

ANSONIA LOCAL SCHOOL DISTRICT
DARKE COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED JUNE 30, 2008 AND 2007



Mary Taylor, CPA
Auditor of State

Board of Education
Ansonia Local School District
P.O. Box 279
Ansonia, Ohio 45303

We have reviewed the *Independent Accountants' Report* of the Ansonia Local School District, Darke County, prepared by Manning & Associates CPAs, LLC, for the audit period July 1, 2006 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ansonia Local School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 3, 2009

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DARKE COUNTY**

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MANNING & ASSOCIATES CPAs, LLC

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INDEPENDENT ACCOUNTANTS' REPORT

Ansonia Local School District
Darke County
PO Box 279
Ansonia, Ohio 45303

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ansonia Local School District, Darke County, (the District), as of and for the years ended June 30, 2008 and 2007, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School 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.

Ohio Administrative Code §117-2-03 (b) requires the School District to prepare its annual financial reports in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ansonia Local School District, Darke County, as of June 30, 2008 and 2007, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2008, on our consideration of the School 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 and 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 the Governmental Accounting Standards Board 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.

Manning & Associates CPAs, LLC

December 21, 2008

Ansonia Local School District
Darke County
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2008 and 2007
Unaudited

The discussion and analysis of the Ansonia School District's financial performance provides an overall review of the School District's financial activities for the fiscal years ended June 30, 2008 and 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 notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Highlights

Key financial highlights for the fiscal year 2008 are as follows:

- Total net assets were \$1,518,872. The total change in net assets was an increase of \$12,838; a less than one percent change. Net assets of governmental activities decreased \$20,229, or approximately one percent. Net assets of business-type activities increased \$33,067, or about 40 percent.
- General receipts accounted for \$ 5,492,729 in receipts or 79 percent of all receipts. Program specific receipts in the form of charges for services, grants, contributions, and interest accounted for \$1,453,794, or 21 percent of total receipts.
- The School District had \$6,966,752 in disbursements related to governmental activities; only \$1,453,794 of these disbursements were offset by program specific charges for services, grants, contributions and interest. General receipts of \$5,492,729 were not adequate to provide for these programs causing a decrease in net assets of \$20,229.
- The School District's major funds for fiscal year 2008 were the General Fund and the Bond Retirement Fund. The General Fund balance increased by \$4,718 and the Bond Fund increased by \$38,271.

Key financial highlights for the fiscal year 2007 are as follows:

- Total net assets were \$1,506,034. The total change in net assets was an increase of \$191,594; or 14 percent. Net assets of governmental activities increased \$179,442, or approximately 14 percent. Net assets of business-type activities increased \$12,152, or about 17 percent.
- General receipts accounted for \$ 5,512,693 in receipts or 80 percent of all receipts. Program specific receipts in the form of charges for services, grants, contributions, and interest accounted for \$1,342,240, or 20 percent of total receipts.
- The School District had \$6,675,491 in disbursements related to governmental activities; only \$1,342,240 of these disbursements were offset by program specific charges for services, grants, contributions and interest. General receipts of \$5,512,693 were adequate to provide for these programs by \$179,442.
- The School District's only major fund for fiscal year 2007 was the General Fund. The General Fund balance increased by \$109,854.

Ansonia Local School District
Darke County
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2008 and 2007
Unaudited

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the School District's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the School District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the School District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The School District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the School District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the School District as a Whole

The statement of net assets and the statements of activities reflect how the School District did financially during the fiscal year, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the School District at year-end. The statement of activities compares cash disbursements with program receipts for each governmental function. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the School District's general receipts.

Ansonia Local School District
Darke County
Management's Discussion and Analysis
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Reporting the School District as a Whole, (continued)

These statements report the School District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the School District's financial health. Over time, increases or decreases in the School District's cash position is one indicator of whether the School District's financial health is improving or deteriorating. When evaluating the School District's financial condition, you should also consider other non-financial factors as well such as the School District's property tax base, the condition of the School District's capital assets and infrastructure, the extent of the School District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two kinds of activities. Governmental Activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, debt service, extracurricular activities, and capital outlay. Business-Type Activities are services including food service and preschool. Service fees for these operations are charged based upon amount of usage.

Reporting the School District's Most Significant Funds

Fund financial statements provide detailed information about the School District's major funds – not the School District as a whole. The School District establishes separate funds to better manage its activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The fund financial statements provide a detailed view of the School District's operations and the basic services it provides. Fund information helps determine whether there are more or less financial resources that can be spent to finance the School District's activities. The School District's significant funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The major funds for the 2008 fiscal year are the General Fund and Bond Retirement funds. The major fund for the 2007 fiscal year was the General Fund.

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year end available for spending in future periods. These funds are reported on a cash basis. The governmental fund statements provide a detailed short-term view of the School District's general governmental 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.

Proprietary Funds - When the District charges users for the services it provides, with the intent of recapturing operating costs, these services are generally reported in enterprise funds. The enterprise funds are reported as business-typed activities on the entity-wide statement of net assets and statement of activities.

Ansonia Local School District
Darke County
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2008 and 2007
Unaudited

The District as a Whole

Table 1 provides a summary of the District's net assets comparing fiscal years ended for 2008, 2007 and 2006 on a cash basis.

Table 1
Changes in Net Assets

	Governmental			Business-Type			Total		
	Activities			Activities					
	FY 08	FY 07	FY 06	FY 08	FY 07	FY 06	FY 08	FY 07	FY 06
Assets									
Equity in Pooled Cash and Cash Equivalents	\$ 1,403,390	\$ 1,423,619	\$ 1,244,177	\$ 115,482	\$ 82,415	\$ 70,263	\$ 1,518,872	\$ 1,506,034	\$ 1,314,440
Total Assets	<u>\$ 1,403,390</u>	<u>\$ 1,423,619</u>	<u>\$ 1,244,177</u>	<u>\$ 115,482</u>	<u>\$ 82,415</u>	<u>\$ 70,263</u>	<u>\$ 1,518,872</u>	<u>\$ 1,506,034</u>	<u>\$ 1,314,440</u>
Net Assets									
Restricted for:									
Other Purposes	\$ 200,965	\$ 209,999	\$ 351,804	\$ 0	\$ 0	\$ 0	\$ 200,965	\$ 209,999	\$ 351,804
Set-Asides	143,376	148,532	156,547	0	0	0	143,376	148,532	156,547
Debt Service	162,640	124,369	91,605	0	0	0	162,640	124,369	91,605
Capital Outlay	11,336	57,008	22,675	0	0	0	11,336	57,008	22,675
Unrestricted	<u>885,073</u>	<u>883,711</u>	<u>778,093</u>	<u>115,482</u>	<u>82,415</u>	<u>70,263</u>	<u>1,000,555</u>	<u>966,126</u>	<u>848,356</u>
Total Net Assets	<u>\$ 1,403,390</u>	<u>\$ 1,423,619</u>	<u>\$ 1,400,724</u>	<u>\$ 115,482</u>	<u>\$ 82,415</u>	<u>\$ 70,263</u>	<u>\$ 1,518,872</u>	<u>\$ 1,506,034</u>	<u>\$ 1,470,987</u>

Total net assets increased \$12,838 and \$191,594 in 2008 and 2007, respectively. Net assets of governmental activities decreased \$20,229, or about one percent, during fiscal year 2008 and net assets of governmental activities increased \$179,442, or about 40 percent, during fiscal year 2007.

Net assets of business-type activities increased \$33,067 and \$12,152 in fiscal years 2008 and 2007, respectively.

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Table 2 shows the changes in net assets in fiscal years 2008, 2007 and 2006; in addition to providing comparisons between years.

Table 2

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total</u>		
	<u>FY 08</u>	<u>FY 07</u>	<u>FY 06</u>	<u>FY 08</u>	<u>FY 07</u>	<u>FY 06</u>	<u>FY 08</u>	<u>FY 07</u>	<u>FY 06</u>
Receipts									
<i>Program Receipts:</i>									
Charges for Services	\$ 881,213	\$ 759,023	\$ 657,473	\$ 197,170	\$ 203,296	\$ 207,328	\$ 1,078,383	\$ 962,319	\$ 864,801
Operating Grants and Contributions	564,069	570,266	511,774	121,867	90,054	71,411	685,936	660,320	583,185
Capital Grants and Contributions	8,512	12,951	14,371	0	0	0	8,512	12,951	14,371
Total Program Receipts	\$ 1,453,794	\$ 1,342,240	\$ 1,183,618	\$ 319,037	\$ 293,350	\$ 278,739	\$ 1,772,831	\$ 1,635,590	\$ 1,462,357
<i>General Receipts:</i>									
Property Taxes	\$ 1,256,333	\$ 1,314,064	\$ 1,232,709	\$ 0	\$ 0	\$ 0	\$ 1,256,333	\$ 1,314,064	\$ 1,232,709
Income Taxes	441,744	394,958	386,528	0	0	0	441,744	394,958	386,528
Grants and Entitlements	3,710,688	3,696,234	3,605,721	0	0	0	3,710,688	3,696,234	3,605,721
Investment Earnings	59,036	86,108	54,158	2,940	2,648	477	61,976	88,756	54,635
Other	24,928	21,329	22,992	1,000	4,040	465	25,928	25,369	23,457
Total General Receipts	5,492,729	5,512,693	5,302,108	3,940	6,688	942	5,496,669	5,519,381	5,303,050
Total Receipts	\$ 6,946,523	\$ 6,854,933	\$ 6,485,726	\$ 322,977	\$ 300,038	\$ 279,681	\$ 7,269,500	\$ 7,154,971	\$ 6,765,407
<i>Program Disbursements</i>									
Instruction:									
Regular	\$ 2,608,179	\$ 2,489,925	\$ 2,256,160	\$ 0	\$ 0	\$ 0	\$ 2,608,179	\$ 2,489,925	\$ 2,256,160
Special	814,964	842,847	713,687	0	0	0	814,964	842,847	713,687
Vocational	196,399	201,728	197,311	0	0	0	196,399	201,728	197,311
Other	275,355	236,556	236,143	0	0	0	275,355	236,556	236,143
Support Services:									
Pupil	377,093	376,088	357,807	0	0	0	377,093	376,088	357,807
Instructional Staff	409,149	408,646	440,009	0	0	0	409,149	408,646	440,009
Board of Education	50,419	54,266	40,168	0	0	0	50,419	54,266	40,168
Administration	596,576	547,710	560,430	0	0	0	596,576	547,710	560,430
Fiscal	162,835	118,723	144,498	0	0	0	162,835	118,723	144,498
Business	1,424	1,532	3,424	0	0	0	1,424	1,532	3,424
Operation & Maintenance of Plant	592,101	477,066	543,045	0	0	0	592,101	477,066	543,045
Transportation	422,343	460,075	377,932	0	0	0	422,343	460,075	377,932
Central	20,897	20,566	18,815	0	0	0	20,897	20,566	18,815
Extracurricular Activities	231,876	224,542	200,273	0	0	0	231,876	224,542	200,273
Debt Service: Principal	110,000	105,000	95,000	0	0	0	110,000	105,000	95,000
Interest	97,142	102,651	105,723	0	0	0	97,142	102,651	105,723
Refund of Prior Year Receipts	0	7,570	0	0	0	0	0	7,570	0
Food Service	0	0	0	261,736	261,545	236,883	261,736	261,545	236,883
Pre-School	0	0	0	28,174	26,341	39,820	28,174	26,341	39,820
Total Disbursements	6,966,752	6,675,491	6,290,425	289,910	287,886	276,703	7,256,662	6,963,377	6,567,128
Increase (Decrease) in Net Assets	\$ (20,229)	\$ 179,442	\$ 195,301	\$ 33,067	\$ 12,152	\$ 2,978	\$ 12,838	\$ 191,594	\$ 198,279

Ansonia Local School District
Darke County
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2008 and 2007
Unaudited

Reporting the School District's Most Significant Funds, (continued)

Governmental Activities

The largest source of receipts for governmental activities is unrestricted grants and entitlements which accounted for about 53 percent and 54 percent of the total cash received during the 2008 and 2007 fiscal years, respectively. Property and income taxes accounted for an additional 24 percent and 25 percent of receipts for 2008 and 2007, respectively. The DeRolph III decision has not eliminated the dependence on property taxes. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. Inflation alone will not increase the amount of funds generated by a tax levy. Basically, the mills collected decreases as the property tax valuation increases thus generating about the same revenue. The School District currently has a .75 percent continuing income tax. This is approximately 6 percent of revenues for governmental activities for fiscal 2008 and 2007.

Instruction accounted for approximately 56 percent and 57 percent of total cash disbursements for the fiscal years 2008 and 2007, respectively, with Regular Instruction making up the largest share at about 37 percent of total disbursements both years. Pupil and Instructional Staff support services accounted for about 11 percent and 12 percent of total disbursements for 2008 and 2007, respectively. Board of Education, Administration, Business and Fiscal disbursements accounted for approximately 12 percent and 11 percent of disbursements for 2008 and 2007, respectively. Operation and maintenance of plant disbursements were about 8 percent and 7 percent of total disbursements for 2008 and 2007, respectively. Transportation accounted for about 6 percent and 7 percent of total disbursements for 2008 and 2007, respectively, and extracurricular activities accounted for about 3 percent of total disbursements both years. The remaining disbursements were for debt service and refund of prior year receipts.

Business-Type Activities

Net assets for business-type activities increased by \$33,067 and \$12,152 during the 2008 and 2007 fiscal years, respectively. Charges for services were the largest source of receipts, accounting for approximately 61 percent and 68 percent of total business-type activities receipts for 2008 and 2007, respectively. Operating grants and contributions accounted for another 38 percent and 30 percent of receipts for 2008 and 2007, respectively.

Statement of Activities

If you look at the Statement of Activities, you will see that the first column lists the major activities of the District. The next column identifies the cost of providing these services. The next three columns of the Statement entitled Program Receipts identify, in general, the source of the receipts. The amounts are either paid by people who are directly charged for the service or grants and contributions received by the District that must be used to provide a specific service. A comparison between the total cost of services and the net cost is presented in Table 3 for the 2008, 2007, and 2006 fiscal years. That is, it identifies the cost of these services, supported by taxes, unrestricted State entitlements and investment earnings.

Ansonia Local School District
Darke County
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2008 and 2007
Unaudited

Table 3
Governmental Activities

	FY 08		FY 07		FY 06	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Disbursements						
Instruction:						
Regular	\$ 2,608,179	\$ 1,919,966	\$ 2,489,925	\$ 1,865,800	\$ 2,256,160	\$ 1,714,649
Special	814,964	593,367	842,847	616,769	713,687	555,460
Vocational	196,399	127,894	201,728	144,051	197,311	133,244
Other	275,355	275,355	236,556	236,556	236,143	236,143
Support Services:						
Pupils	377,093	202,270	376,088	200,403	357,807	193,225
Instructional Staff	409,149	350,348	408,646	360,003	440,009	376,336
Board of Education	50,419	50,419	54,266	54,266	40,168	40,168
Administration	596,576	506,500	547,710	484,593	560,430	476,452
Fiscal	162,835	162,835	118,723	118,723	144,498	144,280
Business	1,424	1,424	1,532	1,532	3,424	3,424
Operation and Maintenance	592,101	592,101	477,066	477,066	543,045	542,945
Pupil Transportation	422,343	343,251	460,075	388,726	377,932	336,877
Central	20,897	20,897	20,566	20,566	18,815	18,815
Extracurricular Activities	231,876	159,189	224,542	148,976	200,273	134,066
Refund of Prior Year Receipt	0	0	7,570	7,570	0	0
Debt Service:						
Principal	110,000	110,000	105,000	105,000	95,000	95,000
Interest	97,142	97,142	102,651	102,651	105,723	105,723
Total Disbursements	\$ 6,966,752	\$ 5,512,958	6,675,491	5,333,251	6,290,425	5,106,807

Charges for services, operating grants and capital grants accounted for approximately 21 percent and 20 percent of total cash receipts for 2008 and 2007, respectively, and were used to fund the expenses of the District. The remaining 79 percent and 80 percent of total cash receipts for 2008 and 2007, respectively, consisted of taxes, unrestricted state entitlements, investment earnings and miscellaneous receipts. The District relies on these receipts to furnish the services it provides to students.

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The School District's Funds

During fiscal year 2008, the School District had two major funds; the General Fund and Bond Retirement Fund. All governmental funds had total receipts of \$6,946,523 and total disbursements of \$6,966,752. The General Fund had an unreserved fund balance of \$805,323 at the end of the 2008 fiscal year. The greatest change within the funds during the 2008 fiscal year occurred within Other Governmental Funds which saw a decrease of \$63,218 in fund balance due primarily to the completion of a paving project that year.

During fiscal year 2007, the School District major fund was the General Fund. All governmental funds had total receipts of \$6,853,933 and total disbursements of \$6,675,491. The General Fund had an unreserved fund balance of \$810,411 at the end of the 2007 fiscal year. The greatest change within the funds during the 2007 fiscal year occurred within the General Fund which saw an increase of \$109,854 in fund balance due to an increase in open enrollment students and the prudent budgeting of funds.

The enterprise funds had an operating loss of \$91,740 and \$80,550 for fiscal years 2008 and 2007, respectively. However, due to the federal and state subsidies and interest, the enterprise funds had an increase in net assets of \$33,067 and \$12,152 for fiscal years 2008 and 2007, respectively.

Major Funds 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 District's budget is adopted on a line item basis. The Board of Education adopts the budget at the fund and function level for the General Fund (i.e. General Fund – Regular Instruction), and at the fund level for all other funds. The most significant budgeted fund is the General Fund.

During the course of the 2008 and 2007 fiscal years, the District amended its General Fund budget as needed. Final appropriations were budgeted at \$6,052,129 and \$5,884,110, while actual expenditures plus encumbrances were \$5,961,768 and \$5,765,397 for 2008 and 2007, respectively.

Capital Assets

The District tracks its capital assets on the State EIS system for insurance purposes.

Debt Administration

At June 30, 2008, the District had \$1,788,000 outstanding in general obligation bonds. These bonds are being paid through the Bond Retirement Fund with property tax revenue. For further information on the District's debt, refer to Note 11 to the basic financial statements.

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Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited and in some cases shrinking funding. Ansonia Local Schools is constantly re-evaluating costs and expenditures to continue to offer a quality education at the most economically feasible price.

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, 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 any questions about this report or need additional financial information, contact Nick Hamilton, Treasurer at Ansonia Local School District, PO Box 279, Ansonia, Ohio 45303.

Ansonia Local School District
Darke County
Statement of Net Assets - Cash Basis
For the Fiscal Year Ended June 30, 2008

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 1,403,390	\$ 115,482	\$ 1,518,872
 Total Assets	 <u>\$ 1,403,390</u>	 <u>\$ 115,482</u>	 <u>\$ 1,518,872</u>
 Net Assets			
Restricted for:			
Debt Service	\$ 162,640	\$ 0	\$ 162,640
Set Asides	143,376	0	143,376
Capital Outlay	11,336	0	11,336
Other Purposes	200,965	0	200,965
Unrestricted	<u>885,073</u>	<u>115,482</u>	<u>1,000,555</u>
 Total Net Assets	 <u>\$ 1,403,390</u>	 <u>\$ 115,482</u>	 <u>\$ 1,518,872</u>

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Activities - Cash Basis
For the Fiscal Year Ended June 30, 2008

	Programs Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash	Charges	Operating	Capital	Governmental	Business-Type	Total
	Disbursements	for	Grants and	Grants and			
		Services	Contributions	Contributions	Activities	Activities	
Governmental Activities							
Instruction:							
Regular	\$ 2,608,179	\$ 542,316	\$ 145,897	\$ 0	\$ (1,919,966)	\$ 0	\$ (1,919,966)
Special	814,964	119,649	101,948	0	(593,367)	0	(593,367)
Vocational	196,399	0	68,505	0	(127,894)	0	(127,894)
Other	275,355	0	0	0	(275,355)	0	(275,355)
Support Services:							
Pupils	377,093	0	174,823	0	(202,270)	0	(202,270)
Instructional Staff	409,149	6,923	51,878	0	(350,348)	0	(350,348)
Board of Education	50,419	0	0	0	(50,419)	0	(50,419)
Administration	596,576	78,083	11,993	0	(506,500)	0	(506,500)
Fiscal	162,835	0	0	0	(162,835)	0	(162,835)
Business	1,424	0	0	0	(1,424)	0	(1,424)
Operation and Maintenance	592,101	0	0	0	(592,101)	0	(592,101)
Pupil Transportation	422,343	66,055	4,525	8,512	(343,251)	0	(343,251)
Central	20,897	0	0	0	(20,897)	0	(20,897)
Extracurricular Activities	231,876	68,187	4,500	0	(159,189)	0	(159,189)
Debt Service:							
Principal	110,000	0	0	0	(110,000)	0	(110,000)
Interest	97,142	0	0	0	(97,142)	0	(97,142)
Total Government Activities	\$ 6,966,752	\$ 881,213	\$ 564,069	\$ 8,512	\$ (5,512,958)	\$ 0	\$ (5,512,958)
Business Type Activities							
Lunchroom	\$ 261,736	\$ 161,039	\$ 121,867	\$ 0	\$ 0	\$ 21,170	\$ 21,170
Pre-School	28,174	36,131	0	0	0	7,957	7,957
Total Business Type Activities	289,910	197,170	121,867	0	0	29,127	29,127
Totals	\$ 7,256,662	\$ 1,078,383	\$ 685,936	\$ 8,512	\$ (5,512,958)	\$ 29,127	\$ (5,483,831)
General Receipts							
Property Taxes Levied for:							
General Purposes					\$ 974,452	\$ 0	\$ 974,452
Debt Service					216,881	0	216,881
Capital Outlay					43,334	0	43,334
Classroom Maintenance					21,666	0	21,666
Income Tax					441,744	0	441,744
Grants and Entitlements not Restricted to Specific Programs					3,710,688	0	3,710,688
Payment in Lieu of Taxes					4,000	0	4,000
Investment Earnings					59,036	2,940	61,976
Miscellaneous					20,928	1,000	21,928
Total General Receipts					\$ 5,492,729	\$ 3,940	\$ 5,496,669
Changes in Net Assets					(20,229)	33,067	12,838
Net Assets Beginning of Year					1,423,619	82,415	1,506,034
Net Assets End of Year					\$ 1,403,390	\$ 115,482	\$ 1,518,872

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 885,073	\$ 162,640	\$ 108,255	\$ 1,155,968
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	247,422	0	0	247,422
Total Assets	\$ 1,132,495	\$ 162,640	\$ 108,255	\$ 1,403,390
Fund Balances				
Reserved for Encumbrances	\$ 79,750	\$ 0	\$ 27,099	\$ 106,849
Reserved for Textbooks and Instructional Materials	87,878	0	0	87,878
Reserved for School Bus Purchase	104,046	0	0	104,046
Reserved for Budget Stabilization	55,498	0	0	55,498
Unreserved, Undesignated (Deficit), Reported in:				
General Fund	805,323	0	0	805,323
Special Revenue Funds	0	0	71,320	71,320
Debt Service	0	162,640	0	162,640
Capital Projects Fund	0	0	9,836	9,836
Total Fund Balances	\$ 1,132,495	\$ 162,640	\$ 108,255	\$ 1,403,390

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District

Darke County

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2008

	<u>General</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts				
Property Taxes	\$ 974,452	\$ 216,881	\$ 65,000	\$ 1,256,333
Income Taxes	441,744	0	0	441,744
Intergovernmental	3,731,383	28,089	517,297	4,276,769
Interest	59,036	0	1,416	60,452
Tuition and Fees	715,584	0	0	715,584
Extracurricular Activities	0	0	146,270	146,270
Gifts and Donations	4,600	0	5,084	9,684
Payments in Lieu of Taxes	4,000	0	0	4,000
Miscellaneous	31,732	0	0	31,732
Total Receipts	\$ 5,962,531	\$ 244,970	\$ 735,067	\$ 6,942,568
Disbursements				
Current:				
Instruction:				
Regular	\$ 2,462,698	\$ 0	\$ 145,481	\$ 2,608,179
Special	720,887	0	94,077	814,964
Vocational	192,668	0	3,731	196,399
Other	275,355	0	0	275,355
Support Services:				
Pupils	201,876	0	175,217	377,093
Instructional Staff	355,678	0	53,471	409,149
Board of Education	50,419	0	0	50,419
Administration	498,465	0	98,111	596,576
Fiscal	155,322	5,776	1,737	162,835
Business	1,424	0	0	1,424
Operation and Maintenance of Plant	451,353	0	140,748	592,101
Pupil Transportation	417,884	0	4,459	422,343
Central	20,897	0	0	20,897
Extracurricular Activities	150,623	0	81,253	231,876
Debt Service:				
Principal	5,000	105,000	0	110,000
Interest	1,219	95,923	0	97,142
Total Disbursements	\$ 5,961,768	\$ 206,699	\$ 798,285	\$ 6,966,752
Excess Receipts under Disbursements	763	38,271	(63,218)	(24,184)
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	3,955	0	0	3,955
Total Other Financing Sources (Uses)	3,955	0	0	3,955
Net Change in Fund Balance	4,718	38,271	(63,218)	(20,229)
Fund Balances Beginning of Year	1,127,777	124,369	171,473	1,423,619
Fund Balances End of Year	\$ 1,132,495	\$ 162,640	\$ 108,255	\$ 1,403,390

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive(Negative)
Receipts				
Property Taxes	\$ 1,000,000	\$ 1,016,195	\$ 974,452	\$ (41,743)
Income Taxes	400,000	400,000	441,744	41,744
Intergovernmental	3,672,751	3,724,551	3,731,383	6,832
Tuition and Fees	559,300	710,958	715,584	4,626
Interest	67,100	58,529	59,036	507
Payments in Lieu of Taxes	4,000	4,000	4,000	0
Gifts and Donations	4,000	4,000	4,600	600
Miscellaneous	18,249	31,249	31,732	483
Total Receipts	<u>\$ 5,725,400</u>	<u>\$ 5,949,482</u>	<u>\$ 5,962,531</u>	<u>\$ 13,049</u>
Disbursements				
Current:				
Instruction:				
Regular	\$ 2,352,957	\$ 2,467,097	\$ 2,467,097	\$ 0
Special	740,681	726,681	724,316	2,365
Vocational	227,002	199,002	196,322	2,680
Other	240,680	276,044	275,355	689
Support Services:				
Pupil	204,780	204,780	202,269	2,511
Instructional Staff	374,598	359,598	358,977	621
Board of Education	51,956	51,956	50,949	1,007
Administration	477,598	500,598	500,482	116
Fiscal	156,087	161,487	161,367	120
Business	1,500	1,500	1,424	76
Operation and Maintenance of Plant	445,274	477,274	477,248	26
Pupil Transportation	431,466	445,966	445,628	338
Central	22,205	23,305	23,243	62
Extracurricular Activities	151,850	150,622	150,622	0
Debt Service:				
Principal	0	5,000	5,000	0
Interest	0	1,219	1,219	0
Total Disbursements	<u>\$ 5,878,634</u>	<u>\$ 6,052,129</u>	<u>\$ 6,041,518</u>	<u>\$ 10,611</u>
Exces of Revenues Under Expenditures	(153,234)	(102,647)	(78,987)	23,660
Other Financing Sources				
Refund of Prior Year Expenditures	10,000	3,955	3,955	0
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>3,955</u>	<u>3,955</u>	<u>0</u>
Net Change in Fund Balance	(143,234)	(98,692)	(75,032)	23,660
Fund Balances Beginning of Year	1,054,477	1,054,477	1,054,477	0
Prior Year Encumbrances Appropriated	<u>73,300</u>	<u>73,300</u>	<u>73,300</u>	<u>0</u>
Fund Balances End of Year	<u>\$ 984,543</u>	<u>\$ 1,029,085</u>	<u>\$ 1,052,745</u>	<u>\$ 23,660</u>

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Fund Net Assets - Modified Cash Basis
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

	Business-Type Activity
	<u>Enterprise Funds</u>
Current Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>115,482</u>
Total Assets	\$ <u><u>115,482</u></u>
 Net Assets	
Unrestricted	\$ <u>115,482</u>
Total Net Assets	\$ <u><u>115,482</u></u>

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Cash Receipts, Disbursements and Changes in
Cash Basis Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2008

	Business-Type Activity Enterprise Funds
Operating Receipts	
Sales	\$ 161,039
Tuition	36,131
Other Revenues	1,000
Total Operating Receipts	\$ 198,170
 Operating Disbursements	
Salaries	\$ 119,585
Fringe Benefits	35,757
Purchased Services	3,400
Material and Supplies	130,773
Capital Outlay	100
Other	295
Total Operating Expenses	\$ 289,910
 Operating Income (Loss)	 (91,740)
 Non-Operating Revenues	
Interest	2,940
Federal Subsidies	121,867
Total Non-Operating Receipts	\$ 124,807
 Change in Net Assets	 33,067
 Net Assets Beginning of Year	 82,415
 Net Assets End of Year	 \$ 115,482

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Funds
For the Fiscal Year Ended June 30, 2008

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>20,057</u>
Net Assets	
Due to Students	\$ <u>20,057</u>

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Net Assets - Cash Basis
For the Fiscal Year Ended June 30, 2007

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 1,423,619	\$ 82,415	\$ 1,506,034
Total Assets	\$ 1,423,619	\$ 82,415	\$ 1,506,034
 Net Assets			
Restricted for:			
Debt Service	\$ 124,369	\$ 0	\$ 124,369
Set Asides	148,532	0	148,532
Capital Outlay	57,008	0	57,008
Other Purposes	209,999	0	209,999
Unrestricted	883,711	82,415	966,126
Total Net Assets	\$ 1,423,619	\$ 82,415	\$ 1,506,034

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Activities - Cash Basis
For the Fiscal Year Ended June 30, 2007

	Programs Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction:							
Regular	\$ 2,489,925	\$ 456,310	\$ 167,815	\$ 0	\$ (1,865,800)	\$ 0	\$ (1,865,800)
Special	842,847	111,803	114,275	0	(616,769)	0	(616,769)
Vocational	201,728	0	57,677	0	(144,051)	0	(144,051)
Other	236,556	0	0	0	(236,556)	0	(236,556)
Support Services:							
Pupils	376,088	0	175,685	0	(200,403)	0	(200,403)
Instructional Staff	408,646	3,000	45,643	0	(360,003)	0	(360,003)
Board of Education	54,266	0	0	0	(54,266)	0	(54,266)
Administration	547,710	59,699	3,418	0	(484,593)	0	(484,593)
Fiscal	118,723	0	0	0	(118,723)	0	(118,723)
Business	1,532	0	0	0	(1,532)	0	(1,532)
Operation and Maintenance	477,066	0	0	0	(477,066)	0	(477,066)
Pupil Transportation	460,075	54,659	3,739	12,951	(388,726)	0	(388,726)
Central	20,566	0	0	0	(20,566)	0	(20,566)
Extracurricular Activities	224,542	73,552	2,014	0	(148,976)	0	(148,976)
Refund of Prior Year Receipts	7,570	0	0	0	(7,570)	0	(7,570)
Debt Service:							
Principal	105,000	0	0	0	(105,000)	0	(105,000)
Interest	102,651	0	0	0	(102,651)	0	(102,651)
Total Government Activities	\$ 6,675,491	\$ 759,023	\$ 570,266	\$ 12,951	\$ (5,333,251)	\$ 0	\$ (5,333,251)
Business Type Activities							
Lunchroom	\$ 261,545	\$ 164,123	\$ 90,054	\$ 0	\$ 0	\$ (7,368)	\$ (7,368)
Pre-School	26,341	39,173	0	0	0	12,832	12,832
Total Business Type Activities	287,886	203,296	90,054	0	0	5,464	5,464
Totals	\$ 6,963,377	\$ 962,319	\$ 660,320	\$ 12,951	\$ (5,333,251)	\$ 5,464	\$ (5,327,787)
General Receipts							
Property Taxes Levied for:							
General Purposes					\$ 1,032,744	\$ 0	\$ 1,032,744
Debt Service					213,665	0	213,665
Capital Outlay					45,104	0	45,104
Classroom Maintenance					22,551	0	22,551
Income Tax					394,958	0	394,958
Grants and Entitlements not Restricted to Specific Programs					3,696,234	0	3,696,234
Payment in Lieu of Taxes					4,000	0	4,000
Gifts and Donations					6,500	0	6,500
Investment Earnings					86,108	2,648	88,756
Miscellaneous					10,829	4,040	14,869
Total General Receipts					\$ 5,512,693	\$ 6,688	\$ 5,519,381
Changes in Net Assets					179,442	12,152	191,594
Net Assets Beginning of Year					1,244,177	70,263	1,314,440
Net Assets End of Year					\$ 1,423,619	\$ 82,415	\$ 1,506,034

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 883,711	\$ 295,842	\$ 1,179,553
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	<u>244,066</u>	<u>0</u>	<u>244,066</u>
Total Assets	<u>\$ 1,127,777</u>	<u>\$ 295,842</u>	<u>\$ 1,423,619</u>
Fund Balances			
Reserved for Encumbrances	\$ 73,300	\$ 74,285	\$ 147,585
Reserved for Textbooks and Instructional Materials	93,034	0	93,034
Reserved for School Bus Purchase	95,534	0	95,534
Reserved for Budget Stabilization	55,498	0	55,498
Unreserved, Undesignated (Deficit), Reported in:			
General Fund	810,411	0	810,411
Special Revenue Funds	0	91,178	91,178
Debt Service	0	75,121	75,121
Capital Projects Fund	<u>0</u>	<u>55,258</u>	<u>55,258</u>
Total Fund Balances	<u>\$ 1,127,777</u>	<u>\$ 295,842</u>	<u>\$ 1,423,619</u>

See accompanying notes to the Basic Financial Statements.

**Ansonia Local School District
Darke County**

*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007*

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts			
Property Taxes	\$ 1,032,744	\$ 281,320	\$ 1,314,064
Income Taxes	394,958	0	394,958
Intergovernmental	3,712,948	560,639	4,273,587
Interest	85,000	1,122	86,122
Tuition and Fees	617,070	0	617,070
Extracurricular Activities	0	133,251	133,251
Gifts and Donations	6,500	3,350	9,850
Payments in Lieu of Taxes	4,000	0	4,000
Miscellaneous	10,556	0	10,556
Total Receipts	<u>\$ 5,863,776</u>	<u>\$ 979,682</u>	<u>\$ 6,843,458</u>
Disbursements			
Current:			
Instruction:			
Regular	\$ 2,322,384	\$ 167,541	\$ 2,489,925
Special	726,050	116,797	842,847
Vocational	201,459	269	201,728
Other	236,556	0	236,556
Support Services:			
Pupils	190,560	185,528	376,088
Instructional Staff	361,429	47,217	408,646
Board of Education	54,266	0	54,266
Administration	488,946	58,764	547,710
Fiscal	112,475	6,248	118,723
Business	1,532	0	1,532
Operation and Maintenance of Plant	441,880	35,186	477,066
Pupil Transportation	456,911	3,164	460,075
Central	20,566	0	20,566
Extracurricular Activities	143,677	80,865	224,542
Debt Service:			
Principal	5,000	100,000	105,000
Interest	1,706	100,945	102,651
Total Disbursements	<u>\$ 5,765,397</u>	<u>\$ 902,524</u>	<u>\$ 6,667,921</u>
Excess Receipts Over (Under) Disbursements	98,379	77,158	175,537
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	900	0	900
Refund of Prior Year Expenditures	10,575	0	10,575
Refund of Prior Year Receipts	0	(7,570)	(7,570)
Total Other Financing Sources (Uses)	<u>11,475</u>	<u>(7,570)</u>	<u>3,905</u>
Net Change in Fund Balance	109,854	69,588	179,442
Fund Balances Beginning of Year	<u>1,017,923</u>	<u>226,254</u>	<u>1,244,177</u>
Fund Balances End of Year	<u>\$ 1,127,777</u>	<u>\$ 295,842</u>	<u>\$ 1,423,619</u>

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Receipts, Disbursements and Changes in
Fund Balance - Budget and Actual - Budget Basis
General Fund
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>		
Receipts				
Property Taxes	\$ 981,041	\$ 1,030,266	\$ 1,032,744	\$ 2,478
Income Taxes	375,185	394,958	394,958	0
Intergovernmental	3,527,251	3,709,466	3,712,948	3,482
Tuition and Fees	586,177	614,590	617,070	2,480
Interest	80,745	47,200	85,000	37,800
Payments in Lieu of Taxes	4,000	4,000	4,000	0
Gifts and Donations	6,175	2,000	6,500	4,500
Miscellaneous	9,641	0	10,556	10,556
Total Receipts	<u>\$ 5,570,215</u>	<u>\$ 5,802,480</u>	<u>\$ 5,863,776</u>	<u>\$ 61,296</u>
Disbursements				
Current:				
Instruction:				
Regular	\$ 2,299,093	\$ 2,335,684	\$ 2,335,494	\$ 190
Special	741,279	731,038	731,038	0
Vocational	200,878	207,676	201,931	5,745
Other	220,431	238,636	238,636	0
Support Services:				
Pupil	183,056	191,224	191,141	83
Instructional Staff	350,076	369,194	369,194	0
Board of Education	23,579	54,831	54,831	0
Administration	456,036	489,871	489,871	0
Fiscal	137,742	137,743	124,933	12,810
Business	1,800	1,800	1,532	268
Operation and Maintenance of Plant	455,766	466,445	446,157	20,288
Pupil Transportation	442,431	488,815	482,787	6,028
Central	19,178	20,771	20,771	0
Extracurricular Activities	134,762	143,676	143,676	0
Debt Service:				
Principal	0	5,000	5,000	0
Interest	0	1,706	1,706	0
Total Disbursements	<u>\$ 5,666,107</u>	<u>\$ 5,884,110</u>	<u>\$ 5,838,698</u>	<u>\$ 45,412</u>
Exces of Revenues Under Expenditures	(95,892)	(81,630)	25,078	106,708
Other Financing Sources				
Proceeds from Sale of Capital Assets	855	0	900	900
Refund of Prior Year Expenditures	10,046	9,500	10,575	1,075
Total Other Financing Sources (Uses)	<u>10,901</u>	<u>9,500</u>	<u>11,475</u>	<u>1,975</u>
Net Change in Fund Balance	(84,991)	(72,130)	36,553	108,683
Fund Balances Beginning of Year	802,323	802,323	802,323	0
Prior Year Encumbrances Appropriated	<u>215,601</u>	<u>215,601</u>	<u>215,601</u>	<u>0</u>
Fund Balances End of Year	<u>\$ 932,933</u>	<u>\$ 945,794</u>	<u>\$ 1,054,477</u>	<u>\$ 108,683</u>

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Business-Type Activity Enterprise Funds
Current Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>82,415</u>
 Total Assets	 \$ <u><u>82,415</u></u>
 Net Assets	
Unrestricted	\$ <u>82,415</u>
 Total Net Assets	 \$ <u><u>82,415</u></u>

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Cash Receipts, Disbursements and Changes in
Cash Basis Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Business-Type Activity Enterprise Funds
Operating Receipts	
Sales	\$ 164,123
Tuition	39,173
Other Revenues	4,040
	Total Operating Receipts
	\$ 207,336
Operating Disbursements	
Salaries	\$ 116,293
Fringe Benefits	42,683
Purchased Services	1,602
Material and Supplies	118,493
Capital Outlay	8,489
Other	326
	Total Operating Expenses
	\$ 287,886
Operating Income (Loss)	(80,550)
Non-Operating Revenues	
Interest	2,648
Federal Subsidies	90,054
	Total Non-Operating Receipts
	\$ 92,702
Change in Net Assets	12,152
Net Assets Beginning of Year	70,263
Net Assets End of Year	\$ 82,415

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Statement of Fiduciary Net Assets - Cash Basis
Fiduciary Funds
For the Fiscal Year Ended June 30, 2007

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ <u>21,995</u>
Net Assets	
Due to Students	\$ <u>21,995</u>

See accompanying notes to the Basic Financial Statements.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Ansonia Local School District (the “School District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The School District is located in Darke County and includes the entire Village of Ansonia, New Weston, and Rossburg, all of Brown Township, and portions of Allen, Richland, Wabash and York townships. It is staffed by 38 classified employees, 58 certified teaching personnel, and 9 administrative employees who provide services to approximately 700 students and other community members. The School District currently operates 1 instructional building, 1 bus garage and 1 administrative facility.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Ansonia Local School, this includes general operations, food service, preschool, 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. The School District is also financially accountable for any 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. Component units also include legally separate, tax exempt entities whose resources are for the direct benefit of the School District, are accessible to the School District and are significant in amount to the School District. Ansonia Local School District has no component units.

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Under the cash basis of accounting, the School District does not report assets for equity interests in joint ventures.

The School District participates in three jointly governed organizations and two insurance purchasing pools. These organizations are presented in Notes 13 and 14 to the basic financial statements.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 1 - REPORTING ENTITY (continued)

These organizations are:

Jointly Governed Organizations:

Metropolitan Dayton Educational Cooperative Association
Southwestern Ohio Educational Purchasing Council
Southwestern Ohio Instructional Technology Association

Insurance Purchasing Pools:

Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan
Southwestern Ohio Educational Purchasing Council Medical Benefits Plan.

The School District's management believes these financial statements present all activities for which the School District is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally used in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which, have been applied to the extent they are applicable to the cash basis of accounting. In the government wide financial statements and the fund financial statements from the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 20, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The School District does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the School District's accounting policies.

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(s) is eliminated to avoid "doubling up" receipts and disbursements. The statements distinguish between those activities of the School District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The statement of net assets presents the cash balance, of the governmental and business-type activities of the School District at fiscal year end. The statement of activities compares disbursements with program receipts for each function or program of the School District's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the School District's general receipts.

Fund Financial Statements

During the fiscal 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 and enterprise 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. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the fund's principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District classifies each fund as either governmental, proprietary or fiduciary.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other nonexchange transactions as governmental funds. The School District's major governmental funds for the 2008 fiscal year are the General and Bond Retirement funds. The School District's only major governmental fund for the 2007 fiscal year was the General Fund.

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

Bond Retirement Fund – The Bond Retirement fund balance is available to the School District for the repayment of bonds issued to finance the construction of new school facilities.

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

Proprietary Funds

The School District classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds.

The School District does not have a major enterprise fund. The District's enterprise funds account for food service, and the preschool program.

Fiduciary Funds

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 not available to support the School District's own programs. The School District's private purpose trust fund accounts for programs that provide college scholarships to students after graduation. Agency funds are custodial in nature. The School District's only fiduciary funds are agency funds which account for various student-managed activities.

C. Basis of Accounting

The School District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the School District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the School District are described in the appropriate section in this note.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of 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 amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund and two digit function level for the General Fund and the fund level for all other funds.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in receipts are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

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

E. Cash and Investments

To improve cash management, cash received by the School District is pooled and invested. 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.

Investments of the School District's 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. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2008 and 2007, the School District invested in Star Ohio, and Maxsaver Plus. Investments are reported at cost, except for STAR Ohio. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2008 and 2007.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund were \$59,036 and \$85,000, which included \$ 12,767 and \$41,000 assigned from other School District funds during the 2008 and 2007 fiscal years, respectively.

F. Restricted Assets

Cash and investments are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such restraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent amounts required by State statute to be set aside for bus purchases, textbooks instructional materials, and to create a budget reserve. See Note 12 for additional information regarding set-asides.

G. Inventory and Prepaid Items

The School District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

On the cash-basis of accounting, payments made to vendors for services that will benefit periods beyond the fiscal year are recorded as disbursements when made.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected in the accompanying financial statements.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Employer Contributions to Cost-Sharing Pension Plans

The School District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The School District's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since reporting a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restriction imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food services operations, athletic programs, and federal and state grants restricted to cash disbursement for specific purposes.

The School District's policy is to first apply restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

M. Fund Balance Reserves

The School District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Fund equity reserves have been established for encumbrances, school bus purchase and textbooks and instructional materials. The reserve for school bus purchases represents money required to be spent on bus purchases and the reserve for textbooks and instructional materials represents money required to be set-aside by state Statute to purchase textbooks and instructional materials. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods.

Under Ohio law, unclaimed monies must be held for five years before it becomes available for appropriation. Monies not yet held for the five year period are presented as reserved. The reserve for textbooks represents money required to be set-aside by state statute for the purchase of textbooks and instructional materials.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Interfund Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/cash disbursements in proprietary funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund (and each major special revenue fund) is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statement for the General Fund:

	<u>FY 2008</u>	<u>FY 2007</u>
Cash Basis	\$1,132,495	\$1,127,777
Less Adjustment for Encumbrances	79,750	73,300
Budget Basis	\$1,052,745	\$1,054,477

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits the Board of Education has identified as not required for use within the current 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.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan bank, Federal Farm Credit bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAR Ohio).
7. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Deposits

At June 30, 2008, the book balance of the School Districts deposits was \$53,927, and the bank balance of \$69,676, and at June 30, 2007, the book balance of the School Districts deposits was \$17,676 of the School District's bank balance of \$40,157. All of the School District's deposits were insured by federal depository insurance, based on the criteria described in GASB Statement 40, "Deposits and Investment Risk Disclosures."

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

Investments

As of June 30, 2008 and 2007, the School District had the following investments:

Investments	<u>Maturities</u>	<u>Carrying Value 2008</u>	<u>Carrying Value 2007</u>
STAR Ohio	Average	\$ 733,090	\$ 785,587
5 th /3 rd Maxsaver	Average	751,912	724,766
Total Investments		<u>\$ 1,485,002</u>	<u>\$ 1,510,353</u>

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The School District's investment policy addresses interest rate risk by requiring that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

The School District has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 5 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the School District. Property tax receipts received in 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes. Property tax receipts received in 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) is for 2007 taxes.

2008 real property taxes are levied after October 1, 2008 on the assessed values as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009. 2007 real property taxes are levied after October 1, 2007 on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, 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 tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes which became a lien on December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes. 2007 public utility property taxes which became a lien on December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2008 tangible property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. 2007 tangible property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This is 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 3, with the remainder due September 20.

Ansonia Local School District

Darke County

Notes to the Financial Statements

For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 5 - PROPERTY TAXES (continued)

The School District receives property taxes from Darke County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008 are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The amount available as an advance at June 30, 2008 was \$126,948 in the General Fund and \$38,339 in the non-major funds. The amount available as an advance at June 30, 2007 was \$108,366 in the General Fund and \$32,633 in the non-major funds.

The assessed values upon which fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property				
Residential/Agricultural	\$ 43,158,170	80%	\$ 43,845,440	86%
Commercial/Industrial	2,630,440	8	2,620,220	5
General – Personal Property	3,006,550	6	2,793,310	5
Public Utility – Personal Property	3,269,160	6	1,801,100	4
Total Assessed Value	<u>\$ 52,064,320</u>	100%	<u>\$ 51,060,070</u>	100%

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

	2006 Second Half Collections		2007 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property				
Residential/Agricultural	\$ 42,983,650	83%	\$ 43,158,170	80%
Commercial/Industrial	2,523,390	5	2,630,440	8
General – Personal Property	2,878,580	5	3,006,550	6
Public Utility – Personal & Real	3,417,060	7	3,269,160	6
Total Assessed Value	<u>\$ 51,802,680</u>	100%	<u>\$ 52,064,320</u>	100%

NOTE 6 - 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, 1992 and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax receipts are recorded to the General Fund. Income tax receipts to the General Fund during fiscal year 2008 and 2007 were \$441,744 and 394,958.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 7 - RISK MANAGEMENT

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. For fiscal years 2008 and 2007, the School District contracted for the following insurance coverage:

Building and Contents-replacement cost (\$1,000 deductible)	\$ 18,322,459
Inland Marine Coverage (\$100 deductible)	2,191,100
Boiler and Machinery - Included in Building and Contents	
Automobile Liability (\$250 comprehensive deductible) (\$500 collision deductible)	1,000,000
Uninsured Motorists	1,000,000
General Liability	
Per occurrence	1,000,000
Aggregate Limit	2,000,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from last fiscal year.

Workers Compensation

For fiscal years 2008 and 2007, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 14). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percent of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling fund" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Insurance Purchasing Pool

The School District participates in the Southwestern Ohio Educational Purchasing Council Medical Benefits Plan (MBP). The MBP's business and affairs are conducted by an eleven member committee consisting of various EPC representatives that are elected by the general assembly. Either the superintendent or treasurer from each participating school district serves on the general assembly. Each year, the participating school districts pay an enrollment fee to the MBP to cover the costs of administering the program.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 8 – DEFINED BENEFIT PENSION PLANS

A. State Teachers Retirement System

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

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

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

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

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008 2007, and 2006 were \$396,747, \$377,553 and \$357,443 respectively; 83 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$3,799 made by the School District and \$7,769 made by the plan members; for fiscal year 2007 were \$3,507 made by the School District and \$7,399 made by the plan members.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 8 - DEFINED BENEFIT PENSION PLANS (continued)

B. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal years 2008 and 2007, 9.16 percent and 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 by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007, and 2006 \$77,209, \$90,471, and \$84,859 respectively; 43 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

C. Social Security System

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

NOTE 9 - POSTEMPLOYMENT BENEFITS

A. State Teachers Retirement System of Ohio

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

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 9 - POSTEMPLOYMENT BENEFITS (continued)

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the fiscal years ended 2008 and 2007, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$30,519, \$29,043, and \$27,496 respectively. The full amount has been contributed for those years.

B. School Employees Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 1 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent and for 2007, 3.32 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800 of covered payroll.

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

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$52,802, \$44,827, and \$43,548, respectively. The full amount has been contributed for those years.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2008 and 2007, the actuarially required allocation was .66% and .68%, respectively. The School District's contributions for the fiscal year ended June 30, 2008 and 2007 were \$5,563 and \$5,760, respectively, which equaled the required contributions for the fiscal year.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 10 - OTHER EMPLOYMENT BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees earn five to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who are not on a twelve month contract 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 the number of annual work days per contract plus ninety, not to exceed 220 days for all employees. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum of 55 days for certified and classified employees.

B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to classified employees through the Community Life Insurance Company, and medical, surgical, dental and vision insurance through Anthem PPO Blue Cross Blue Shield to all employees.

C. Deferred Compensation Plan

Employees may elect to participate in the Ohio Association of School Business Officials Deferred Compensation Plan. The plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 11 - DEBT

The changes in the School District's long-term obligations during fiscal year 2008 were as follows:

	Principal Outstanding 06/30/2007	Reductions	Principal Outstanding 6/30/2008	Maturity Due in One Year
Class Facilities Bonds 2000 4.90%	\$ 1,893,000	\$ 105,000	\$ 1,788,000	\$ 110,000

The changes in the School District's long-term obligations during fiscal year 2007 were as follows:

	Principal Outstanding 06/30/2006	Reductions	Principal Outstanding 6/30/2007	Maturity Due in One Year
Class Facilities Bonds 2000 4.90%	\$ 1,993,000	\$ 100,000	\$ 1,893,000	\$ 105,000

Ansonia Local School District

Darke County

Notes to the Financial Statements

For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 11 – DEBT (continued)

Classroom Facilities General Obligation Bonds – The School District issued bonds in the amount of \$2,563,000 to finance the construction of new school facilities. Of these bonds, \$2,515,000 are serial bonds, with maturity dates of December 1, 2000 to December 1, 2011 and December 1, 2015 to December 1, 2022. \$48,000 of the bonds are capital appreciation bonds, with maturity dates of December 1, 2012, 2013 and 2014. The maturity amount is \$130,000 for each year.

The District made a \$5,000 principal and \$1,219 interest payment during fiscal year 2008; and \$5,000 principal and \$1,706 interest payment during fiscal year 2007 on an old bond which matured December 1, 1989. Funds were previously transferred from the Bond Retirement to the General Fund, the principal and interest payments were made from the General Fund during 2008 and 2007, respectively

Principal and interest requirements to retire the school facilities construction and improvement bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	\$ 110,000	\$ 93,350	\$ 203,350
2010	115,000	87,850	202,850
2011	120,000	82,100	202,100
2012	125,000	76,100	201,100
2013	18,577	181,273	199,850
2014 – 2018	444,423	557,828	1,002,251
2019 – 2023	855,000	146,025	1,001,025
Total	<u>\$1,788,000</u>	<u>\$1,224,526</u>	<u>\$3,012,526</u>

NOTE 12 - SET-ASIDE CALCULATIONS

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 fiscal year must be held in cash at fiscal year end. These amounts must be carried forward and used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. The following cash basis information identifies the changes in the fund balance reserves for textbooks, capital improvements, and budget stabilization during fiscal year 2008.

	Textbooks and Instructional Materials	Capital Acquisition	Budget Stabilization
Set-aside Reserve Balance as of June 30, 2007	\$ 93,034	\$ (2,353,649)	\$ 55,498
Current Year Set-aside Requirement	102,668	102,668	0
Current Year Offsets	0	(43,334)	0
Qualifying Disbursements	(107,824)	(1,887)	0
Set-aside Balances Carried Forward to			
Future Fiscal Years	\$ 87,878	\$ (2,296,202)	\$ 55,498
Set-aside Reserve Balances as of June 30, 2008	<u>\$ 87,878</u>	<u>\$ 0</u>	<u>\$ 55,498</u>

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 12 - SET-ASIDE CALCULATIONS (continued)

The following cash basis information identifies the changes in the fund balance reserves for textbooks, capital improvements, and budget stabilization during fiscal year 2007.

	Textbooks and Instructional Materials	Capital Acquisition	Budget Stabilization
Set-aside Reserve Balance as of June 30, 2006	\$ 101,049	\$ (2,398,236)	\$ 55,498
Current Year Set-aside Requirement	105,336	105,336	0
Current Year Offsets	0	(45,104)	0
Qualifying Disbursements	<u>(113,351)</u>	<u>(15,645)</u>	<u>0</u>
Set-aside Balances Carried Forward to Future Fiscal Years	\$ <u>93,034</u>	\$ <u>(2,353,649)</u>	\$ <u>55,498</u>
Set-aside Reserve Balances as of June 30, 2007	<u>\$ 93,034</u>	<u>\$ 0</u>	<u>\$ 55,498</u>

The School District had offsets and qualifying cash disbursements during the fiscal year that reduced the set- amount to below zero for the capital acquisition set-aside. The negative amount can be carried forward as it represents proceeds of bonds from prior fiscal years. The total reserve balance for the set-asides at the end of the 2008 fiscal year was \$143,376 and \$148,532 for fiscal year 2007.

NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS

A. Metropolitan Dayton Educational Cooperative Association

The School District is a participant in the Metropolitan Dayton Educational Cooperative Association (MDECA), which is a computer consortium. MDECA is an association of public school districts within the boundaries of Montgomery, Miami and Darke Counties and the Cities of Dayton, Troy and Greenville. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts.

The governing board of MDECA consists of seven Superintendents of member school districts, with six of the Superintendents elected by majority vote of all member school districts except Montgomery County Educational Service Center. The seventh Superintendent is from the Montgomery County Educational Service Center. The School District paid MDECA \$27,366 and \$25,220 for services provided during the 2008 and 2007 fiscal years, respectively. Financial information can be obtained from Jerry Woodyard, who serves as Director, at 201 Riverside Drive, Suite 1C Street, Dayton, Ohio 45405.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS (continued)

B. Southwestern Ohio Educational Purchasing Council

The School District participates in the Southwestern Ohio Educational Purchasing Council (SOEPC), a purchasing council made up of nearly 100 school districts in 12 counties. The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. The School District paid fees to SOEPC of \$1,990 and \$2,097 during the 2008 and 2007 fiscal years, respectively. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 1831 Harshman Road, Dayton, Ohio 45424.

C. Southwestern Ohio Instructional Technology Association

The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under Section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs.

The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e., Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. One at-large non-public representative is elected by the non-public school SOITA members in the State-assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the state-assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the general fund. During fiscal year 2008 and 2007, the School District paid \$839 and \$2,550 to SOITA, respectively. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

NOTE 14 – PUBLIC ENTITY RISK POOLS

A. Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan

The School District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP). The GRP's business and affairs are conducted by an eleven-member committee consisting of various GRP representatives that are elected by the general assembly. Either the superintendent or treasurer from each participating school district serves on the general assembly. Each fiscal year, the participating School Districts pay an enrollment fee to the GRP to cover the costs of administering the program.

B. Southwestern Ohio Educational Purchasing Council Medical Benefits Plan

The School District participates in the Southwestern Ohio Educational Purchasing Council Medical Benefits Plan (MBP). The MBP's business and affairs are conducted by an eleven-member committee consisting of various EPC representatives that are elected by the general assembly. Either the superintendent or treasurer from each participating school district serves on the general assembly. Each fiscal year, the participating School Districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 15 – COMPLIANCE

Ohio Administrative Code, Section 117-2-03 (B), requires the School District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the School District prepared its financial statements on a *modified* cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net assets/fund balances, and disclosures that, while material, cannot be determined at this time. The School District can be fined and various other administrative remedies may be taken against the School District.

Ansonia Local School District
Darke County
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2008 and 2007

13. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

	<u>2008</u>			<u>2007</u>		
	<u>Food Service</u>	<u>Pre- School</u>	<u>Total</u>	<u>Food Service</u>	<u>Pre- School</u>	<u>Total</u>
Operating Revenues:						
Sales	\$ 161,039	\$ 0	\$ 161,039	\$ 164,123	\$ 0	\$ 164,123
Tuition	0	36,131	36,131	0	39,173	39,173
Other	1,000	0	1,000	4,040	0	4,040
Total Operating Revenues	<u>162,039</u>	<u>36,131</u>	<u>198,170</u>	<u>168,163</u>	<u>39,173</u>	<u>207,336</u>
Operating Expenses	<u>261,736</u>	<u>28,174</u>	<u>289,910</u>	<u>261,545</u>	<u>26,341</u>	<u>287,886</u>
Operating Income (Loss)	(99,697)	7,957	(91,740)	(93,382)	12,832	(80,550)
Non-Operating Revenues:						
Federal and State Subsidies	121,867	0	121,867	90,054	0	90,054
Interest	2,940	0	2,940	2,648	0	2,648
Total Non-Operating Revenues	<u>124,807</u>	<u>0</u>	<u>124,807</u>	<u>92,702</u>	<u>0</u>	<u>92,702</u>
Change in Net Assets	25,110	7,957	33,067	(680)	12,832	12,152
Beginning Net Assets	<u>39,572</u>	<u>42,843</u>	<u>82,415</u>	<u>40,252</u>	<u>30,011</u>	<u>70,263</u>
Ending Net Assets	<u>\$ 64,682</u>	<u>\$ 50,800</u>	<u>\$ 115,482</u>	<u>\$ 39,572</u>	<u>\$ 42,843</u>	<u>\$ 82,415</u>

MANNING & ASSOCIATES CPAs, LLC
6105 NORTH DIXIE DRIVE
DAYTON, OHIO 45414

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

Ansonia Local School District
Darke County
PO Box 279
Ansonia, Ohio 45303

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Ansonia Local School District, Darke County, (the District), as of and for the fiscal years ended June 30, 2008 and 2007, which collectively comprise the School District's basic financial statements and have issued our report thereon December 21, 2008, wherein we noted the District uses a comprehensive basis of accounting other than generally accepted accounting principles. 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 School District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the School District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School 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 School 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 School 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 School 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 also noted certain internal control matters that we reported to the School District's management in a separate letter dated December 21, 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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2008-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 21, 2008.

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the School District's response and, accordingly, we express no opinion on it.

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

Manning & Associates CPAs, LLC
Dayton, Ohio

December 21, 2008

**ANSONIA LOCAL SCHOOL DISTRICT
DARKE COUNTY**

*SCHEDULE OF FINDINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2007*

FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2008-001

Noncompliance Citation

Ohio Rev. Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of Ohio Rev. Code Section 117.38.

Ohio Adm. Code Section 117-2-03 (B) requires the District to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP). However, the School District prepared its financial statements in accordance with standards established by the Auditor of State for governmental entities not required to prepare annual reports in accordance with generally accepted accounting principles. The accompanying financial statements omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Rev. Code Section 117.38 the School District may be fined and subject to various other administrative remedies for its failure to file the required financial report.

The District should prepare their financial statements in accordance with generally accepted accounting principles.

Response: The Board of Education unanimously agreed to approve filing on GASB 34 cash basis year-end reports. Due to the continuous pressure to minimize cost under the current school funding system, the Board of Education has agreed that costs associated with generating and auditing the reports on a GAAP basis exceeds the benefits received by filing GAAP financial reports.

**ANSONIA LOCAL SCHOOL DISTRICT
DARKE COUNTY**

*SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2008 AND 2007*

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; Explain
2006-001	Financial statement reported in accordance with GAGAS	No	Reissued as finding 2008-001



Mary Taylor, CPA
Auditor of State

ANSONIA LOCAL SCHOOL DISTRICT

DARKE 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
MARCH 17, 2009**