
Charges for Services	190,018	0	0
<i>Total Revenues</i>	<u>230,737</u>	<u>20,489</u>	<u>26,516</u>
Expenditures			
Current:			
Instruction:			
Regular	0	25,058	0
Special	0	0	0
Support Services:			
Pupil	0	0	0
Instructional Staff	0	0	0
Administration	0	0	0
Business	0	0	0
Pupil Transportation	0	0	0
Operation of Food Services	260,117	0	0
Extracurricular Activities	0	0	33,996
<i>Total Expenditures</i>	<u>260,117</u>	<u>25,058</u>	<u>33,996</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(29,380)	(4,569)	(7,480)
Other Financing Sources			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(29,380)	(4,569)	(7,480)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>96,026</u>	<u>744</u>	<u>28,187</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$66,646</u></u>	<u><u>(\$3,825)</u></u>	<u><u>\$20,707</u></u>

Athletics and Music	Educational Management Information Systems	ONEnet	SchoolNet Professional Development	Ohio Reads Grant	School Improvement Model
\$0	\$5,000	\$9,000	\$40	\$4,000	\$0
0	0	0	0	0	0
129,619	0	0	0	0	0
28,357	0	0	0	0	0
0	0	0	0	0	0
<u>157,976</u>	<u>5,000</u>	<u>9,000</u>	<u>40</u>	<u>4,000</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	109
0	1,336	0	0	0	0
0	0	0	0	5,494	0
0	0	9,000	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
148,070	0	0	0	0	0
<u>148,070</u>	<u>1,336</u>	<u>9,000</u>	<u>0</u>	<u>5,494</u>	<u>109</u>
9,906	3,664	0	40	(1,494)	(109)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9,906	3,664	0	40	(1,494)	(109)
<u>39,475</u>	<u>0</u>	<u>0</u>	<u>2,659</u>	<u>4,000</u>	<u>25</u>
<u>\$49,381</u>	<u>\$3,664</u>	<u>\$0</u>	<u>\$2,699</u>	<u>\$2,506</u>	<u>(\$84)</u>

(continued)

Berkshire Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2007

	Title VI-B	Title I	Title V	Drug Free Schools Grant
Revenues				
Intergovernmental	\$225,985	\$197,037	\$4,907	\$5,275
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Charges for Services	0	0	0	0
<i>Total Revenues</i>	<u>225,985</u>	<u>197,037</u>	<u>4,907</u>	<u>5,275</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	3,125
Special	144,750	253,173	0	0
Support Services:				
Pupil	78,000	3,494	0	2,050
Instructional Staff	6,230	0	0	0
Administration	31,820	0	0	0
Business	0	0	0	100
Pupil Transportation	2,980	0	0	0
Operation of Food Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>263,780</u>	<u>256,667</u>	<u>0</u>	<u>5,275</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(37,795)	(59,630)	4,907	0
Other Financing Sources				
Transfers In	0	26,450	0	0
<i>Net Change in Fund Balances</i>	(37,795)	(33,180)	4,907	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(3,050)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$40,845)</u>	<u>(\$33,180)</u>	<u>\$4,907</u>	<u>\$0</u>

Class Size Reduction Grant	Title II-D Technology	Total Nonmajor Special Revenue Funds
\$48,681	\$2,681	\$543,325
0	0	20,489
0	0	141,753
0	0	42,739
0	0	190,018
<u>48,681</u>	<u>2,681</u>	<u>938,324</u>
53,039	0	81,222
0	0	398,032
0	1,750	86,630
0	0	11,724
0	0	40,820
0	0	100
0	0	2,980
0	0	260,117
0	0	182,066
<u>53,039</u>	<u>1,750</u>	<u>1,063,691</u>
(4,358)	931	(125,367)
<u>4,358</u>	<u>0</u>	<u>30,808</u>
0	931	(94,559)
<u>0</u>	<u>0</u>	<u>168,066</u>
<u>\$0</u>	<u>\$931</u>	<u>\$73,507</u>

Combining Statements - Fiduciary Funds

Agency Funds

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

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

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

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

Berkshire Local School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2007

	Beginning Balance 6/30/06	Additions	Deductions	Ending Balance 6/30/07
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$40,617	\$88,071	\$87,109	\$41,579
Liabilities				
Due to Students	\$40,617	\$88,071	\$87,109	\$41,579
<i>Employee Computer Purchase</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$29,163	\$0	\$29,163	\$0
Liabilities				
Undistributed Monies	\$29,163	\$0	\$29,163	\$0
<i>Elementary</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,703	\$1,270	\$3,186	\$3,787
Liabilities				
Undistributed Monies	\$5,703	\$1,270	\$3,186	\$3,787
<i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$75,483	\$89,341	\$119,458	\$45,366
Liabilities				
Due to Students	\$40,617	\$88,071	\$87,109	\$41,579
Undistributed Monies	34,866	1,270	32,349	3,787
Total Liabilities	\$75,483	\$89,341	\$119,458	\$45,366

**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, 2007

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Income Taxes	\$1,200,000	\$1,318,485	\$1,356,549	\$38,064
Property and Other Local Taxes	4,865,583	4,623,984	4,794,795	170,811
Intergovernmental	3,954,524	4,161,217	4,095,286	(65,931)
Interest	37,201	100,000	176,711	76,711
Tuition and Fees	21,299	55,000	201,895	146,895
Extracurricular Activities	133,323	161,405	173,555	12,150
Contributions and Donations	3,000	27,000	27,407	407
Charges for Services	2,000	15,000	80,027	65,027
Rentals	5,000	5,000	7,787	2,787
Miscellaneous	32,100	21,000	9,623	(11,377)
<i>Total Revenues</i>	<u>10,254,030</u>	<u>10,488,091</u>	<u>10,923,635</u>	<u>435,544</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,874,889	3,070,937	3,020,065	50,872
Fringe Benefits	1,028,167	898,827	858,842	39,985
Purchased Services	350,255	332,325	320,120	12,205
Materials and Supplies	96,942	111,269	96,484	14,785
Capital Outlay - New	0	30,004	28,467	1,537
Capital Outlay - Replacement	0	14,225	13,487	738
Total Regular	<u>5,350,253</u>	<u>4,457,587</u>	<u>4,337,465</u>	<u>120,122</u>
Special:				
Salaries and Wages	0	380,654	374,654	6,000
Fringe Benefits	0	136,095	131,562	4,533
Purchased Services	2,950	593,435	511,869	81,566
Materials and Supplies	1,077	5,237	4,005	1,232
Total Special	<u>4,027</u>	<u>1,115,421</u>	<u>1,022,090</u>	<u>93,331</u>
Vocational:				
Salaries and Wages	0	44,270	42,506	1,764
Fringe Benefits	0	13,495	11,512	1,983
Materials and Supplies	1,625	5,278	5,090	188
Total Vocational	<u>1,625</u>	<u>63,043</u>	<u>59,108</u>	<u>3,935</u>
Total Instruction	<u>\$5,355,905</u>	<u>\$5,636,051</u>	<u>\$5,418,663</u>	<u>\$217,388</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, 2007

	<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	\$380,075	\$358,500	\$348,227	\$10,273
Fringe Benefits	129,840	121,770	112,942	8,828
Purchased Services	22,335	28,569	25,140	3,429
Materials and Supplies	29,755	34,032	27,219	6,813
Total Pupil	<u>562,005</u>	<u>542,871</u>	<u>513,528</u>	<u>29,343</u>
Instructional Staff:				
Salaries and Wages	259,950	226,810	219,474	7,336
Fringe Benefits	76,370	90,055	84,550	5,505
Purchased Services	101,325	70,985	64,948	6,037
Materials and Supplies	17,561	27,714	25,253	2,461
Capital Outlay - New	500	17,455	16,185	1,270
Capital Outlay - Replacement	0	4,800	4,632	168
Total Instructional Staff	<u>455,706</u>	<u>437,819</u>	<u>415,042</u>	<u>22,777</u>
Board of Education:				
Salaries and Wages	4,800	5,300	5,040	260
Fringe Benefits	695	1,180	878	302
Purchased Services	20,484	27,684	25,217	2,467
Materials and Supplies	346	648	0	648
Other	30,986	13,811	9,117	4,694
Total Board of Education	<u>57,311</u>	<u>48,623</u>	<u>40,252</u>	<u>8,371</u>
Administration:				
Salaries and Wages	549,750	546,557	534,805	11,752
Fringe Benefits	198,540	195,365	184,646	10,719
Purchased Services	32,337	18,749	10,911	7,838
Materials and Supplies	1,994	2,354	1,776	578
Other	61,775	260,515	259,597	918
Total Administration	<u>\$844,396</u>	<u>\$1,023,540</u>	<u>\$991,735</u>	<u>\$31,805</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, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Fiscal:				
Salaries and Wages	\$136,000	\$177,026	\$173,714	\$3,312
Fringe Benefits	44,725	51,025	45,182	5,843
Purchased Services	18,070	16,490	14,667	1,823
Materials and Supplies	2,175	3,350	2,719	631
Other	145,500	141,500	133,631	7,869
Total Fiscal	346,470	389,391	369,913	19,478
Business:				
Other	0	37,000	27,918	9,082
Operation and Maintenance of Plant:				
Salaries and Wages	379,100	368,700	357,779	10,921
Fringe Benefits	145,300	132,195	125,110	7,085
Purchased Services	474,145	539,235	425,298	113,937
Materials and Supplies	50,111	73,011	66,000	7,011
Capital Outlay - New	4,000	8,000	0	8,000
Capital Outlay - Replacement	1,000	1,000	822	178
Total Operation and Maintenance of Plant	1,053,656	1,122,141	975,009	147,132
Pupil Transportation:				
Salaries and Wages	384,775	301,960	287,218	14,742
Fringe Benefits	155,995	117,629	107,816	9,813
Purchased Services	141,492	232,592	164,403	68,189
Materials and Supplies	88,780	121,400	75,548	45,852
Capital Outlay - New	0	5,000	0	5,000
Capital Outlay - Replacement	60,383	136,333	134,234	2,099
Total Pupil Transportation	831,425	914,914	769,219	145,695
Total Support Services	4,150,969	4,516,299	4,102,616	413,683
Operation of Non-Instructional Services:				
Food Services:				
Fringe Benefits	0	9,061	9,058	3
Materials and Supplies	4,200	6,000	4,186	1,814
Total Operation of Non-Instructional Services	\$4,200	\$15,061	\$13,244	\$1,817

(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, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	\$25,000	\$25,000	\$19,538	\$5,462
Fringe Benefits	22,000	17,142	12,718	4,424
Total Academic and Subject Oriented Activities	<u>47,000</u>	<u>42,142</u>	<u>32,256</u>	<u>9,886</u>
Sports Oriented Activities:				
Salaries and Wages	174,000	180,150	169,175	10,975
Fringe Benefits	0	16,200	9,661	6,539
Purchased Services	500	2,000	1,600	400
Total Sports Oriented Activities	<u>174,500</u>	<u>198,350</u>	<u>180,436</u>	<u>17,914</u>
School and Public Service Co-Curricular Activities:				
Salaries and Wages	4,000	5,250	4,009	1,241
Fringe Benefits	0	550	415	135
Total School and Public Service Co-Curricular Activities	<u>4,000</u>	<u>5,800</u>	<u>4,424</u>	<u>1,376</u>
Total Extracurricular Activities	<u>225,500</u>	<u>246,292</u>	<u>217,116</u>	<u>29,176</u>
<i>Total Expenditures</i>	<u>9,736,574</u>	<u>10,413,703</u>	<u>9,751,639</u>	<u>662,064</u>
<i>Excess of Revenues Over Expenditures</i>	<u>517,456</u>	<u>74,388</u>	<u>1,171,996</u>	<u>1,097,608</u>
Other Financing Uses				
Advances Out	0	(6,000)	(6,000)	0
Transfers Out	0	(31,000)	(30,808)	192
<i>Total Other Financing Uses</i>	<u>0</u>	<u>(37,000)</u>	<u>(36,808)</u>	<u>192</u>
<i>Net Change in Fund Balance</i>	517,456	37,388	1,135,188	1,097,800
<i>Fund Balance Beginning of Year</i>	370,809	370,809	370,809	0
Prior Year Encumbrances Appropriated	<u>187,229</u>	<u>187,229</u>	<u>187,229</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,075,494</u>	<u>\$595,426</u>	<u>\$1,693,226</u>	<u>\$1,097,800</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, 2007

	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$242,167	\$250,777	\$8,610
Intergovernmental	55,245	31,431	(23,814)
<i>Total Revenues</i>	<u>297,412</u>	<u>282,208</u>	<u>(15,204)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	74,100	61,669	12,431
Support Services:			
Fiscal:			
Other	5,900	4,860	1,040
Operation and Maintenance of Plant:			
Purchased Services	287,238	227,529	59,709
Capital Outlay - New	154,794	154,794	0
Total Operation and Maintenance of Plant	<u>442,032</u>	<u>382,323</u>	<u>59,709</u>
Total Support Services	<u>447,932</u>	<u>387,183</u>	<u>60,749</u>
<i>Total Expenditures</i>	<u>522,032</u>	<u>448,852</u>	<u>73,180</u>
<i>Excess of Revenues Under Expenditures</i>	(224,620)	(166,644)	57,976
Other Financing Sources			
Sale of Capital Assets	360,645	371,254	10,609
<i>Net Change in Fund Balance</i>	136,025	204,610	68,585
<i>Fund Balance Beginning of Year</i>	408,063	408,063	0
Prior Year Encumbrances Appropriated	202,739	202,739	0
<i>Fund Balance End of Year</i>	<u>\$746,827</u>	<u>\$815,412</u>	<u>\$68,585</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, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$37,800	\$30,691	(\$7,109)
Charges for Services	192,500	190,018	(2,482)
<i>Total Revenues</i>	<u>230,300</u>	<u>220,709</u>	<u>(9,591)</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Food Service:			
Salaries and Wages	109,500	106,090	3,410
Fringe Benefits	34,315	26,081	8,234
Purchased Services	1,700	0	1,700
Materials and Supplies	157,200	102,824	54,376
Capital Outlay - New	5,000	4,831	169
<i>Total Expenditures</i>	<u>307,715</u>	<u>239,826</u>	<u>67,889</u>
<i>Net Change in Fund Balance</i>	(77,415)	(19,117)	58,298
<i>Fund Balance Beginning of Year</i>	<u>105,629</u>	<u>105,629</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$28,214</u></u>	<u><u>\$86,512</u></u>	<u><u>\$58,298</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, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$26,743	\$20,489	(\$6,254)
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	26,000	25,058	942
<i>Excess of Revenues Over (Under) Expenditures</i>	743	(4,569)	(5,312)
Other Financing Sources			
Advances In	0	6,000	6,000
<i>Net Change in Fund Balance</i>	743	1,431	688
<i>Fund Balance Beginning of Year</i>	744	744	0
<i>Fund Balance End of Year</i>	\$1,487	\$2,175	\$688

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, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$11,100	\$12,134	\$1,034
Contributions and Donations	18,000	14,382	(3,618)
<i>Total Revenues</i>	29,100	26,516	(2,584)
Expenditures			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	40,753	33,996	6,757
<i>Net Change in Fund Balance</i>	(11,653)	(7,480)	4,173
<i>Fund Balance Beginning of Year</i>	24,434	24,434	0
Prior Year Encumbrances Appropriated	3,754	3,754	0
<i>Fund Balance End of Year</i>	\$16,535	\$20,708	\$4,173

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, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$125,000	\$129,941	\$4,941
Contributions and Donations	28,000	28,357	357
<i>Total Revenues</i>	<u>153,000</u>	<u>158,298</u>	<u>5,298</u>
Expenditures			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Salaries and Wages	1,500	1,475	25
Fringe Benefits	100	81	19
Purchased Services	108,486	107,150	1,336
Materials and Supplies	17,568	17,331	237
Capital Outlay - New	21,182	21,158	24
Other	3,896	3,772	124
<i>Total Expenditures</i>	<u>152,732</u>	<u>150,967</u>	<u>1,765</u>
<i>Net Change in Fund Balance</i>	268	7,331	7,063
<i>Fund Balance Beginning of Year</i>	31,425	31,425	0
Prior Year Encumbrances Appropriated	<u>9,606</u>	<u>9,606</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$41,299</u></u>	<u><u>\$48,362</u></u>	<u><u>\$7,063</u></u>

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$3,000	\$5,000	\$2,000
Expenditures			
Current:			
Support Services:			
Pupil:			
Purchased Services	2,000	1,336	664
<i>Net Change in Fund Balance</i>	1,000	3,664	2,664
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$1,000	\$3,664	\$2,664

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, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$9,000	\$9,000	\$0
Expenditures			
Current:			
Support Services:			
Administration:			
Purchased Services	9,000	9,000	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$0	\$40	\$40
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	0	0	0
<i>Net Change in Fund Balance</i>	0	40	40
<i>Fund Balance Beginning of Year</i>	2,659	2,659	0
<i>Fund Balance End of Year</i>	\$2,659	\$2,699	\$40

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$6,000	\$4,000	(\$2,000)
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Materials and Supplies	6,000	5,994	6
<i>Net Change in Fund Balance</i>	0	(1,994)	(1,994)
<i>Fund Balance Beginning of Year</i>	4,000	4,000	0
<i>Fund Balance End of Year</i>	\$4,000	\$2,006	(\$1,994)

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
School Improvement Model Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Support Services:			
Pupil:			
Materials and Supplies	24	0	24
<i>Net Change in Fund Balance</i>	(24)	0	24
<i>Fund Balance Beginning of Year</i>	25	25	0
<i>Fund Balance End of Year</i>	<u>\$1</u>	<u>\$25</u>	<u>\$24</u>

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, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$269,984	\$224,503	(\$45,481)
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	1,480	1,480	0
Fringe Benefits	411	111	300
Purchased Services	138,084	138,084	0
Materials and Supplies	7,500	7,500	0
Total Instruction	147,475	147,175	300
Support Services:			
Pupil:			
Purchased Services	75,000	75,000	0
Materials and Supplies	3,000	3,000	0
Total Pupil	78,000	78,000	0
Instructional Staff:			
Materials and Supplies	250	250	0
Other	6,000	6,000	0
Total Instructional Staff	6,250	6,250	0
Administration:			
Salaries and Wages	28,200	22,478	5,722
Fringe Benefits	3,792	3,108	684
Materials and Supplies	3,287	3,287	0
Total Administration	35,279	28,873	6,406
Pupil Transportation:			
Purchased Services	2,980	2,980	0
Total Support Services	122,509	116,103	6,406
<i>Total Expenditures</i>	269,984	263,278	6,706
<i>Net Change in Fund Balance</i>	0	(38,775)	(38,775)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$38,775)	(\$38,775)

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, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$203,901	\$197,037	(\$6,864)
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	180,791	179,545	1,246
Fringe Benefits	42,786	39,407	3,379
Purchased Services	1,300	0	1,300
Materials and Supplies	1,000	995	5
Total Instruction	225,877	219,947	5,930
Support Services:			
Pupil:			
Purchased Services	1,058	100	958
Materials and Supplies	3,466	3,444	22
Total Support Services	4,524	3,544	980
<i>Total Expenditures</i>	230,401	223,491	6,910
<i>Excess of Revenues Under Expenditures</i>	(26,500)	(26,454)	46
Other Financing Sources			
Transfers In	26,500	26,450	(50)
<i>Net Change in Fund Balance</i>	0	(4)	(4)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$4)	(\$4)

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title V Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$4,920	\$4,907	(\$13)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	4,920	4,920	0
<i>Net Change in Fund Balance</i>	0	(13)	(13)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$13)	(\$13)

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, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$5,275	\$5,275	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,625	2,625	0
Materials and Supplies	500	500	0
Total Instruction	3,125	3,125	0
Support Services:			
Pupils:			
Salaries and Wages	2,050	2,050	0
Business:			
Salaries and Wages	100	100	0
Total Support Services	2,150	2,150	0
<i>Total Expenditures</i>	5,275	5,275	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
Class Size Reduction Grant Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$49,049	\$48,681	(\$368)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	44,241	44,200	41
Fringe Benefits	9,208	8,839	369
<i>Total Expenditures</i>	53,449	53,039	410
<i>Excess of Revenues Under Expenditures</i>	(4,400)	(4,358)	42
Other Financing Sources			
Operating Transfers In	4,400	4,358	(42)
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Berkshire Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title II-D Technology Fund
For the Fiscal Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$3,754	\$2,681	(\$1,073)
Expenditures			
Current:			
Support Services:			
Pupil:			
Purchased Services	3,754	3,754	0
<i>Net Change in Fund Balance</i>	0	(1,073)	(1,073)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$1,073)	(\$1,073)

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, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$250,000	\$213,307	(\$36,693)
Expenses			
Purchased Services	740	738	2
Claims	248,260	261,163	(12,903)
<i>Total Expenses</i>	249,000	261,901	(12,901)
<i>Net Change in Fund Equity</i>	1,000	(48,594)	(49,594)
<i>Fund Equity Beginning of Year</i>	111,471	111,471	0
<i>Fund Equity End of Year</i>	\$112,471	\$62,877	(\$49,594)

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Statistical Section

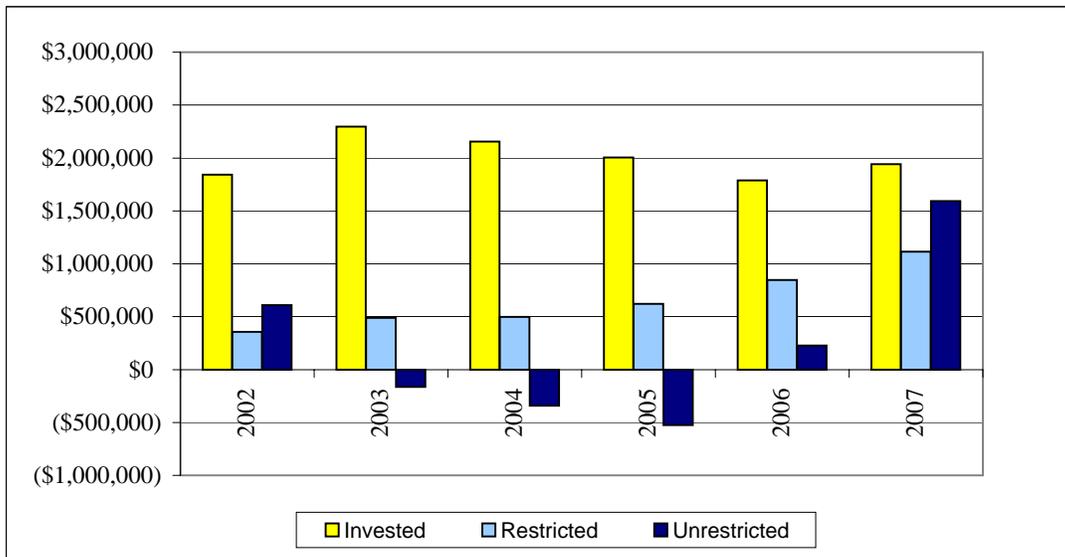
This part of the Berkshire Local School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School District's overall financial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

Contents	Pages(s)
<i>Financial Trends</i>	<i>S2 – S7</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>S8 – S18</i>
These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax and the income tax.	
<i>Debt Capacity</i>	<i>S19 – S23</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>S24 - S26</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>S27 – S36</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. Revenue and expenditure information on a modified accrual basis prior to 1999 is unavailable.

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

	2007	2006	2005	2004	2003	2002
Invested in Capital Assets, Net of Related Debt	\$1,940,269	\$1,789,300	\$2,003,813	\$2,154,459	\$2,296,818	\$1,843,250
Restricted for:						
Capital Projects	922,955	640,564	471,040	302,853	310,541	156,522
Debt Service	0	0	0	0	52,024	52,024
Set Asides	39,468	39,468	39,468	39,468	39,468	39,468
Other Purposes	151,441	168,066	110,672	156,379	87,604	107,382
Unrestricted (Deficit)	1,592,209	228,005	(525,586)	(342,388)	(163,721)	609,162
Total Net Assets	\$4,646,342	\$2,865,403	\$2,099,407	\$2,310,771	\$2,622,734	\$2,807,808

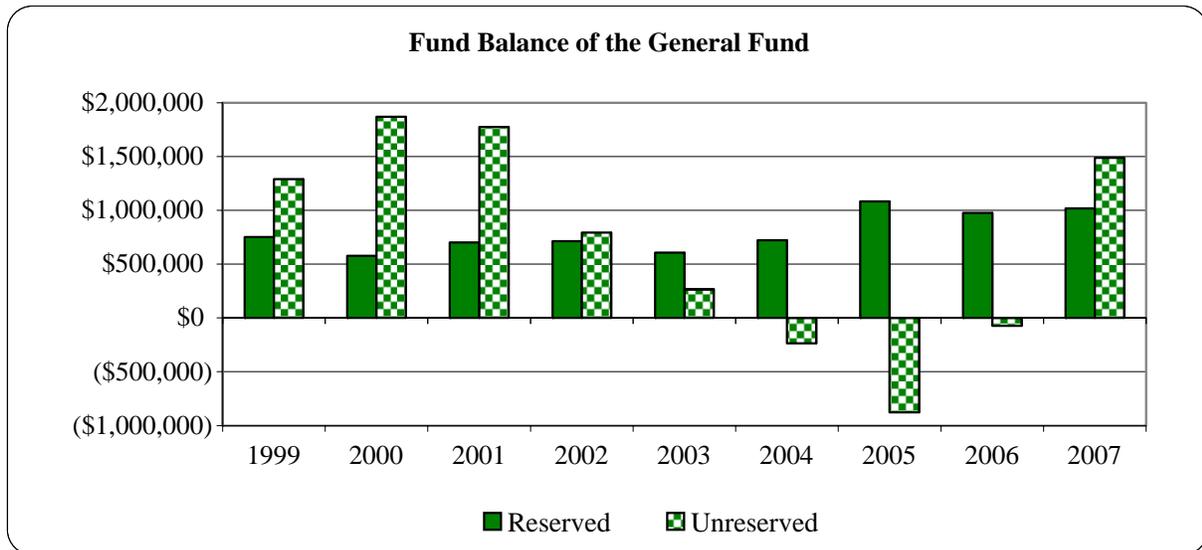


Berkshire Local School District
Changes in Net Assets of Governmental Activities
Last Six Fiscal Years
(accrual basis of accounting)

	2007	2006	2005	2004	2003	2002
Expenses						
Regular Instruction	\$4,495,206	\$4,693,751	\$5,188,198	\$4,988,073	\$4,905,643	\$5,062,243
Special Instruction	1,326,200	1,564,547	1,390,995	1,153,426	967,922	954,287
Vocational Instruction	60,671	55,414	55,653	53,983	47,206	53,659
Pupil Support	614,007	611,399	615,690	605,670	599,157	648,079
Instructional Staff Support	423,189	407,207	504,650	474,125	542,635	410,336
Board of Education	36,959	61,313	46,666	51,839	47,565	49,191
Administration	1,102,186	829,843	873,703	879,946	1,003,572	951,540
Fiscal	348,188	322,274	320,702	334,441	309,202	286,878
Business	28,018	29,925	36,421	27,850	16,910	33,972
Operation and Maintenance of Plant	1,136,704	1,052,876	1,044,789	1,118,464	1,088,676	1,070,121
Pupil Transportation	693,519	763,710	809,410	816,997	827,529	786,010
Operation of Food Services	270,350	331,153	385,017	388,659	424,048	401,456
Extracurricular Activities	391,545	363,747	373,143	425,556	413,973	351,015
Interest and Fiscal Charges	0	884	3,006	5,078	340	2,594
<i>Total Expenses</i>	<u>10,926,742</u>	<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>
Program Revenues						
Charges for Services						
Regular Instruction	467,384	98,213	87,553	79,894	75,428	45,157
Operation and Maintenance of Plant	0	10,677	7,783	6,968	11,484	22,843
Operation of Food Service	190,268	220,821	250,221	262,367	261,458	255,269
Extracurricular Activities	151,692	290,301	151,534	135,663	133,834	137,212
Operating Grants and Contributions	608,524	647,025	703,894	684,384	438,818	408,776
Capital Grants and Contributions	0	5,333	11,130	13,034	320,315	27,343
<i>Total Program Revenues</i>	<u>1,417,868</u>	<u>1,272,370</u>	<u>1,212,115</u>	<u>1,182,310</u>	<u>1,241,337</u>	<u>896,600</u>
Net Expense	<u>(9,508,874)</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>
General Revenues						
Property Taxes Levied for:						
General Purposes	4,766,622	4,777,030	4,859,170	4,536,033	4,493,546	3,912,786
Capital Outlay	249,327	252,820	286,289	240,597	260,450	234,293
Income Taxes Levied for:						
General Purposes	1,501,823	1,329,783	1,182,066	1,092,823	1,046,293	1,085,872
Grants and Entitlements not						
Restricted to Specific Programs	4,221,620	4,015,962	3,857,075	3,851,111	3,797,347	3,693,492
Unrestricted Contributions	0	10,649	0	0	0	0
Investment Earnings	176,711	91,189	34,686	24,063	88,847	136,719
Gain on Sale of Capital Assets	365,160	103,118	0	0	0	0
Miscellaneous	8,550	1,118	5,278	85,207	81,484	110,889
<i>Total General Revenues</i>	<u>11,289,813</u>	<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>
<i>Change in Net Assets</i>	<u>\$1,780,939</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 Nine Fiscal Years
(modified accrual basis of accounting)

	2007	2006	2005	2004
General Fund				
Reserved	\$1,017,180	\$975,425	\$1,081,687	\$720,833
Unreserved	1,486,945	(73,635)	(876,971)	(237,113)
<i>Total General Fund</i>	<u>2,504,125</u>	<u>901,790</u>	<u>204,716</u>	<u>483,720</u>
All Other Governmental Funds				
Reserved	121,426	235,130	201,771	110,697
Unreserved, Undesignated, Reported in:				
Special Revenue funds (Deficit)	57,547	156,030	73,826	113,164
Debt Service funds	0	0	0	0
Capital Projects funds	815,411	408,063	285,158	228,061
<i>Total All Other Governmental Funds</i>	<u>994,384</u>	<u>799,223</u>	<u>560,755</u>	<u>451,922</u>
<i>Total Governmental Funds</i>	<u><u>\$3,498,509</u></u>	<u><u>\$1,701,013</u></u>	<u><u>\$765,471</u></u>	<u><u>\$935,642</u></u>



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

Berkshire Local School District
Changes in Fund Balances, Governmental Funds (1)
Last Nine Fiscal Years
(modified accrual basis of accounting)

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

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

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

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

Berkshire Local School District
Assessed and Estimated Actual Value of Taxable Property
Last Nine Years (1)

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

(1) Information prior to 1999 is unavailable

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009.

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

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

Personal		Public Utility Personal		Total	
Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$78,124,000	\$6,276,010	\$7,131,830	\$222,205,650	\$674,296,230	\$22.37043
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	501,877,217	25.50385
61,933,800	8,186,330	9,302,648	171,635,720	493,996,276	25.93321
50,188,280	8,150,600	9,262,045	162,943,150	465,865,983	25.65010
180,623,328	8,730,000	9,920,455	132,740,160	515,898,554	29.43352

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

	2007	2006	2005
Unvoted Millage			
Operating	\$4.5000	\$4.5000	\$4.5000
Voted Millage - by levy			
1976 Operating - continuing			
Effective Millage Rates			
Residential/Agricultural	7.7472	7.7462	7.5200
Commercial/Industrial	7.4844	7.3781	8.2787
Tangible/Public Utility Personal	26.1000	26.1000	26.1000
1977 Operating - continuing			
Effective Millage Rates			
Residential/Agricultural	1.4841	1.4840	1.4406
Commercial/Industrial	1.4338	1.4134	1.5860
Tangible/Public Utility Personal	5.0000	5.0000	5.0000
1983 Operating - continuing			
Effective Millage Rates			
Residential/Agricultural	2.0118	2.0121	2.0893
Commercial/Industrial	2.5744	2.5378	2.8476
Tangible/Public Utility Personal	4.7000	4.7000	4.7000
1985 Operating - continuing			
Effective Millage Rates			
Residential/Agricultural	1.9262	1.9265	2.0004
Commercial/Industrial	2.4648	2.4298	2.7264
Tangible/Public Utility Personal	4.5000	4.5000	4.5000
1988 Operating - continuing			
Effective Millage Rates			
Residential/Agricultural	2.3306	2.3312	2.4497
Commercial/Industrial	2.8067	2.7668	3.1046
Tangible/Public Utility Personal	5.0000	5.0000	5.0000
2005 Permanent Improvements - 3 years (2)			
Effective Millage Rates			
Residential/Agricultural	1.0244	1.0249	1.1537
Commercial/Industrial	1.4195	1.3993	1.5701
Tangible/Public Utility Personal	2.5000	2.5000	2.5000
Total Effective Voted Millage by type of property			
Residential/Agricultural	16.5243	16.5249	16.6537
Commercial/Industrial	18.1836	17.9252	20.1134
Tangible/Public Utility Personal	47.8000	47.8000	47.8000

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

(continued)

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

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

(1) Information prior to 1999 is unavailable

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

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

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

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

Source: Ohio Department of Taxation

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

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

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
2006	\$5,768,910	\$5,328,272	92.36%	\$190,742	\$5,519,014	95.67%
2005	5,309,213	5,118,387	96.41	190,147	5,308,534	99.99
2004	5,480,405	5,047,035	92.09	121,135	5,168,170	94.30
2003	5,473,088	4,996,649	91.29	140,381	5,137,030	93.86
2002	5,123,159	4,774,892	93.20	117,633	4,892,525	95.50
2001	4,696,679	4,370,504	93.06	95,357	4,465,861	95.09
2000	4,625,470	4,278,141	92.49	105,158	4,383,299	94.76
1999	4,429,869	4,010,823	90.54	105,508	4,116,331	92.92
1998	4,279,091	3,865,659	90.34	103,324	3,968,983	92.75
1997	4,196,698	3,758,943	89.57	118,273	3,877,216	92.39

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 2007 information cannot be presented because all collections have not been made by June 30, 2007.
- (3) The County does not maintain delinquency information by tax year.

Berkshire Local School District

Principal Taxpayers

Real Estate Tax

2007 and 1999

Name of Taxpayer	2007	
	Assessed Value	Percent of Real Property Assessed Value
Great Lakes Cheese Company, Inc.	\$4,014,330	1.95 %
Thistle Lane Real Properties	1,642,380	0.80
City of Akron	1,560,420	0.76
Excel Polymers LLC	1,237,750	0.60
John J. Masternick	1,089,280	0.53
Troy Oaks Homes	1,071,500	0.52
Luxemburg Properties	1,015,020	0.49
Preston Real Estate	623,440	0.30
Steven Rajki, Junior	599,450	0.29
Grandview Golf Club	583,420	0.28
Tripak Enterprise	570,650	0.27
Totals	<u>\$14,007,640</u>	<u>6.79 %</u>
Total Assessed Valuation	<u>\$206,164,140</u>	

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

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

(1) Information prior to 1999 is not available.

Berkshire Local School District

*Principal Taxpayers
Tangible Personal Property Tax
2007 and 1999*

Name of Taxpayer	2007	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Great Lakes Cheese Company, Incorporated	\$5,755,310	58.94 %
Excel Polymers, LLC.	2,725,470	27.91
Preston Chevrolet/Cadillac, Incorporated	665,130	6.81
Duramax Marine, LLC	609,280	6.24
Total	\$9,755,190	99.89 %
Total Assessed Valuation	\$9,765,500	

Name of Taxpayer	1999 (1)	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Great Lakes Cheese Company, Incorporated	\$4,012,930	39.59 %
M.A. Hanna Company	3,266,530	32.23
Troy Manufacturing Company, Incorporated	866,500	8.55
Burton Flowers and Garden	591,230	5.83
Preston Chevrolet/Cadillac, Incorporated	589,030	5.81
TRC Manufacturing, Incorporated	385,810	3.81
County Ford Limited	373,820	3.69
Total	\$10,085,850	99.51 %
Total Assessed Valuation	\$10,135,990	

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

(1) Information prior to 1999 is not available.

Berkshire Local School District

Principal Taxpayers

Public Utilities Tax

2007 and 1999

Name of Taxpayer	2007	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$4,309,740	68.27 %
Ohio Bell Telephone Company	645,200	10.28
American Transmission	374,600	5.97
East Ohio Gas Company	320,480	5.10
Alltel Ohio	158,890	2.53
Total	<u>\$5,808,910</u>	<u>92.15 %</u>
Total Assessed Valuation	<u>\$6,276,010</u>	

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

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

(1) Information prior to 1999 is not available.

Berkshire Local School District
Income Tax Revenue Base and Collections (1)
Last Eight Years (2)

Tax Year (3)	Tax Rate	Total Tax Collected	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Direct Payments	Percentage of Taxes from Direct Payments
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
2000	0.75	1,072,636	573,860	53.50	498,776	46.50

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

(2) Information prior to 2000 is not available.

(3) Fiscal year 2002 through 2007 are on an accrual basis and 2000 and 2001 are on a modified accrual basis.

Source: Ohio Department of Taxation

Berkshire Local School District
Computation of Direct and Overlapping
Governmental Activities Debt
December 31, 2006

	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Berkshire Local School District	\$0	100.00%	\$0
Overlapping:			
Geauga County			
General Obligation Bonds	235,000	7.52%	17,672
Special Assessment Bonds	3,138,909	7.52%	236,046
General Obligation Notes	9,000,000	7.52%	676,800
 Total Overlapping	 12,373,909	 7.52%	 930,518
 Total	 \$12,373,909		 \$930,518

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 2007 collection year.

Berkshire Local School District
*Ratio of Governmental Activities Debt
to Assessed Value and Debt per Capita
Last Nine Fiscal Years (1)*

Fiscal Year	Population (2)		Estimated Actual Value (3)	General Obligation Bonded Debt		
				Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2007	8,647	b	\$674,296,230	\$0	0.00%	\$0.00
2006	8,647	b	667,518,698	0	0.00	0.00
2005	8,647	b	594,466,664	0	0.00	0.00
2004	8,647	b	586,953,558	0	0.00	0.00
2003	8,647	b	577,203,527	0	0.00	0.00
2002	8,647	b	501,877,217	0	0.00	0.00
2001	8,647	b	493,996,276	30,000	0.00	3.47
2000	8,546	a	465,865,982	60,000	0.00	7.02
1999	8,546	a	375,819,186	146,822	0.02	17.18

Source: (1) Information prior to 1999 is not available
(2) U.S. Bureau of Census, Census of Population
(a) 1990 Federal Census
(b) 2000 Federal Census
(3) Geauga County Auditor

General Debt

Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt per Capita
\$0	\$0	0.00%	\$0.00
0	0	0.00	0.00
68,736	68,736	0.01	7.95
141,683	141,683	0.02	16.39
212,562	212,562	0.04	24.58
0	0	0.00	0.00
0	30,000	0.01	3.47
0	60,000	0.01	7.02
0	146,822	0.04	17.18

Berkshire Local School District
Computation of Legal Debt Margin
Last Nine Fiscal Years (1)

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

Source: Geauga County Auditor and School District Financial Records

- (1) For 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. Information prior to 1999 is not available
- (2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

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

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

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

Source 2000 U.S. Census
 Geauga County

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

<u>Median Age (2)</u>	<u>Median Value of Residential Property (2)</u>	<u>Geauga County Unemployment Rate</u>	<u>Total Assessed Property Value</u>
37.50	\$135,100	4.3 %	\$222,205,650
37.50	135,100	4.4	224,618,500
37.50	135,100	4.7	204,313,540
37.50	135,100	4.7	201,518,040
37.50	135,100	4.9	197,387,490
37.50	135,100	4.1	173,485,230
37.50	135,100	3.4	171,635,720
37.50	135,100	3.1	162,943,150

Berkshire Local School District
Principal Employers
December 31, 2006 and December 31, 2004 (1)

December 31, 2006			
Employer	City	Nature of Business or Activity	Employees
Great Lakes Cheese	Troy	Cheese Packaging and Distribution	533
Excell Polymers, LLC	Burton	Manufacturing	214
Berkshire School Board of Education	Burton	Education	137
Burton Health Care	Burton	Long-term Health Care and Rehabilitation	132
BFG Supply, Incorporated	Burton	Wholesale Distributor - Greenhouse	132
Duramax	Troy	Manufacturing	83
ARMS Trucking	Burton	Trucking	75
Preston Chevrolet, Cadillac, Ford, Kia	Burton	Automobile Sales	62
Ronyak Paving	Burton	Paving	58
Troy Manufacturing	Troy	Manufacturing	27
Total			<u>1,453</u>
Total Employment within the School District			<u>n/a</u>

December 31, 2004 (1)			
Employer	City	Nature of Business or Activity	Employees
Great Lakes Cheese	Troy	Packaging	500
Excell Polymers, LLC	Burton	Manufacturing	214
BFG	Burton	Sales	190
Berkshire School Board of Education	Burton	Education	158
Burton Health Care	Burton	Health Care	125
Duramax	Troy	Manufacturing	90
Preston Chevrolet	Burton	Sales	75
Ronyak Paving	Burton	Paving	66
ARMS Trucking	Burton	Trucking	65
Troy Manufacturing	Troy	Manufacturing	32
Total			<u>1,515</u>
Total Employment within the School District			<u>n/a</u>

Source: City 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 Three Fiscal Years (1)

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

(1) Information prior to 2005 is not available

Source: School District Records

Berkshire Local School District

Per Pupil Cost

Last Six Fiscal Years (1)

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

Source: School District Records

(1) Information prior to 2002 is not available

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

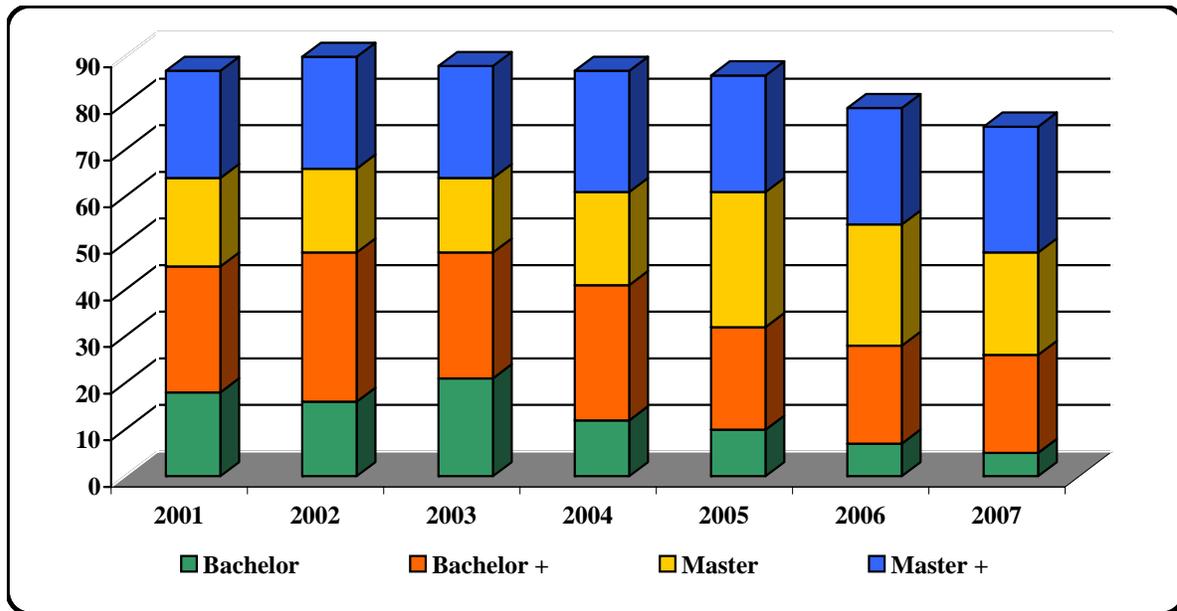
Fiscal Year	Berkshire Attendance Rate	State Average	Berkshire Graduation Rate	State Average
2007	94.10%	94.10%	94.00%	86.10%
2006	95.20	94.10	95.30	86.20
2005	95.60	94.30	94.60	85.90
2004	95.90	94.50	95.40	84.30
2003	95.70	94.50	98.30	83.90
2002	95.50	94.30	92.50	82.80
2001	96.00	93.90	95.00	81.20
2000	95.70	93.60	95.10	80.70
1999	96.10	93.50	96.10	81.40
1998	96.30	93.90	96.30	79.90

Source: Ohio Department of Education Local Report Cards

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

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

(1) Information prior to 2001 is not available



Source: School District Records

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

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

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

(1) Information prior to 2003 is not available

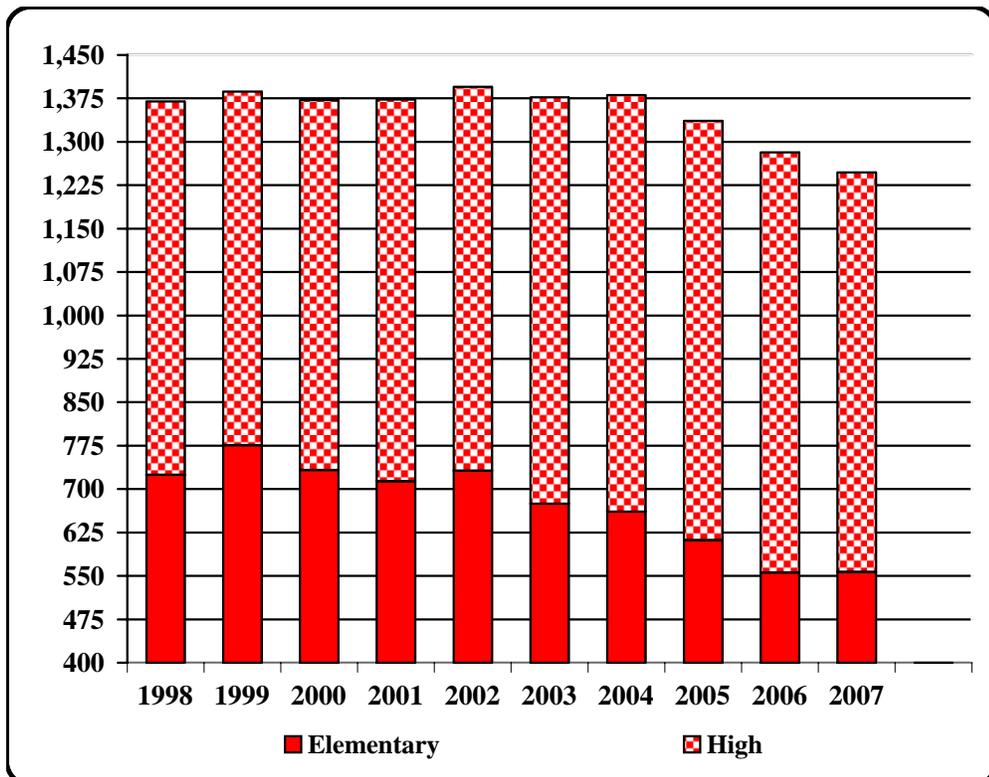
Source: School District Records

Berkshire Local School District

*Enrollment Statistics
Last Ten Fiscal Years*

Fiscal Year	Elementary Schools	Junior/High School	Total
2007	557	690	1,247
2006	556	726	1,282
2005	612	724	1,336
2004	661	720	1,381
2003	675	702	1,377
2002	732	663	1,395
2001	714	659	1,373
2000	733	639	1,372
1999	776	611	1,387
1998	725	645	1,370

Source: School District Records



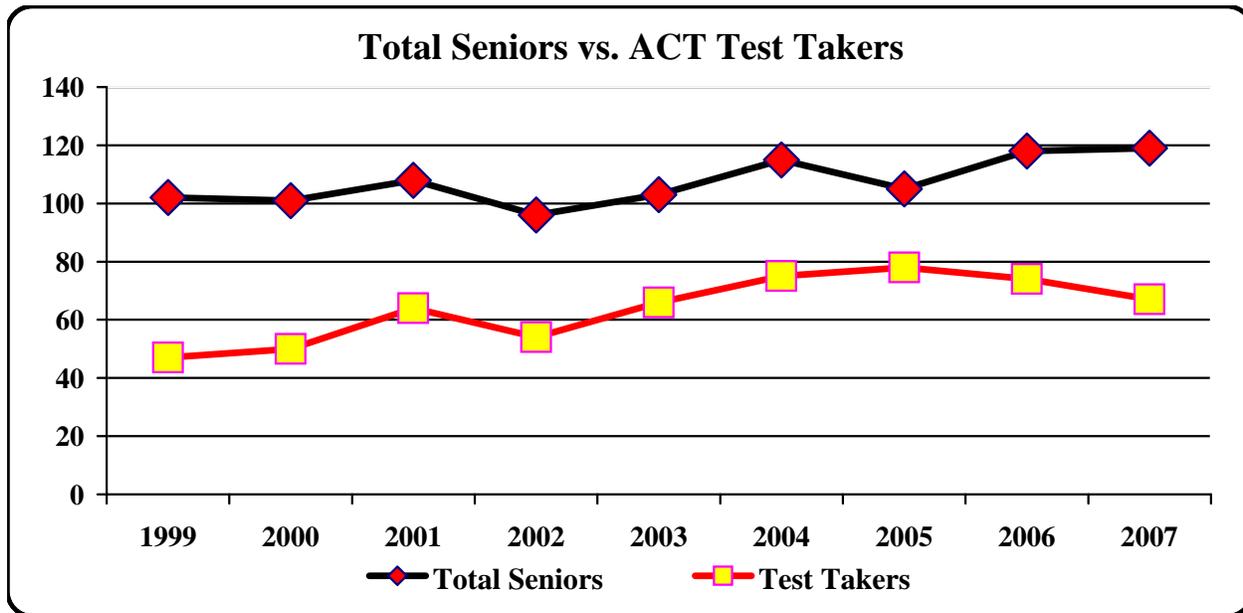
Berkshire Local School District

ACT Composite Scores

Last Nine School Years (1)

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

(1) Information prior to 1999 is not available



Source: High School Guidance Office,
Berkshire Local School District

Berkshire Local School District

SAT Composite Scores

Last Ten Fiscal Years

<u>School Year</u>	<u>Number of Senior Test Takers</u>	<u>Berkshire Verbal</u>	<u>Ohio Verbal</u>	<u>National Verbal</u>
2007	119	573	502	502
2006	118	570	503	491
2005	105	571	539	508
2004	115	575	538	508
2003	103	565	536	507
2002	96	526	533	504
2001	108	535	534	506
2000	101	535	533	505
1999	102	535	534	505
1998	101	555	536	505

Source: High School Guidance Office, Berkshire Local School District

<u>Berkshire Math</u>	<u>Ohio Math</u>	<u>National Math</u>
568	515	515
560	518	502
555	543	520
574	542	518
539	541	519
503	540	516
524	539	514
516	539	514
523	538	511
523	540	512

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

Fiscal Year	Berkshire Average	State Average
2007	16.6	18.0
2006	16.2	18.4
2005	15.5	18.0
2004	15.9	18.5
2003	15.6	16.6
2002	15.5	16.9
2001	16.0	18.0
2000	16.3	18.1
1999	16.7	18.6
1998	17.7	20.4

Source: Ohio Department of Education, EMIS Reports



Mary Taylor, CPA
Auditor of State

BERKSHIRE LOCAL SCHOOL DISTRICT

GEAUGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 12, 2008**