



Mary Taylor, CPA
Auditor of State

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY**

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**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY**

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

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education.</i>						
Food Distribution Program		10.550		\$171,750		\$171,750
21st Century Grant - CACFP	048298-LUCP-2007	10.558	11,785		11,785	
Nutrition Cluster:						
National School Lunch Program	048298-LLP4-2007	10.555	456,998		456,998	
National School Breakfast Program	048298-05PU-2007	10.553	74,561		74,561	
Total Nutrition Cluster			531,559		531,559	
Total U.S. Department of Agriculture			543,344	171,750	543,344	171,750
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education.</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	048298-6BSD-2006-P	84.027	313,670		363,878	
	048298-6BSD-2007-P	84.027	75,000		73,994	
Exceptional Child Grant	048298-6BSF-2007-P	84.027	943,930		902,912	
Total Special Education Cluster			1,332,600		1,340,784	
Grants to Local Educational Agencies (ESEA Title I)	048298-C1S1-2006	84.010	94,583		113,768	
	048298-C1S1-2007	84.010	517,224		488,597	
Total Grants to Local Educational Agencies			611,807		602,365	
Innovative Educational Program Strategies	048298-C2S1-2006	84.298			1,674	
	048298-C2S1-2007	84.298	7,746		5,379	
Total Innovative Educational Program Strategies			7,746		7,053	
Title II-D Technology Literacy Challenge Fund Grant	048298-TJS1-2006	84.318			773	
	048298-TJS1-2007	84.318	5,621		5,621	
Total Title II-D Technology Literacy Challenge Fund Grant			5,621		6,394	
Drug-Free Schools Grant	048298-DRS1-2006	84.186			4,344	
	048298-DRS1-2007	84.186	18,063		16,679	
Total Drug Free Schools Grant			18,063		21,023	
21st Century Grant	048298-T1S1-2006	84.287	52,447		46,401	
	048298-T1S1-2007	84.287	240,768		236,687	
Total 21st Century Grant			293,215		283,088	
Title II-A Improving Teacher Quality	048298-TRS1-2006	84.367			909	
	048298-TRS1-2007	84.367	185,461		171,986	
Total Title II-A Improving Teacher Quality			185,461		172,895	
Total Department of Education			2,454,513		2,433,602	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Pass Through Ohio Department of Mental Retardation and Developmental Disabilities</i>						
Medical Assistance Program	Ohio Dept of MR/DD	93.778	3,789		40,378	
	Ohio Dept of MR/DD	93.778	3,789		1,969	
Total Medical Assistance Program			7,578		42,347	
Totals			\$3,005,435	\$171,750	\$3,019,293	\$171,750

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

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State Grants. It is assumed federal monies are expended first. At June 30, 2007, the District had no significant food commodities in inventory.



Mary Taylor, CPA

Auditor of State

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

Austintown Local School District
Mahoning County
700 S. Raccoon Rd
Austintown, Ohio 44515

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 Austintown Local School District, Mahoning County, (the District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 28, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

We noted a certain matter that we reported to the District's management in a separate letter dated January 28, 2008.

Compliance and Other Matters

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

We did note a certain noncompliance or other matter that we reported to the District's management in a separate letter dated January 28, 2008.

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

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

Mary Taylor, CPA
Auditor of State

January 28, 2008



Mary Taylor, CPA

Auditor of State

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

Austintown Local School District
Mahoning County
700 S. Raccoon Rd.
Austintown, Ohio 44515

To the Board of Education:

Compliance

We have audited the compliance of the Austintown Local School District, Mahoning County, (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503-1293

Telephone: (330) 797-9900 (800) 443-9271 Fax: (330) 797-9949

www.auditor.state.oh.us

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

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

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

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



Mary Taylor, CPA
Auditor of State

January 28, 2008

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 ' .505**

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under ' .510?	No
(d)(1)(vii)	Major Programs:	Title I/84.010 Nutrition Cluster/10.553 & 10.555
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

Finding Number	
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None

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	
-----------------------	--

None

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**AUSTINTOWN LOCAL
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2007

**PREPARED BY
TREASURER'S DEPARTMENT
BARBARA J. KLINER, TREASURER**

700 S. RACCOON ROAD YOUNGSTOWN, OHIO 44515

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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INTRODUCTORY SECTION



AUSTINTOWN LOCAL SCHOOLS
Douglas G. Heuer, Superintendent
Vincent Colaluca, Director of Curriculum
Barbara J. Kliner, Treasurer, CFO
Thomas D. Hura, Director of Business Services
700 S. Raccoon Rd. Austintown, Ohio 44515



Phone: 330/797-3900

austintown.k12.oh.us

January 28, 2008

Members of the Board of Education and Residents of the
Austintown Local School District

The Comprehensive Annual Financial Report (CAFR) of the Austintown Local School District (the "District") for the fiscal year ended June 30, 2007 is hereby submitted. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

State statute requires an annual audit by independent accountants. The Ohio Auditor of State's office conducted the audit. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and include a review of internal controls and test of compliance with Federal and State laws and regulations. The Independent Accountant's Report is included in this CAFR.

As a part of the District's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the school district has complied with applicable laws and regulations. The results of the District's independent audit for the fiscal year ended June 30, 2007 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This transmittal letter is designed to provide historical information about the District, as well as compliment the required Management's Discussion and Analysis (MD&A). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The District's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Accountant's Report.

Profile of Austintown Local School District

The District ranks as the 70th largest in the State of Ohio among 876 public school districts and community schools and is the 2nd largest of the 14 school districts located within Mahoning County in terms of total enrollment. As of the most current school year (2006-2007), 4,801 students were enrolled in the District's eight schools (five elementaries, one intermediate, one middle and one high school). Approximately 90 District residents attend the Mahoning County Career and Technical Center.

The District employs 244 non-certified staff members and 335 certificated staff members. The certified staff members include 21 administrators and 314 full-time and part-time teachers. Of the 314 member teaching staff, 71% have master's degrees. The District faculty has an average 15 years of teaching experience. Currently the District has 6 teachers who have attained National Board Certification. Classroom teachers at all levels are supported by specialists in reading, guidance, art, music and physical education. The District's Pupil Personnel Services include school health and psychological services, pupil appraisal, counseling and guidance services, and speech-language and hearing services at all levels.

The District's curriculum, based on the Ohio Content Standards and Ohio Models, offers a wide range of electives and comprehensive courses of study in college preparatory, vocational and alternative programs. A full range of extracurricular programs and activities is available, beginning in the elementary grades with the after-school enrichment program. All District schools have libraries, lunch programs and multipurpose rooms or gyms for student activities.

The educational program is based on a "graded structure". The five elementary buildings house kindergarten (half day) through fourth grade. This has allowed for consistency across the District, as well as a focus on developmentally appropriate practices and integration in all subject areas. Grades five are housed in an intermediate building and grades six through eight are housed in a middle school building. These buildings use a departmental structure. This allows for increased articulation among and across grade levels, as well as the development of expertise of specialists. The benefits of these programs are reflected in the fact that the District averages on the 4th and 6th grade Ohio Proficiency Tests are above average for the State of Ohio.

Overlapping Governmental Entities

The major political subdivisions or other governmental entities that overlap the territory of the District are listed below. The stated percentage is that percentage of the tax valuation of the overlapping entity that is located within the District.

1. Mahoning County (14.69%)
2. Mill Creek Park District (14.69%)
3. Austintown Township (98.60%)
4. Mahoning County Career and Technical Center (17.65%)

Each of these entities operates independently, with its own separate budget, taxing power, and sources of revenue.

Economic Conditions and Outlook

The District is located in Mahoning County in northeastern Ohio, approximately 75 miles southeast of the City of Cleveland. The District's approximately 25.0 square miles encompasses most of the territory of Austintown Township. The District is in the Youngstown-Warren Metropolitan Statistical Area, which is comprised of Columbiana, Mahoning and Trumbull Counties.

The District's general area is served by diversified transportation facilities. Immediate access is available to several State and U.S. highways and to interstate highways I-76, I-80 and I-680, and Rt. 11. The District is adjacent to areas served by Conrail and Amtrak, and is served by passenger air service at Youngstown Municipal Airport, located near the City of Youngstown.

Within 75 miles of the District, there are approximately 11,700 manufacturing plants, 12,500 wholesale distribution centers, and 46 Fortune 500 industrial, service, and corporate world headquarters. Employment in the Youngstown-Warren Metropolitan Statistical Area is primarily comprised of the manufacturing sector, largely in the automobile and steel industries. Since the mid 1980's, there has been an overall decrease in employment in the manufacturing sector, which has been offset by an increase in employment in the non-manufacturing sector.

Major commercial banks with offices within the District include Huntington Bank, Chase, Charter One, Home Savings and Loan, Farmers National Bank and Metropolitan National Bank.

Four daily newspapers serve the district. The District falls within the broadcast area of eight television stations and twenty one AM and FM radio stations. The District also operates a cable television channel which broadcasts school information on Channel 19.

Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include Youngstown State University, a public four-year university in the City of Youngstown with a full-time enrollment of over 13,500, Kent State University, The University of Akron, Penn State University (Sharon, Pennsylvania Branch), Mount Union College, Walsh University and Northeastern Ohio Universities College of Medicine.

A number of hospital and several adult and adolescent residential treatment centers are located in the area of the Youngstown-Warren Metropolitan Statistical Area.

Mahoning County provides numerous golf, tennis and swimming facilities all accessible to residents of the District.

There are many cultural activities available in the County including the Butler Institute of American Art, the Arms Museum, the Youngstown Playhouse and Youth Theatre, Uptown Theatre Easy Street Productions and the Youngstown Symphony Center. Youngstown University also provides art, music and plays. The Chevrolet Center is Northeast Ohio's newest event arena. It opened in 2005 and is centrally located in downtown Youngstown. The arena seats 5,700 and is home to the Youngstown Steel Hounds, an ice hockey team, and the Mahoning Valley Thunder, an arena football team. The center also hosts various concerts and performances. Many cultural activities are within driving distance in the greater Cleveland and Pittsburgh areas. Professional basketball, baseball, football and hockey teams are also located in the cities of Cleveland and Pittsburgh.

Long-Term Financial Planning

The District prepares a five-year financial forecast annually for use as a tool for long range planning. The five-year forecast contains projected local and state revenues, spending patterns within each area of the budget, and cash balances in the District's operating fund. The five-year forecast provides early warning signs of potential financial problems.

The District uses the five-year forecast to provide a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot.

Major Initiatives for the Year

The District identified several significant programs needed to meet both student requirements and community desires.

Student Performance - The District was rated effective by the Ohio Department of Education (ODE). 6 out of 8 buildings received an excellent rating. Our scores have been increasing overall, and we did meet Adequate Yearly Progress (AYP). The District, with the help of ODE, will strive to continue to meet AYP.

Continuous Improvement Plan - The District has a Strategic Plan at each building for Continuous Improvement (CIP). The building teams use building data to drive their decisions. The buildings teams have representation from teachers, principals and parents.

Performance Audit - The District received a Blue Ribbon State Award of a performance audit conducted by the State of Ohio Auditor's Office free of charge. The performance audit included in-depth analysis of financial, human resources, transportation, building and maintenance and technology areas. The report, along with a curriculum audit, was completed and released during fiscal year 2007. The District has used the performance audit as a guideline for union negotiations and other planning and staffing issues.

Capital Improvements - Through a partial grant from Forum Health Foundation, the District installed artificial turf on the high school football field. Renovations were also made on the stadium seating and infrastructure. Because of the age and condition of the track surface, a complete resurfacing of the track was done during the summer of 2007. Pizza Hut donated a new scoreboard for the football stadium. A Falcon Forward Campaign was created in order to raise donations from community members and businesses for further capital improvements in the District.

Community - The Austintown Walmart is being converted to a Super Walmart. The conversion will double the store's size. The store is expected to be completed in early 2008.

Major Initiatives for the Future

Student Achievement - The District has been increasing student achievement over the past two years. We have placed a major focus on reading and math. We are involved in a statewide reading initiative called OSIM. We have received grant money from ODE to provide a literacy coach and researched based data collection. Best practices are being provided to teachers through the literacy coach and professional development. The District has also invested in a District math coach.

Use of this Report

The report is published to provide to the Board of Education, as well as to our citizens and other interested persons, detailed information concerning the financial condition of the District, with particular emphasis placed on the utilization of resources during the past fiscal year. It is also intended that this report will serve as a guide in formulating policies and in conducting the District's future day-to-day activities. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included.

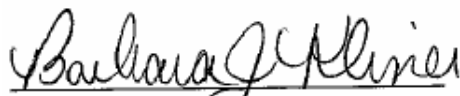
In today's bond market environment, it is increasingly important that public agencies prepare soundly conceived annual financial reports which are independently audited by a qualified firm or agency. It has become almost required practice that such reports be prepared in accordance with generally accepted accounting principles (GAAP), and the major bond rating agencies review the data presented in such reports before determining a public agency's bond rating.

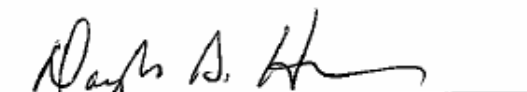
Use of this report by the various departments of the District is encouraged when furnishing information. Copies of this report are being placed in the public library for use by the general public.

Acknowledgments

It is with great pride and pleasure that we submit this CAFR for review and wish to express appreciation to the members of the Board of Education for supporting us in this endeavor and other members of the Treasurer's office who contributed time and effort in completing this project. We would also like to acknowledge our consultant, Julian & Grube, Inc., who provided us with expert technical assistance in all phases of preparing the report and the cooperation of the team from the Ohio Auditor of State's office, who conducted a thorough audit of our finances.

Sincerely,


Barbara J. Kliner, Treasurer


Douglas G. Heuer, Superintendent

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**LIST OF PRINCIPAL OFFICERS
JUNE 30, 2007**

Board of Education

<u>Name</u>	Began Service As Board Member <u>January 1</u>	Present Term Expires <u>December 31</u>	Vocation in Private <u>Life</u>
Dr. David Ritchie	1968	2007	Retired Podiatrist
Mrs. Joyce Pogany	1982	2009	Secretary
Mr. Michael Creatore*	2004	2007	Financial Advisor
Mr. Richard Zimmermann**	2006	2009	Industry Foreman
Mrs. Traci Morse Merlo	2006	2009	Insurance/Law Student

* President

** Vice President

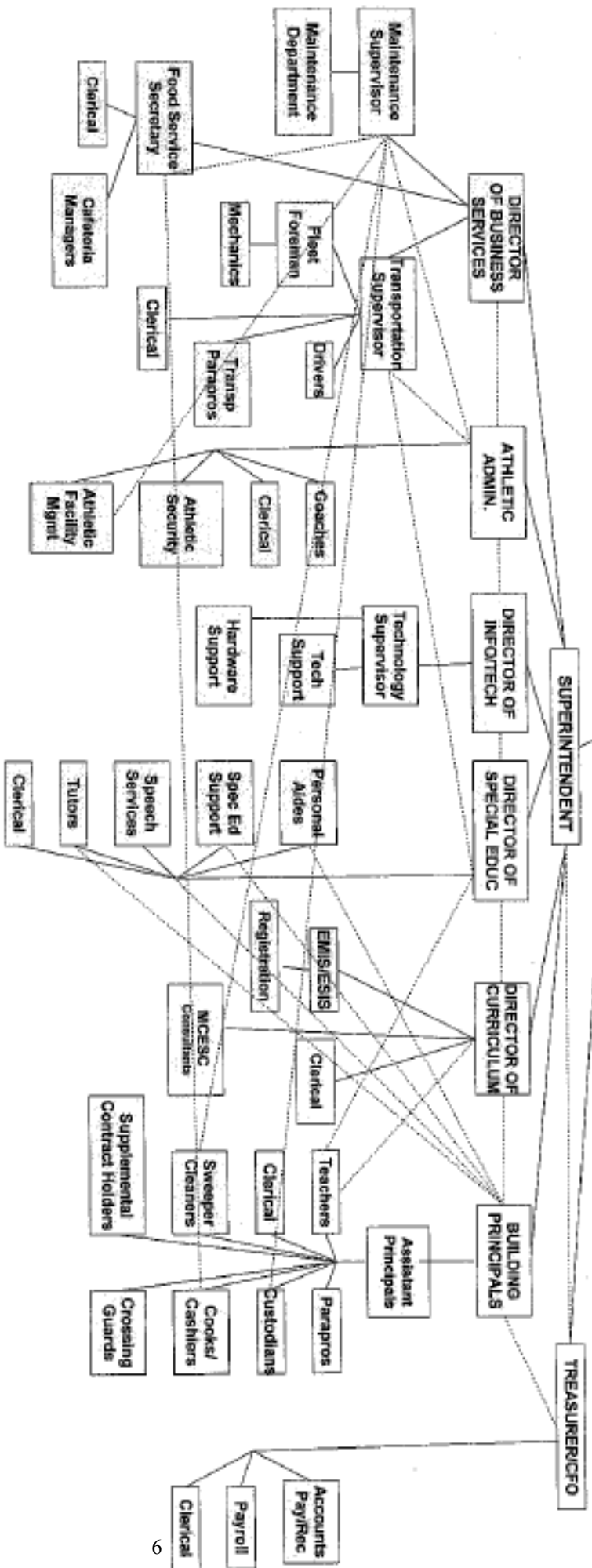
Central Office Administrative Staff

Superintendent	Mr. Douglas Heuer
Treasurer	Ms. Barbara Kliner
Director of Instruction	Mr. Vincent Colaluca
Director of Business Services	Mr. Thomas Hura

District Administrative Staff

Director of Special Education	Mrs. Becky Morris
Maintenance Supervisor	Mr. Harold Ripple
Transportation Supervisor	Ms. Colleen Murphy
Technology Coordinator	Mr. Thomas Ventresco
Athletic Administrator	Mr. Robert Conklin

AUSTINTOWN BOARD OF EDUCATION





Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Austintown Local School District
Mahoning County
700 South Raccoon Road
Austintown, Ohio 44515

To the Board of Education:

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

We conducted our audit in accordance with audit standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2008 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining non-major fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the combining non-major fund statements and schedules and the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

Mary Taylor, CPA
Auditor of State

January 28, 2008

AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
UNAUDITED

The discussion and analysis of Austintown Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the notes to the basic financial statements and basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2007 are as follows:

- In total, net assets increased \$3,860,267. Net assets of governmental activities increased \$3,879,566, which represents a 61.27% increase from 2006. Net assets of business-type activities decreased \$19,299 or 16.11% from 2006.
- General revenues accounted for \$41,170,750 in revenue or 82.41% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,525,384 or 15.06% of total revenues. Special item revenue totaled \$1,267,612 or 2.53% of total revenues of \$49,963,746.
- The District had \$46,084,180 in expenses related to governmental activities; only \$7,525,384 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$41,170,750 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and building fund. The general fund had \$41,450,038 in revenues, other financing sources and special items and \$39,190,650 in expenditures and other financing uses. The general fund's fund balance increased from a deficit of \$1,976,488 to a positive balance of \$282,900.
- The District's other major governmental fund is the building fund. The building fund had \$466,266 in revenues and \$9,632,449 in expenditures. The building fund's fund balance decreased from \$12,041,110 to \$2,874,927.
- Net assets for the business-type activities decreased in 2007 by \$19,299. This decrease in net assets was mainly due to inadequate charges for services revenue to cover operating expenses in the special enterprise fund.

Using this Comprehensive Annual Financial Report (CAFR)

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

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
UNAUDITED**

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

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2007?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current fund's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities and food service.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's special enterprise operations are reported as business activities.

The District's statement of net assets and statement of activities can be found on pages 23-25 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 15 and the analysis of the District's nonmajor enterprise fund begins on page 15. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and building fund.

AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
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Governmental Funds

Most of the 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 year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 26-30 of this report.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the District as a whole. The basic proprietary fund financial statements can be found on pages 31-33 of this report.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in two agency funds. The District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 34 and 35. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 37-65 of this report.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
UNAUDITED**

The District as a Whole

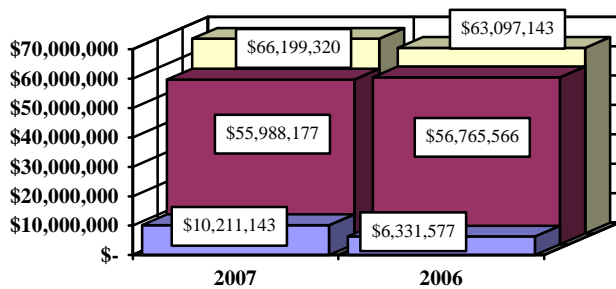
The Statement of Net Assets provides the perspective of the District as a whole. Net assets at June 30, 2006 have been restated, as described in Note 3.A. of the notes to the basic financial statements.

The table below provides a summary of the District's net assets for 2007 and 2006.

Net Assets

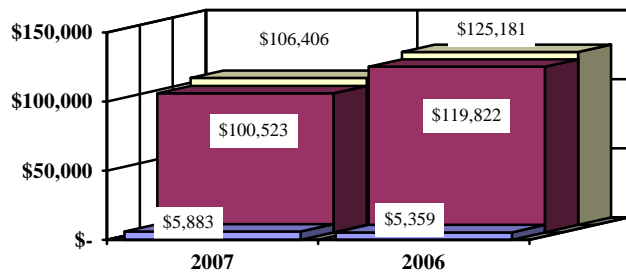
	Governmental Activities		Business-Type Activities		Total	
	2007	Restated 2006	2007	2006	2007	Restated 2006
Assets						
Current assets	\$ 35,563,853	\$ 42,216,722	\$ 51,626	\$ 79,303	\$35,615,479	\$42,296,025
Capital assets, net	<u>30,635,467</u>	<u>20,880,421</u>	<u>54,780</u>	<u>45,878</u>	<u>30,690,247</u>	<u>20,926,299</u>
Total assets	<u>66,199,320</u>	<u>63,097,143</u>	<u>106,406</u>	<u>125,181</u>	<u>66,305,726</u>	<u>63,222,324</u>
Liabilities						
Current liabilities	26,588,551	27,472,375	5,883	5,359	26,594,434	27,477,734
Long-term liabilities	<u>29,399,626</u>	<u>29,293,191</u>	<u>-</u>	<u>-</u>	<u>29,399,626</u>	<u>29,293,191</u>
Total liabilities	<u>55,988,177</u>	<u>56,765,566</u>	<u>5,883</u>	<u>5,359</u>	<u>55,994,060</u>	<u>56,770,925</u>
Net Assets						
Invested in capital assets, net of related debt	5,925,236	5,585,792	54,780	45,878	5,980,016	5,631,670
Restricted	5,207,218	3,190,536	-	-	5,207,218	3,190,536
Unrestricted (deficit)	<u>(921,311)</u>	<u>(2,444,751)</u>	<u>45,743</u>	<u>73,944</u>	<u>(875,568)</u>	<u>(2,370,807)</u>
Total net assets	<u>\$ 10,211,143</u>	<u>\$ 6,331,577</u>	<u>\$ 100,523</u>	<u>\$ 119,822</u>	<u>\$ 10,311,666</u>	<u>\$ 6,451,399</u>

Governmental – Net Assets



■ Net Assets ■ Liabilities ■ Assets

Business-Type – Net Assets



■ Liabilities ■ Net Assets ■ Assets

AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
UNAUDITED

The table below shows the changes in net assets for fiscal year 2007 and 2006. Certain 2006 balances have been restated as described in Note 3.A. of the notes to the basic financial statements.

Change in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	Restated <u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	Restated <u>2006</u>
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 1,807,368	\$ 1,701,884	\$ 63,674	\$ 53,067	\$ 1,871,042	\$ 1,754,951
Operating grants and contributions	5,571,266	3,660,884	-	-	5,571,266	3,660,884
Capital grants and contributions	146,750	-	-	-	146,750	-
General revenues:						
Property taxes	20,616,240	18,942,787	-	-	20,616,240	18,942,787
Grants and entitlements	19,750,702	21,309,943	-	-	19,750,702	21,309,943
Investment earnings	751,807	928,050	-	-	751,807	928,050
Other	52,001	236,705	-	-	52,001	236,705
Total revenues	<u>48,696,134</u>	<u>46,780,253</u>	<u>63,674</u>	<u>53,067</u>	<u>48,759,808</u>	<u>46,833,320</u>
<u>Expenses</u>						
Program expenses:						
Instruction:						
Regular	19,786,687	20,211,422	-	-	19,786,687	20,211,422
Special	5,086,712	4,677,768	-	-	5,086,712	4,677,768
Vocational	297,227	231,132	-	-	297,227	231,132
Adult	-	31,691	-	-	-	31,691
Other	1,772,787	1,220,107	-	-	1,772,787	1,220,107
Support services:						
Pupil	2,727,291	2,541,249	-	-	2,727,291	2,541,249
Instructional staff	1,366,564	1,123,499	-	-	1,366,564	1,123,499
Board of Education	65,160	52,807	-	-	65,160	52,807
Administration	3,417,313	3,492,015	-	-	3,417,313	3,492,015
Fiscal	856,985	846,012	-	-	856,985	846,012
Business	54,720	4,519	-	-	54,720	4,519
Operations and maintenance	4,231,309	4,044,331	-	-	4,231,309	4,044,331
Pupil transportation	2,277,807	2,319,760	-	-	2,277,807	2,319,760
Central	-	2,282	-	-	-	2,282
Operation of non-instructional services:						
Food service operations	1,464,605	1,727,412	-	-	1,464,605	1,727,412
Other non-instructional services	130,149	42,651	-	-	130,149	42,651
Extracurricular activities	1,045,737	996,301	-	-	1,045,737	996,301
Intergovernmental	256,734	257,754	-	-	256,734	257,754
Interest and fiscal charges	1,246,393	1,258,858	-	-	1,246,393	1,258,858
Special enterprise	-	-	82,973	51,381	82,973	51,381
Total expenses	<u>46,084,180</u>	<u>45,081,570</u>	<u>82,973</u>	<u>51,381</u>	<u>46,167,153</u>	<u>45,132,951</u>
Special item	<u>1,267,612</u>	-	-	-	<u>1,267,612</u>	-
Changes in net assets	3,879,566	1,698,683	(19,299)	1,686	3,860,267	1,700,369
Net assets at beginning of year	<u>6,331,577</u>	<u>4,632,894</u>	<u>119,822</u>	<u>118,136</u>	<u>6,451,399</u>	<u>4,751,030</u>
Net assets at end of year	<u>\$ 10,211,143</u>	<u>\$ 6,331,577</u>	<u>\$ 100,523</u>	<u>\$ 119,822</u>	<u>\$ 10,311,666</u>	<u>\$ 6,451,399</u>

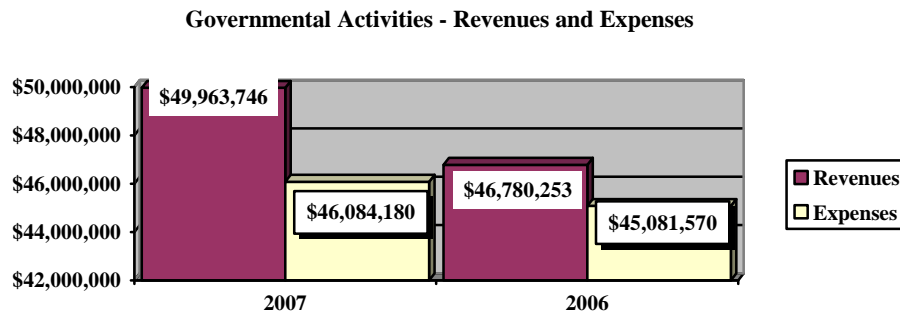
**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
UNAUDITED**

Governmental Activities

For fiscal year 2007, the net assets of the District's governmental activities increased \$3,879,566. Total governmental expenses of \$46,084,180 were offset by program revenues of \$7,525,384, general revenues of \$41,170,750 and a special item of \$1,267,612. Program revenues supported 16.33% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 80.80% of total governmental revenue. Real estate property is reappraised every six years.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2007 and 2006.



The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2007 and 2006. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. Certain 2006 balances have been restated as described in Note 3.A. of the notes to the basic financial statements

Governmental Activities

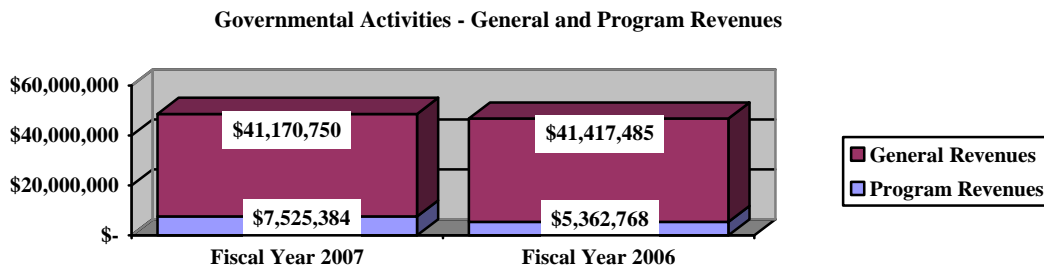
	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>	Restated Total Cost of Services <u>2006</u>	Restated Net Cost of Services <u>2006</u>
Program expenses:				
Instruction:				
Regular	\$ 19,786,687	\$ 19,089,429	\$ 20,211,422	\$ 19,591,340
Special	5,086,712	2,174,811	4,677,768	3,207,370
Vocational	297,227	222,658	231,132	231,132
Adult	-	-	31,691	324
Other	1,772,787	1,611,260	1,220,107	1,220,107

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>	Restated Total Cost of Services <u>2006</u>	Restated Net Cost of Services <u>2006</u>
Support services:				
Pupil	2,727,291	2,359,083	2,541,249	2,434,838
Instructional staff	1,366,564	1,145,197	1,123,499	911,874
Board of Education	65,160	65,160	52,807	52,807
Administration	3,417,313	2,951,572	3,492,015	3,020,566
Fiscal	856,985	856,985	846,012	842,679
Business	54,720	54,720	4,519	4,519
Operations and maintenance	4,231,309	4,213,381	4,044,331	4,044,331
Pupil transportation	2,277,807	2,022,004	2,319,760	2,290,325
Central	-	-	2,282	2,282
Operation of non-instructional services:				
Food service operations	1,464,605	(197,577)	1,727,412	706
Other non-instructional services	130,149	72,066	42,651	(864)
Extracurricular activities	1,045,737	664,400	996,301	642,326
Intergovernmental	256,734	7,254	257,754	(36,718)
Interest and fiscal charges	1,246,393	1,246,393	1,258,858	1,258,858
Total expenses	<u>\$ 46,084,180</u>	<u>\$ 38,558,796</u>	<u>\$ 45,081,570</u>	<u>\$ 39,718,802</u>

The dependence upon tax revenues during fiscal year 2007 for governmental activities is apparent, as 85.73% of 2007 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue and special item support is 83.67%. The District's taxpayers, as a whole, are by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2007 and 2006.



Business-Type Activities

Business-type activities include special enterprise operations. These programs had revenues of \$63,674 and expenses of \$82,973 for fiscal year 2007. The District's business activities receive no support from tax revenues.

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 26) reported a combined fund balance of \$5,801,210, which is below last year fund's total of \$12,532,689. Fund balances at June 30, 2006 have been restated. See Note 3 A. for detail. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2007 and 2006.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
UNAUDITED**

	Fund Balance <u>June 30, 2007</u>	Restated Fund Balance (Deficit) <u>June 30, 2006</u>	Increase/ (Decrease)
General	\$ 282,900	\$ (1,976,488)	\$ 2,259,388
Building	2,874,927	12,041,110	(9,166,183)
Other Governmental	<u>2,643,383</u>	<u>2,468,067</u>	<u>175,316</u>
Total	<u>\$ 5,801,210</u>	<u>\$ 12,532,689</u>	<u>\$ (6,731,479)</u>

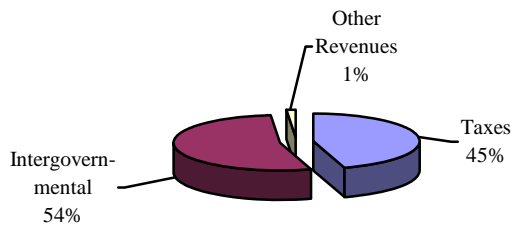
General Fund

The District's general fund deficit balance decreased by \$2,259,388, due to increasing revenues outpacing increasing expenditures and a refund from the Mahoning County School Employees Insurance Consortium during 2007. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

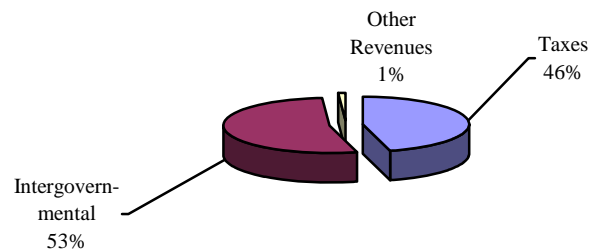
	<u>2007 Amount</u>	<u>2006 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenues				
Taxes	\$ 18,231,178	\$ 18,246,469	\$ (15,291)	(0.08) %
Intergovernmental	21,422,112	21,131,836	290,276	1.37 %
Other revenues	<u>528,675</u>	<u>433,431</u>	<u>95,244</u>	21.97 %
Total	<u>\$ 40,181,965</u>	<u>\$ 39,811,736</u>	<u>\$ 370,229</u>	0.93 %

Tax revenue decreased by \$15,291 or 0.08% from fiscal 2006 due to House Bill 66 eliminating the tax on tangible personal property. Intergovernmental revenue increased \$290,276 or 1.37% from the prior year. This increase is attributed to the reimbursement from the State for the lost tangible personal property tax revenue due to House Bill 66. Other revenues increased \$95,244 or 21.97% due to an increase in tuition revenue and an increase in interest revenue.

Revenues – Fiscal Year 2007



Revenues – Fiscal Year 2006



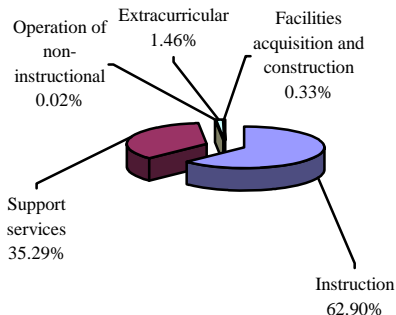
**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
UNAUDITED**

The table that follows assists in illustrating the expenditures of the general fund.

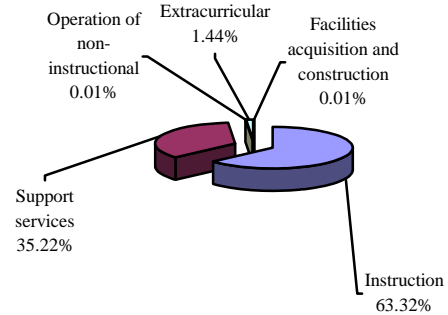
<u>Expenditures</u>	2007 <u>Amount</u>	Restated 2006 <u>Amount</u>	<u>Increase</u>	<u>Percentage Change</u>
Instruction	\$ 24,551,479	\$ 24,087,035	\$ 464,444	1.93 %
Support services	13,778,272	13,343,593	434,679	3.26 %
Operation of non-instructional services	4,672	3,194	1,478	46.27 %
Extracurricular activities	568,940	544,400	24,540	4.51 %
Facilities acquisition and construction	128,249	2,129	126,120	5,923.91 %
Total	\$ 39,031,612	\$ 37,980,351	\$ 1,051,261	2.77 %

One of the most significant increases was in instructional expenditures. Instructional expenditures increased due to increased wage and benefit costs coupled with the early retirement incentive expenses. Support services also increased significantly, primarily due to the same reasons as instructional expenditures. Facilities acquisition and construction increased due to improvements made to the football field during fiscal year 2007.

Expenditures – Fiscal Year 2007



Expenditures – Fiscal Year 2006



Building Fund

The building fund had \$466,266 in revenues and \$9,632,449 in expenditures. The building fund's fund balance decreased from \$12,041,110 to \$2,874,927. The decrease in the building fund's fund balance can be attributed to the ongoing construction of the new Austintown Middle School building.

General Fund Budgeting Highlights

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

During the course of fiscal 2007, the District amended its general fund budget numerous times, none significant. The District uses budgeting systems to tightly control local budgets but provide flexibility for management.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
UNAUDITED**

For the general fund, final budgeted revenues, other financing sources and special item were \$41,232,063, which was increased from the original budgeted revenues and other financing sources estimate of \$40,118,971. Actual revenues, other financing sources and special item for fiscal 2007 were \$41,164,735. This represents a \$67,328 decrease from final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$39,624,321 were decreased to \$39,518,041 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2007 totaled \$39,067,397, which was \$450,644 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2007, the District had \$30,690,247 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, textbooks and construction in progress (CIP). Of this total, \$30,635,467 was reported in governmental activities and \$54,780 was reported in business-type activities. The following table shows fiscal 2007 balances compared to 2006:

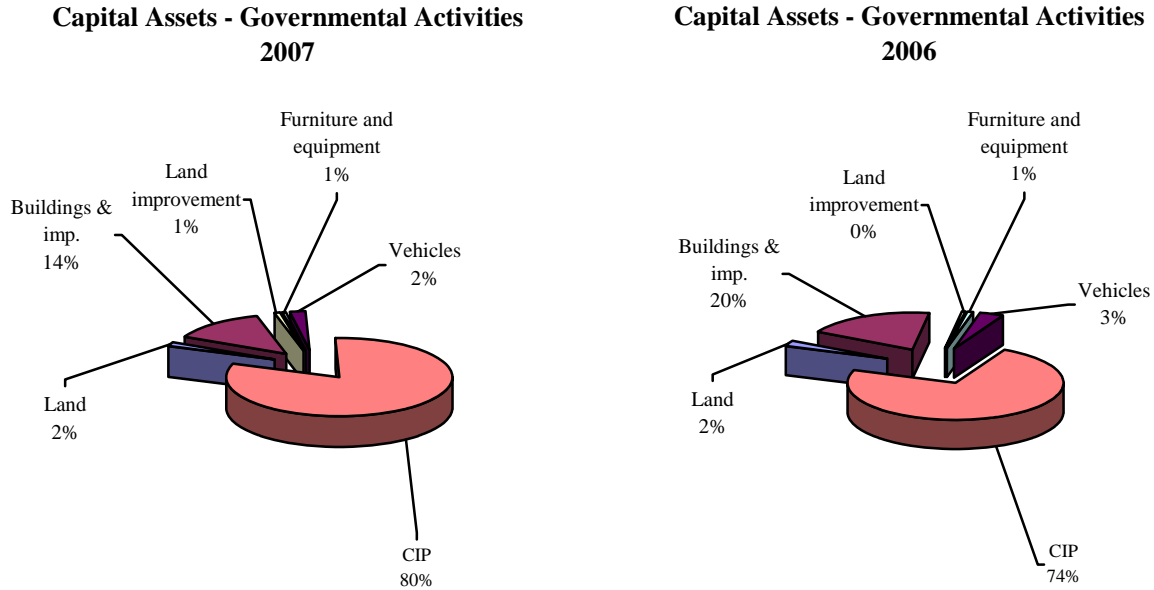
**Capital Assets at June 30
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 502,026	\$ 502,026	\$ -	\$ -	\$ 502,026	\$ 502,026
Land improvements	263,976	103,598	-	-	263,976	103,598
Building and improvements	4,143,586	4,075,607	-	-	4,143,586	4,075,607
Furniture and equipment	263,555	204,511	54,780	45,878	318,335	250,389
Vehicles	647,209	726,184	-	-	647,209	726,184
Construction in progress	<u>24,815,115</u>	<u>15,268,495</u>	<u>-</u>	<u>-</u>	<u>24,815,115</u>	<u>15,268,495</u>
Total	<u>\$ 30,635,467</u>	<u>\$ 20,880,421</u>	<u>\$ 54,780</u>	<u>\$ 45,878</u>	<u>\$ 30,690,247</u>	<u>\$ 20,926,299</u>

Capital assets of the governmental activities increased \$9,755,046, which is due to capital outlays of \$10,269,629 exceeding depreciation expense of \$514,583 in the current year. Capital assets of the business-type activities increased \$8,902, which is due to capital outlays of \$15,775 exceeding depreciation expense of \$6,873 in the current year.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
UNAUDITED**

The following graphs show the breakdown of governmental activities capital assets by category for 2007 and 2006.



See Note 8 to the basic financial statements for detail on the District's capital assets.

Debt Administration

At June 30, 2007 the District had \$25,255,604 in an asbestos abatement loan, House Bill 264 loan and general obligation bonds outstanding. Of this total, \$493,561 is due within one year and \$24,762,043 is due within greater than one year. The following table summarizes the bonds and loans outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>
Asbestos abatement loan	\$ 113,057	\$ 138,180
House Bill 264 loan	364,663	-
General obligation bonds	<u>24,777,884</u>	<u>25,122,060</u>
Total	<u>\$ 25,255,604</u>	<u>\$ 25,260,240</u>

The District issued an asbestos abatement loan to provide energy improvements to various District buildings. The asbestos abatement loan is interest free. The asbestos abatement loan matures on May 30, 2012.

During fiscal 2004, the District issued \$26,000,000 in current interest and capital appreciation bonds. The bonds bear an annual interest rate of 2.00% - 5.13% and mature on December 1, 2030.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
UNAUDITED**

The District issued a House Bill 264 loan to provide for energy improvements to various District buildings. The House Bill 264 loan bears an interest rate of 4.75% and matures on October 1, 2021.

At June 30, 2007 the District's overall legal debt margin was \$29,632,178 with an unvoted debt margin of \$592,962. See Note 9 to the basic financial statements for more detail on the District's long-term obligations.

Current Financial Related Activities

In May, 2006, the residents of Austintown showed their support by passing the renewal of two five year operating levies. The 4.9 and 7.3 mill levies generate approximately \$5.2 million annually. This passage will allow the District to continue to operate its educational programs and look to the future.

The passage of Amended Substitute House Bill 66 brings about several challenges to the District. House Bill 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroad property. Tangible personal property taxes will be phased out from 2006 through 2008, with the tax being eliminated by January 1, 2009. The State will make compensating distributions to school districts from revenue generated by the new commercial activities (CAT) tax, which is being phased in over a five year period. The compensating payments will be based on the value of tangible personal property reported for 2004 in the school district and the property tax levies in effect for 2005 (as long as the levy was approved by the voters before September 2005). The State will make full reimbursements at these base levels through 2010, with gradual reductions in the reimbursement from 2011 through 2018 for school districts. The District stands to lose over \$2 million by the year 2010 with the phasing out of tangible personal property taxes. In addition, House Bill 66 terminates the 10 percent real property tax rollback and related State rollback payments for commercial and industrial real property tax used in business (except for farming and or certain housing uses) effective for tax year 2005.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Barbara Kliner, Treasurer, Austintown Local School District, 700 S. Raccoon Road, Youngstown, Ohio 44515.

**BASIC
FINANCIAL STATEMENTS**

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**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2007

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 10,667,322	\$ 51,346	\$ 10,718,668
Cash with escrow agent.	301,692	-	301,692
Investments.	974,231	-	974,231
Receivables:			
Taxes	22,689,491	-	22,689,491
Accounts	11,028	280	11,308
Accrued interest	1,569	-	1,569
Intergovernmental	539,594	-	539,594
Prepayments	38,391	-	38,391
Materials and supplies inventory	48,046	-	48,046
Unamortized bond issue costs	292,489	-	292,489
Capital assets:			
Land and construction in progress	25,317,141	-	25,317,141
Depreciable capital assets, net	5,318,326	54,780	5,373,106
Capital assets, net.	<u>30,635,467</u>	<u>54,780</u>	<u>30,690,247</u>
Total assets.	<u>66,199,320</u>	<u>106,406</u>	<u>66,305,726</u>
Liabilities:			
Accounts payable.	107,516	4,440	111,956
Contracts payable	250,374	-	250,374
Retainage payable.	301,692	-	301,692
Accrued wages and benefits	4,332,636	594	4,333,230
Pension obligation payable.	987,923	702	988,625
Intergovernmental payable	239,539	147	239,686
Deposits payable.	260,000	-	260,000
Accrued interest payable	95,179	-	95,179
Unearned revenue	20,013,692	-	20,013,692
Long-term liabilities:			
Due within one year.	1,266,710	-	1,266,710
Due within more than one year	28,132,916	-	28,132,916
Total liabilities	<u>55,988,177</u>	<u>5,883</u>	<u>55,994,060</u>
Net Assets:			
Invested in capital assets, net of related debt.	5,925,236	54,780	5,980,016
Restricted for:			
Capital projects	3,640,222	-	3,640,222
Debt service.	844,252	-	844,252
Locally funded programs	61,916	-	61,916
State funded programs	213,175	-	213,175
Federally funded programs	297,320	-	297,320
Student activities	59,884	-	59,884
Other purposes	90,449	-	90,449
Unrestricted (deficit)	<u>(921,311)</u>	<u>45,743</u>	<u>(875,568)</u>
Total net assets	<u>\$ 10,211,143</u>	<u>\$ 100,523</u>	<u>\$ 10,311,666</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 19,786,687	\$ 139,332	\$ 525,126	\$ 32,800
Special	5,086,712	-	2,911,901	-
Vocational	297,227	24,504	50,065	-
Other	1,772,787	-	161,527	-
Support services:				
Pupil.	2,727,291	7,814	360,394	-
Instructional staff	1,366,564	6,879	214,488	-
Board of education	65,160	-	-	-
Administration.	3,417,313	276,649	189,092	-
Fiscal.	856,985	-	-	-
Business.	54,720	-	-	-
Operations and maintenance	4,231,309	17,928	-	-
Pupil transportation	2,277,807	-	141,853	113,950
Operation of non-instructional services:				
Food service operations	1,464,605	964,502	697,680	-
Other non-instructional services . .	130,149	933	57,150	-
Extracurricular activities.	1,045,737	368,827	12,510	-
Intergovernmental	256,734	-	249,480	-
Interest and fiscal charges	1,246,393	-	-	-
Total governmental activities	<u>46,084,180</u>	<u>1,807,368</u>	<u>5,571,266</u>	<u>146,750</u>
Business-type activities:				
Special enterprise	<u>82,973</u>	<u>63,674</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 46,167,153</u>	<u>\$ 1,871,042</u>	<u>\$ 5,571,266</u>	<u>\$ 146,750</u>

General Revenues:

Property taxes levied for:

General purposes

Debt service.

Grants and entitlements not restricted

to specific programs

Investment earnings

Miscellaneous

Total general revenues

Special Item:

Consortium refund.

Total general revenues and special item.

Change in net assets

Net assets at beginning of year (restated). . .

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Assets**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (19,089,429)	\$ -	\$ (19,089,429)
(2,174,811)	-	(2,174,811)
(222,658)	-	(222,658)
(1,611,260)	-	(1,611,260)
(2,359,083)	-	(2,359,083)
(1,145,197)	-	(1,145,197)
(65,160)	-	(65,160)
(2,951,572)	-	(2,951,572)
(856,985)	-	(856,985)
(54,720)	-	(54,720)
(4,213,381)	-	(4,213,381)
(2,022,004)	-	(2,022,004)
197,577	-	197,577
(72,066)	-	(72,066)
(664,400)	-	(664,400)
(7,254)	-	(7,254)
(1,246,393)	-	(1,246,393)
(38,558,796)	-	(38,558,796)
-	(19,299)	(19,299)
(38,558,796)	(19,299)	(38,578,095)
18,967,834	-	18,967,834
1,648,406	-	1,648,406
19,750,702	-	19,750,702
751,807	-	751,807
52,001	-	52,001
41,170,750	-	41,170,750
1,267,612	-	1,267,612
42,438,362	-	42,438,362
3,879,566	(19,299)	3,860,267
6,331,577	119,822	6,451,399
<u>\$ 10,211,143</u>	<u>\$ 100,523</u>	<u>\$ 10,311,666</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 5,527,459	\$ 2,151,864	\$ 2,897,550	\$ 10,576,873
Cash with escrow agent.	-	301,692	-	301,692
Investments.	-	974,231	-	974,231
Receivables:				
Taxes.	20,992,745	-	1,696,746	22,689,491
Accounts	3,073	-	7,955	11,028
Accrued interest	-	1,569	-	1,569
Intergovernmental	-	-	539,594	539,594
Prepayments	38,391	-	-	38,391
Materials and supplies inventory	-	-	48,046	48,046
Restricted assets:				
Equity in pooled cash and cash equivalents	90,449	-	-	90,449
Total assets	<u>\$ 26,652,117</u>	<u>\$ 3,429,356</u>	<u>\$ 5,189,891</u>	<u>\$ 35,271,364</u>
Liabilities:				
Accounts payable	\$ 50,614	\$ -	\$ 56,902	\$ 107,516
Contracts payable	-	250,374	-	250,374
Retainage payable.	-	301,692	-	301,692
Accrued wages and benefits	4,031,683	-	300,953	4,332,636
Compensated absences payable	262,703	-	-	262,703
Early retirement incentive payable.	224,000	-	16,000	240,000
Pension obligation payable.	935,698	-	52,225	987,923
Intergovernmental payable.	215,424	794	23,321	239,539
Deposits payable.	-	-	260,000	260,000
Deferred revenue.	2,165,663	1,569	306,847	2,474,079
Unearned revenue	18,483,432	-	1,530,260	20,013,692
Total liabilities	<u>26,369,217</u>	<u>554,429</u>	<u>2,546,508</u>	<u>29,470,154</u>
Fund Balances:				
Reserved for encumbrances	211,577	2,416,377	636,220	3,264,174
Reserved for materials and supplies inventory.	-	-	48,046	48,046
Reserved for prepayments	38,391	-	-	38,391
Reserved for debt service.	-	-	790,568	790,568
Reserved for school bus purchases.	90,449	-	-	90,449
Unreserved, undesignated (deficit), reported in:				
General fund	(57,517)	-	-	(57,517)
Special revenue funds.	-	-	454,752	454,752
Capital projects funds.	-	458,550	713,797	1,172,347
Total fund balances	<u>282,900</u>	<u>2,874,927</u>	<u>2,643,383</u>	<u>5,801,210</u>
Total liabilities and fund balances	<u>\$ 26,652,117</u>	<u>\$ 3,429,356</u>	<u>\$ 5,189,891</u>	<u>\$ 35,271,364</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2007

Total governmental fund balances		\$ 5,801,210
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		30,635,467
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 2,314,526	
Intergovernmental revenue	157,984	
Accrued interest	1,569	
Total		2,474,079
Unamortized premiums on bond issuance is not recognized in the funds.		(300,578)
Unamortized bond issuance costs are not recognized in the funds.		292,489
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are reported when due.		(95,179)
Long-term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	3,148,741	
Early retirement incentive	192,000	
General obligation bonds	24,777,884	
House Bill 264 loan	364,663	
Asbestos loan	113,057	
Total		(28,596,345)
Net assets of governmental activities		\$ 10,211,143

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
From local sources:				
Taxes	\$ 18,231,178	\$ -	\$ 1,622,375	\$ 19,853,553
Tuition	94,391	-	-	94,391
Charges for services	933	-	942,502	943,435
Earnings on investments	303,638	466,266	28,565	798,469
Extracurricular	4,107	-	635,365	639,472
Classroom materials and fees	65,649	-	1,060	66,709
Other local revenues	59,957	-	66,201	126,158
Intergovernmental - Intermediate	-	-	233,770	233,770
Intergovernmental - State	21,422,112	-	716,416	22,138,528
Intergovernmental - Federal	-	-	2,898,614	2,898,614
Total revenue	<u>40,181,965</u>	<u>466,266</u>	<u>7,144,868</u>	<u>47,793,099</u>
Expenditures:				
Current:				
Instruction:				
Regular	19,032,407	-	572,846	19,605,253
Special	3,627,130	-	1,380,543	5,007,673
Vocational	278,107	-	-	278,107
Other	1,613,835	-	158,952	1,772,787
Support Services:				
Pupil	2,389,635	-	310,313	2,699,948
Instructional staff	1,129,052	-	224,919	1,353,971
Board of education	65,160	-	-	65,160
Administration	2,965,729	-	480,375	3,446,104
Fiscal	824,573	-	28,288	852,861
Business	52,413	-	-	52,413
Operations and maintenance	4,173,202	18,858	-	4,192,060
Pupil transportation	2,178,508	-	27,436	2,205,944
Operation of non-instructional services:				
Food service operations	-	-	1,521,322	1,521,322
Other non-instructional services	4,672	66,732	58,668	130,072
Extracurricular activities	568,940	-	442,015	1,010,955
Facilities acquisition and construction	128,249	9,546,859	430,249	10,105,357
Intergovernmental pass through	-	-	256,734	256,734
Debt service:				
Principal retirement	-	-	480,780	480,780
Interest and fiscal charges	-	-	1,150,169	1,150,169
Total expenditures	<u>39,031,612</u>	<u>9,632,449</u>	<u>7,523,609</u>	<u>56,187,670</u>
Excess of revenues over (under) expenditures	<u>1,150,353</u>	<u>(9,166,183)</u>	<u>(378,741)</u>	<u>(8,394,571)</u>
Other financing sources (uses):				
Transfers in	-	-	159,038	159,038
Transfers (out)	(159,038)	-	-	(159,038)
Loan issuance	-	-	380,320	380,320
Sale of capital assets	461	-	-	461
Total other financing sources (uses)	<u>(158,577)</u>	<u>-</u>	<u>539,358</u>	<u>380,781</u>
Special item:				
Consortium refund	1,267,612	-	-	1,267,612
Net change in fund balances	2,259,388	(9,166,183)	160,617	(6,746,178)
Fund balances (deficit) at				
beginning of year (restated)	(1,976,488)	12,041,110	2,468,067	12,532,689
Increase in reserve for inventory	-	-	14,699	14,699
Fund balances at end of year	<u>\$ 282,900</u>	<u>\$ 2,874,927</u>	<u>\$ 2,643,383</u>	<u>\$ 5,801,210</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Net change in fund balances - total governmental funds \$ (6,746,178)

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

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

Capital asset additions	\$	10,269,629	
Current year depreciation		(514,583)	
Total			9,755,046

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

Taxes		762,687	
Intergovernmental revenue		157,984	
Accrued interest		(18,097)	
Total			902,574

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.

Accrued interest		(746)	
Accreted interest on "capital appreciation" bonds		(95,824)	
Bond premium		12,836	
Bond issuance costs		(12,490)	
Total			(96,224)

Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.

14,699

Issuance of loans are recorded as revenue in the funds, however on the statement of activities, they are not reported as revenues as they increase the liabilities in the statement of net assets.

(380,320)

Repayment of bond and loan principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

480,780

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

(50,811)

Change in net assets of governmental activities \$ 3,879,566

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Taxes	\$ 17,986,992	\$ 17,917,714	\$ 17,887,528	\$ (30,186)
Tuition.	94,916	94,550	94,391	(159)
Charges for services	939	935	933	(2)
Earnings on investments.	305,326	304,150	303,638	(512)
Extracurricular.	4,009	3,994	3,987	(7)
Classroom materials and fees	65,177	64,926	64,817	(109)
Other local revenues.	60,778	60,544	60,442	(102)
Intergovernmental - State	21,541,230	21,458,263	21,422,112	(36,151)
Total revenue	<u>40,059,367</u>	<u>39,905,076</u>	<u>39,837,848</u>	<u>(67,228)</u>
Expenditures:				
Current:				
Instruction:				
Regular	19,121,437	19,070,150	18,969,907	100,243
Special.	3,660,225	3,650,409	3,604,641	45,768
Vocational.	290,411	289,632	285,948	3,684
Other	1,618,441	1,614,100	1,613,835	265
Support services:				
Pupil.	2,448,665	2,442,097	2,423,785	18,312
Instructional staff	1,169,038	1,165,902	1,150,072	15,830
Board of education	67,912	67,730	66,678	1,052
Administration.	2,931,132	2,923,270	2,885,626	37,644
Fiscal	852,271	849,985	798,772	51,213
Business	51,228	51,091	49,358	1,733
Operations and maintenance.	4,260,960	4,249,531	4,194,187	55,344
Pupil transportation	2,262,685	2,256,616	2,164,602	92,014
Central.	602	600	457	143
Operation of non-instructional services	4,783	4,770	4,659	111
Extracurricular activities.	569,935	568,406	567,583	823
Facilities acquisition and construction.	155,130	154,714	128,249	26,465
Total expenditures	<u>39,464,855</u>	<u>39,359,003</u>	<u>38,908,359</u>	<u>450,644</u>
Excess of revenues over (under) expenditures.	<u>594,512</u>	<u>546,073</u>	<u>929,489</u>	<u>383,416</u>
Other financing sources (uses):				
Refund of prior year expenditure	59,141	58,913	58,814	(99)
Transfers (out)	(159,466)	(159,038)	(159,038)	-
Sale of capital assets.	463	462	461	(1)
Total other financing sources (uses)	<u>(99,862)</u>	<u>(99,663)</u>	<u>(99,763)</u>	<u>(100)</u>
Special item:				
Consortium refund.	-	1,267,612	1,267,612	-
Net change in fund balance	494,650	1,714,022	2,097,338	383,316
Fund balance at beginning of year.	2,935,347	2,935,347	2,935,347	-
Prior year encumbrances appropriated	336,786	336,786	336,786	-
Fund balance at end of year	<u>\$ 3,766,783</u>	<u>\$ 4,986,155</u>	<u>\$ 5,369,471</u>	<u>\$ 383,316</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2007

	<u>Nonmajor Enterprise Fund</u>
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents.	\$ 51,346
Receivables:	
Accounts	<u>280</u>
Total current assets	<u>51,626</u>
Noncurrent assets:	
Capital assets, net.	<u>54,780</u>
Total assets	<u>106,406</u>
Liabilities:	
Accounts payable.	4,440
Accrued wages and benefits	594
Pension obligation payable.	702
Intergovernmental payable	<u>147</u>
Total liabilities	<u>5,883</u>
Net assets:	
Invested in capital assets	54,780
Unrestricted.	<u>45,743</u>
Total net assets	<u><u>\$ 100,523</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Nonmajor Enterprise Fund</u>
Operating revenues:	
Tuition and fees	\$ 63,644
Sales/charges for services	30
Total operating revenues	<u>63,674</u>
 Operating expenses:	
Personal services.	23,135
Contractual services	43,098
Materials and supplies	9,867
Depreciation	<u>6,873</u>
Total operating expenses	<u>82,973</u>
 Change in net assets.	 (19,299)
 Net assets at beginning of year	 <u>119,822</u>
Net assets at end of year	<u><u>\$ 100,523</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	Nonmajor Enterprise Fund
Cash flows from operating activities:	
Cash received from tuition and fees.	\$ 63,364
Cash received from sales/charges for services.	30
Cash payments for personal services	(27,051)
Cash payments for contractual services	(38,658)
Cash payments for materials and supplies.	<u>(9,867)</u>
Net cash used in operating activities	<u>(12,182)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(15,775)</u>
Net cash used in capital and related financing activities.	<u>(15,775)</u>
Net decrease in cash and cash equivalents	(27,957)
Cash and cash equivalents at beginning of year. . .	<u>79,303</u>
Cash and cash equivalents at end of year	<u><u>\$ 51,346</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (19,299)
Adjustments:	
Depreciation	6,873
Changes in assets and liabilities:	
Increase in accounts receivable	(280)
Increase in accounts payable.	4,440
Decrease in accrued wages and benefits.	(3,915)
Decrease in intergovernmental payable.	<u>(1)</u>
Net cash used in operating activities	<u><u>\$ (12,182)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 41,632	\$ 61,885
Receivables:		
Accounts	-	2,172
Total assets	41,632	\$ 64,057
Liabilities:		
Due to other governments	-	\$ 25,578
Due to students	-	38,479
Total liabilities	-	\$ 64,057
Net Assets:		
Held in trust for scholarships	41,632	
Total net assets	\$ 41,632	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 1,576
Gifts and contributions.	8,795
	10,371
Total additions.	10,371
Deductions:	
Scholarships awarded	4,165
	6,206
Change in net assets	6,206
Net assets at beginning of year.	35,426
Net assets at end of year	\$ 41,632

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Austintown Local School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is governed by a locally elected five member Board of Education (the "Board") which provides educational services.

The District is the 70th largest in the State of Ohio (among 876 public school districts and community schools) in terms of total enrollment. The District is staffed by 244 non-certificated and 335 certificated personnel to provide services to approximately 4,801 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activity and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The District also has the option of following subsequent private-sector guidance for their business-type activities and enterprise fund, subject to the same limitations. The government has elected not to follow subsequent private-sector guidance. The District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". When applying GASB Statement No. 14 and GASB Statement No. 39, management has considered all potential component units. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or (4) provide financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the debt, the issuance of debt, or the levying of taxes. Based upon the application of this criteria, the District has no component units. The financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship with the District:

Federal League Athletic Association

The District is fiscal agent for the Federal League Athletic Association (Association). The District is responsible for receiving and disbursing funds at the direction of the Association. This entity is legally separate from the District. The District is fiscal agent and custodian for the Association, but is not accountable; therefore, the operations of the Association have been included as an agency fund in the District's basic financial statements. The funds invested on behalf of the Association have been included in the basic financial statements as "Equity in Pooled Cash and Cash Equivalents".

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

JOINTLY GOVERNED ORGANIZATIONS

Area Cooperative Computerized Educational Service System

Area Cooperative Computerized Educational Service System (ACCESS), a not-for-profit computer service, is jointly governed by 24 districts within Mahoning and Columbiana counties. ACCESS is governed by an assembly consisting of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the assembly. Members of ACCESS are assessed annual user fees and periodic capital improvement fees based on their average daily membership. The members have an ongoing financial interest in ACCESS, however, they do not have an equity interest. Financial information can be obtained from the treasurer for the Mahoning County Educational Service Center, who serves as fiscal agent, at 100 DeBartolo Place, Youngstown, Ohio 44512-7019.

Mahoning County Career & Technical Center

The Mahoning County Career & Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of representatives from the participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information, write to the Treasurer of the Career & Technical Center, at 7300 North Palmyra Road, Canfield, Ohio 44406.

PUBLIC ENTITY RISK POOLS

Stark County Schools Council of Governments Health Benefit Plan

The Stark County Schools Council of Governments Health Benefit Plan (Council) is a shared risk pool created pursuant to State statute for the purpose of administering health care benefits. The Council is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve on the Board of Directors. The assembly exercises control over the operation of the council. All council revenues are generated from charges for services received from the participating school districts, based on the established premiums for the insurance plans. Each school district reserves the right to terminate the plan in whole or in part, at any time. If it is terminated, no further contributions will be made, but the benefits under the insurance contract shall be paid in accordance with the terms of the contract.

Ohio Association of School Business Officials

The District participates in a group rating plan (GRP) for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice Inc. provides administrative, cost control and actuarial services to the GRP. Each year, the District pays an enrollment fee to the GRP to cover the costs of administering the program.

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

GOVERNMENTAL FUNDS

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

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 for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building Fund - This fund is used to account for monies received and expended in connection with the renovation and construction of District buildings.

Other governmental funds of the District are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities; and (c) for grants and other resources whose use is restricted to a particular purpose.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration.

Enterprise Funds - The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private-purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's two agency funds account for the Federal League Athletic Association and student managed activities.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Special enterprise fund is tuition and fees. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-purpose trust funds are reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned Revenue and Deferred Revenue – Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2007 are recorded as deferred revenue.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as donated commodities revenue.

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

E. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2007 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the final budgeted amount in the budgetary statement reflect the amounts set forth in the final Certificate of Estimated Resources issued for fiscal year 2007.
4. By July 1, the Annual Appropriation Resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year). Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures for the general fund. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, increased or decreased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2007.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the fund level.

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On fund financial statements, encumbrances outstanding at year end (not already recorded in accounts payable) are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds. A reserve for encumbrances is not reported on government-wide financial statements.

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Equivalents" on the financial statements.

During fiscal year 2007, investments consisted of a federal agency security, a U.S. government money market mutual fund and a repurchase agreement. Investments are reported at fair value, which is based on quoted market prices, with the following exception: nonparticipating investment contracts such as repurchase agreements are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal 2007 amounted to \$303,638, which includes \$102,197 assigned from other District funds.

For purposes of the statement of cash flows and for presentation on the Statement of Net Assets, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year-end is provided in Note 4.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Inventory

On government-wide and fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

Inventories consist of donated food and purchased food.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary fund are reported both in the business-type activities column of the government-wide statement of net assets and in the respective fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$4,000 for its capital assets. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	10 - 45 years	N/A
Building/improvements	10 - 50 years	N/A
Furniture/equipment	5 - 15 years	5 - 15 years
Vehicles	6 - 8 years	N/A
Textbooks	5 years	N/A

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. The District had no internal balances at June 30, 2007.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Compensated Absences

Compensated absences of the District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2007, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, debt service and prepayments.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represent amounts restricted by State statute for bus purchases.

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

N. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

O. Parochial Schools

Within the District boundaries, Immaculate Heart of Mary, St. Anne, and St. Joseph Schools are operated through the Youngstown Catholic Diocese. Current state legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial school. The fiduciary responsibility of the District for these monies is reflected in a special revenue fund for financial reporting purposes.

P. Estimates

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

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, this revenue is tuition and fees for the community center. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

R. Capital Contributions

Capital contributions in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The District had no capital contributions during fiscal 2007.

S. Interfund Activity

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

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2007, the District received a \$1,267,612 refund from the Mahoning County School Employees Insurance Consortium. This refund represents the District's balance with the consortium after all run-out claims had been paid. The District officially left the consortium on July 1, 2006. The District had no extraordinary items during fiscal year 2007.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Prior Period Adjustments

Beginning governmental fund balances have been restated in order to properly record the District's early retirement incentive. The adjustment had the following effect on governmental fund balances at June 30, 2006:

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balance (deficit) at June 30, 2006	\$ (1,832,488)	\$ 12,041,110	\$ 2,484,067	\$ 12,692,689
Adjustment for early retirement incentive	<u>(144,000)</u>	<u>-</u>	<u>(16,000)</u>	<u>(160,000)</u>
Fund balance (deficit) at July 1, 2006, restated	<u>\$ (1,976,488)</u>	<u>\$ 12,041,110</u>	<u>\$ 2,468,067</u>	<u>\$ 12,532,689</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

Beginning net assets of the governmental activities have been restated in order to properly record the District's early retirement incentive. The adjustment had the following effect on net assets of the governmental activities at June 30, 2006:

	Governmental Activities
Net assets at June 30, 2006	\$ 6,763,577
Adjustment for early retirement incentive	(432,000)
Net assets at July 1, 2006, restated	\$ 6,331,577

B. Deficit Fund Balances

Fund balances at June 30, 2007 included the following individual fund deficits:

	Deficit
<u>Nonmajor Governmental Funds</u>	
Education Management Information Systems	\$ 377
Ohio Reads	158
Alternative School Grant	2,414
Title I	46,081
Permanent Improvement	49,929

These funds complied with Ohio state law, which does not permit cash basis deficits. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities. These deficits should be eliminated by future intergovernmental revenues not recognized under GAAP at June 30, 2007.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District 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 District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board 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.

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

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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. Bonds 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) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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 District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash with Escrow Agent

At year-end, the District had \$301,692 in depository accounts for retainage obligations related to the middle school construction project undertaken by the District. This amount is included on the financial statements of the District as "Cash With Escrow Agent."

B. Deposits with Financial Institutions

At June 30, 2007, the carrying amount of all District deposits was \$655,385, exclusive of the \$8,044,956 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2007, \$747,442 of the District's bank balance of \$903,540 was exposed to custodial risk as discussed below, while \$156,098 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

C. Investments

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

<u>Investment type</u>	<u>Balance at Fair Value</u>	<u>Investment Maturities 6 months or less</u>
FHLMC	\$ 974,231	\$ 974,231
Repurchase Agreement	8,044,956	8,044,956
U.S. Government money market mutual funds	<u>2,121,844</u>	<u>2,121,844</u>
	<u>\$ 11,141,031</u>	<u>\$ 11,141,031</u>

The weighted average maturity of investments is .04 years.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The District's investments, except for the repurchase agreements as discussed above were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the 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 federal agency security is exposed to custodial credit risk in that it is uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. Of the District's investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the District. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2007:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
FHLMC	\$ 974,231	8.74%
Repurchase Agreement	8,044,956	72.21%
U.S. Government money market mutual fund	<u>2,121,844</u>	<u>19.05%</u>
	<u>\$ 11,141,031</u>	<u>100.00%</u>

D. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2007:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 655,385
Cash with escrow agent	301,692
Investments	<u>11,141,031</u>
Total	<u>\$ 12,098,108</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 11,943,245
Business type activities	51,346
Private-purpose trust fund	41,632
Agency funds	<u>61,885</u>
Total	<u>\$ 12,098,108</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2007, consisted of the following, as reported on the fund financial statements:

<u>Transfers to Nonmajor Governmental funds from:</u>	<u>Amount</u>
General fund	\$ 159,038

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated in the statement of activities.

NOTE 6 - PROPERTY TAXES

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

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

Tangible personal property tax revenue received during calendar 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of January 1, 2006. For 2006, tangible personal property is assessed at 18.75% for property including inventory. This percentage will be reduced to 12.5% for 2007, 6.25% for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2007-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 6 - PROPERTY TAXES - (Continued)

The District receives property taxes from Mahoning County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2007, are available to finance fiscal year 2007 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary depending upon when the tax bills are sent by the County Auditor. There were no tax advances available to the District at June 30, 2007.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2007 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

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

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

	2006 Second Half Collections		2007 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 573,111,310	91.88	\$ 582,798,810	93.80
Public Utility Personal	13,839,970	2.22	13,835,580	2.23
Tangible Personal Property	<u>36,807,590</u>	<u>5.90</u>	<u>24,701,268</u>	<u>3.97</u>
Total	<u>\$ 623,758,870</u>	<u>100.00</u>	<u>\$ 621,335,658</u>	<u>100.00</u>

Tax rate per \$1,000 of
assessed valuation

Operations:	\$54.60	\$54.60
Debt Service:	2.90	2.90

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 7 - RECEIVABLES

Receivables at June 30, 2007 consisted of taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of Federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental Activities

Taxes	\$ 22,689,491
Accounts	11,028
Accrued interest	1,569
Intergovernmental	<u>539,594</u>
Total governmental activities	<u>23,241,682</u>

Business-Type Activities

Accounts	<u>280</u>
Total receivables	<u>\$ 23,241,962</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 8 - CAPITAL ASSETS

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

	<u>Balance</u> <u>6/30/06</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/07</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 502,026	\$ -	\$ -	\$ 502,026
Construction in progress	<u>15,268,495</u>	<u>9,546,620</u>	<u>-</u>	<u>24,815,115</u>
Total capital assets, not being depreciated	<u>15,770,521</u>	<u>9,546,620</u>	<u>-</u>	<u>25,317,141</u>
Capital assets, being depreciated:				
Land improvements	334,888	183,643	-	518,531
Building/improvements	14,367,462	380,320	-	14,747,782
Furniture/equipment	1,428,600	97,758	-	1,526,358
Vehicles	3,429,622	61,288	(129,420)	3,361,490
Textbooks	<u>1,857,154</u>	<u>-</u>	<u>-</u>	<u>1,857,154</u>
Total capital assets, being depreciated	<u>21,417,726</u>	<u>723,009</u>	<u>(129,420)</u>	<u>22,011,315</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(231,290)	(23,265)	-	(254,555)
Building/improvements	(10,291,855)	(312,341)	-	(10,604,196)
Furniture/equipment	(1,224,089)	(38,714)	-	(1,262,803)
Vehicles	(2,703,438)	(140,263)	129,420	(2,714,281)
Textbooks	<u>(1,857,154)</u>	<u>-</u>	<u>-</u>	<u>(1,857,154)</u>
Total accumulated depreciation	<u>(16,307,826)</u>	<u>(514,583)</u>	<u>129,420</u>	<u>(16,692,989)</u>
Governmental activities capital assets, net	<u>\$ 20,880,421</u>	<u>\$ 9,755,046</u>	<u>\$ -</u>	<u>\$ 30,635,467</u>
Business-Type Activities				
Capital assets, being depreciated:				
Furniture/equipment	\$ 60,808	\$ 15,775	\$ -	\$ 76,583
Less: accumulated depreciation	<u>(14,930)</u>	<u>(6,873)</u>	<u>-</u>	<u>(21,803)</u>
Total	<u>\$ 45,878</u>	<u>\$ 8,902</u>	<u>\$ -</u>	<u>\$ 54,780</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged as follows:

	<u>Amount</u>
Governmental Activities:	
<u>Instruction:</u>	
Regular	\$ 228,189
Special	39,764
Vocational	9,782
<u>Support Services:</u>	
Pupil	10,205
Instructional staff	12,863
Administration	15,347
Fiscal	1,616
Operations and maintenance of plant	19,636
Pupil transportation	125,265
Food service operations	17,134
Extracurricular activities	<u>34,782</u>
Total Governmental Activities	<u>514,583</u>
Business-Type Activities:	
Community Center	<u>6,873</u>
Total Depreciation Expense	<u>\$ 521,456</u>

NOTE 9 - LONG-TERM OBLIGATIONS

- A. The District has an asbestos loan to provide for energy improvements to various District buildings. The primary source of repayment of this obligation is through energy savings as a result of the improvements. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund.

The following is a description of the District's asbestos loan outstanding as of June 30, 2007:

	<u>Interest</u>	<u>Issue</u>	<u>Maturity</u>	<u>Outstanding</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u>
	<u>Rate</u>	<u>Date</u>	<u>Date</u>	<u>6/30/06</u>	<u>in 2007</u>	<u>in 2007</u>	<u>6/30/07</u>
Asbestos loan	0.00%	12/01/93	05/30/12	\$ 138,180	\$ -	\$ (25,123)	\$ 113,057
Total				<u>\$ 138,180</u>	<u>\$ -</u>	<u>\$ (25,123)</u>	<u>\$ 113,057</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's future annual debt service requirements to maturity for the asbestos loan:

<u>Fiscal Year Ending</u>	<u>Principal on Loan</u>	<u>Interest on Loan</u>	<u>Total</u>
2008	\$ 25,123	\$ -	\$ 25,123
2009	25,123	-	25,123
2010	25,123	-	25,123
2011	25,123	-	25,123
2012	<u>12,565</u>	<u>-</u>	<u>12,565</u>
Total	<u>\$ 113,057</u>	<u>\$ -</u>	<u>\$ 113,057</u>

- B.** During fiscal year 2004, the District issued \$26,000,000 in general obligation bonds to provide funds for various District building projects. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to this bond are recorded as an expenditure in the debt service fund.

This issue is comprised of both current interest bonds, par value \$25,065,000, and capital appreciation bonds, par value \$935,000. The interest rates on the current interest bonds range from 2.00% to 5.13%. The capital appreciation bonds mature on December 1, 2011 (effective interest 7.895%), December 1, 2012 (effective interest rate 8.071%), and December 1, 2013 (effective interest rate 7.915%), at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$1,810,000. A total of \$252,884 in accreted interest on the capital appreciation bonds has been included in the statement of net assets at June 30, 2007.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2030.

The following is a schedule of activity for fiscal 2007 on the general obligation bonds:

	<u>Balance 06/30/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/07</u>
Current interest bonds	\$ 24,030,000	\$ -	\$ (440,000)	\$ 23,590,000
Capital appreciation bonds	<u>1,092,060</u>	<u>95,824</u>	<u>-</u>	<u>1,187,884</u>
Total G.O. bonds	<u>\$ 25,122,060</u>	<u>\$ 95,824</u>	<u>\$ (440,000)</u>	<u>\$ 24,777,884</u>

The following is a summary of the future debt service requirements to maturity for the general obligation bonds:

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Year Ended	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 450,000	\$ 1,131,257	\$ 1,581,257	\$ -	\$ -	\$ -
2009	465,000	1,118,207	1,583,207	-	-	-
2010	525,000	1,102,570	1,627,570	-	-	-
2011	545,000	1,084,234	1,629,234	-	-	-
2012	-	824,560	824,560	320,000	250,000	570,000
2013 - 2017	2,085,000	4,621,340	6,706,340	615,000	625,000	1,240,000
2018 - 2022	4,800,000	4,368,470	9,168,470	-	-	-
2023 - 2027	7,005,000	2,902,595	9,907,595	-	-	-
2028 - 2031	7,715,000	824,485	8,539,485	-	-	-
Total	<u>\$ 23,590,000</u>	<u>\$ 17,977,718</u>	<u>\$ 41,567,718</u>	<u>\$ 935,000</u>	<u>\$ 875,000</u>	<u>\$ 1,810,000</u>

- C. The District has a House Bill 264 loan to provide for energy improvements to various District buildings. The primary source of repayment of this obligation is through energy savings as a result of the improvements. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund.

The following is a description of the District's House Bill 264 loan outstanding as of June 30, 2007:

	Interest Rate	Issue Date	Maturity Date	Outstanding 6/30/06	Issued in 2007	Retired in 2007	Outstanding 6/30/07
House Bill 264 Loan	4.75%	10/5/2006	10/1/2021	\$ -	\$ 380,320	\$ (15,657)	\$ 364,663
Total				<u>\$ -</u>	<u>\$ 380,320</u>	<u>\$ (15,657)</u>	<u>\$ 364,663</u>

The following is a summary of the District's future annual debt service requirements to maturity for the House Bill 264 loan:

Fiscal Year Ending	Principal on Loan	Interest on Loan	Total
2008	\$ 18,438	\$ 17,206	\$ 35,644
2009	19,393	16,251	35,644
2010	20,348	15,296	35,644
2011	21,350	14,294	35,644
2012	22,365	13,279	35,644
2013 - 2017	129,642	48,579	178,221
2018 - 2022	133,127	13,944	147,071
Total	<u>\$ 364,663</u>	<u>\$ 138,849</u>	<u>\$ 503,512</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

D. The District's long-term obligations as of June 30, 2006 have been restated to properly include the early retirement incentive. See Note 3 A. for detail on the restatement. The changes in the District's long-term obligations during the year consist of the following:

	Restated Balance <u>6/30/06</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>6/30/07</u>	Amounts Due in <u>One Year</u>
Governmental Activities					
Compensated absences payable	\$ 3,287,537	\$ 654,467	\$ (530,560)	\$ 3,411,444	\$ 533,149
Early retirement incentive payable	432,000	160,000	(160,000)	432,000	240,000
Loans payable	138,180	380,320	(40,780)	477,720	43,561
G.O. Bonds payable	<u>25,122,060</u>	<u>95,824</u>	<u>(440,000)</u>	<u>24,777,884</u>	<u>450,000</u>
Total governmental activities long-term liabilities	<u>\$ 28,979,777</u>	<u>\$ 1,290,611</u>	<u>\$ (1,171,340)</u>	29,099,048	<u>\$ 1,266,710</u>
Add: Unamortized premium on bond issue				<u>300,578</u>	
Total on statement of net assets				<u>\$ 29,399,626</u>	

Compensated absences will be paid from the fund from which the employee is paid, which is primarily the general fund.

D. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation use in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2007, are a voted debt margin of \$29,632,178 (including available funds of \$790,568) and an unvoted debt margin of \$592,962.

NOTE 10 – EMPLOYEE BENEFITS

A. Compensated Absences

Employees earn vacation at rates specified under State of Ohio law and based on credited service. Teachers and some Administrators do not earn vacation time. Administrators, Clerical, Technical, and Maintenance and Operations employees with one or more years of service are entitled to vacation ranging from 5 to 25 days. Employees with less than one year of service earn one vacation day per month worked, not to exceed five days. Unused vacation is not cumulative to the next year.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 10 – EMPLOYEE BENEFITS – (Continued)

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service (earned on a pro-rata basis for less than full-time employees). This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to one-quarter of the accumulated sick leave to a maximum payout of 168 days and ten percent of remaining days for certified employees and classified employees.

B. Early Retirement Incentive

The District offers an early retirement incentive for certified employees. An employee, who has accrued at least twenty-four years of experience under the State Teachers Retirement System of Ohio (STRS Ohio) rules and regulations, shall be eligible to receive the incentive. An employee’s incentive shall be calculated as follows:

<u>Years of STRS Ohio Experience</u>	<u>Amount of Payments</u>	<u>Number of Payments</u>
24 - 30	\$ 8,000	5
31	8,000	4
32	8,000	3
33	8,000	2
34 or more	8,000	1

Payments shall be made into the employee’s Health Reimbursement Account (HRA). Payments will be made each July.

NOTE 11 - RISK MANAGEMENT

A. Property, Fleet, and Liability Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2007, the District contracted with Indiana Insurance for property, commercial inland marine, musical instruments, EDP equipment, boiler and machinery, and commercial crime insurance with a \$500 deductible.

General commercial liability is protected by the Indiana Insurance with a \$1,000,000 single occurrence, \$2,000,000 aggregated and no deductible. Vehicles are covered by Indiana Insurance and have a \$1,000 deductible for comprehensive and collision. Automobile liability has a \$2,000,000 combined single limit of liability.

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

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 11 - RISK MANAGEMENT – (Continued)

B. Employee Health Benefits

The District has contracted with Stark County Schools Council of Governments (a shared risk pool) (Note 2) to provide employee medical/surgical and dental benefits. Rates are set through an annual calculation process. The District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating districts. The District's Board of Education pays 93% of medical/surgical premiums for certified and administrative employees and 96.5% for classified employees. Employees are responsible for the remaining 7% and 3.5% respectively.

The dental coverage is administered by Medical Mutual of Ohio; a third party administrator. The District pays 100% of dental premiums.

Claims are paid for all participants regardless of claims flow. Upon termination, all District claims would be paid without regard to the District's account balance. The Directors have the right to hold monies for an exiting district subsequent to the settlement of all expenses and claims.

NOTE 12 – PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2007, 10.68 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The District's required contribution for pension obligations to SERS for fiscal years ended 2007, 2006, and 2005 were \$607,909, \$585,920, and \$582,811; 44.74 percent has been contributed for fiscal year 2007 and 100.00 percent for fiscal years 2006 and 2005. \$335,953 represents the unpaid contribution for fiscal year 2007 and is recorded as a liability within the respective funds.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 12 – PENSION PLANS – (Continued)

B. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090 or by visiting the STRS Ohio website 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 member contributions and earned interest matched by STRS Ohio funds times 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 Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2007, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal years 2006 and 2005, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendation 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 District's required contributions for fund pension obligations to the DB Plan for the fiscal years ended June 30, 2007, 2006, and 2005 were \$2,622,392, \$2,646,448, and \$2,524,707; 83.80 percent has been contributed for fiscal year 2007 and 100.00 percent for fiscal years 2006 and 2005. \$424,788 represents the unpaid contribution for fiscal year 2007 and is recorded as a liability within the respective funds. Contributions to the DC and Combined Plans for fiscal year 2007 were \$16,006 made by the District and \$34,014 made by the plan members.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 12 – PENSION PLANS – (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2007, certain members of the Board of Education have elected Social Security. The District's liability is 6.2% of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

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

All STRS Ohio retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$201,722 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006 (the latest information available), the balance in the Health Care Stabilization Fund was \$3.5 billion. For the fiscal year ended June 30, 2006 (the latest information available), net health care costs paid by STRS Ohio were \$282.743 million and STRS Ohio had 119,184 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll, a decrease of .10 percent from fiscal year 2006. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay was established at \$35,800. Total surcharge is capped at 2 percent of each employer's SERS salaries. For the 2007 fiscal year, District paid \$276,411 to fund health care benefits, including the surcharge.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

NOTE 13 - POSTEMPLOYMENT BENEFITS – (Continued)

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next year. Expenses for health care for the fiscal year ended June 30, 2006 (the latest information available) were \$158.751 million. At June 30, 2006 (the latest information available), SERS had net assets available for payment of health care benefits of \$295.6 million. At June 30, 2006 (the latest information available), SERS had 59,492 participants currently receiving health care benefits.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance	<u>General Fund</u>
Budget basis	\$ 2,097,338
Net adjustment for revenue accruals	344,117
Net adjustment for expenditure accruals	(371,690)
Net adjustment for other sources/uses	(58,814)
Adjustment for encumbrances	<u>248,437</u>
GAAP basis	<u>\$ 2,259,388</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and spending projects. The District management is of the opinion that disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the District.

NOTE 16 - STATUTORY RESERVES

The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2007, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside cash balance as of June 30, 2006	\$ (2,509,568)	\$ -
Current year set-aside requirement	751,480	751,480
Qualifying disbursements	<u>(674,196)</u>	<u>(10,872,925)</u>
Total	<u>\$ (2,432,284)</u>	<u>\$ (10,121,445)</u>
Balance carried forward to FY 2008	<u>\$ (2,432,284)</u>	<u>\$ -</u>

The District had qualifying disbursements during the year that reduced the set-aside amount below zero for the textbooks and capital acquisition reserves, this extra amount may be used to reduce the textbooks set-aside requirements for future years. The negative textbook amount is therefore presented as being carried forward to next fiscal year.

In addition to the above statutory reserves, the District has \$90,449 restricted for bus purchases.

A schedule of the governmental fund restricted assets at June 30, 2007 follows:

Amount restricted for bus purchases	<u>\$ 90,449</u>
Total restricted assets	<u>\$ 90,449</u>

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

General Fund

The general fund is used to account for resources traditionally associated with a school district which are not legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation and administration.

Since there is only one general fund and the legal level of budgetary control is not greater than that presented in the basic financial statements, no additional financial statements are presented here.

Nonmajor Special Revenue Funds

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

Food Service Section 3313.81, Revised Code

A fund used to record financial transactions related to food service operations.

Public School Support Section 5705.12, Revised Code

A fund provided to account for specific local revenue sources that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Other Grants Sections 5705.09 and 5705.13, Revised Code

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Miscellaneous Grants Section 5705.12, Revised Code

A fund provided to account for the proceeds of specific local revenue sources, except for state and federal grants that are legally restricted for specified purposes. This fund is used to account for the District's DARE and Channel 19 programs.

District Managed Student Activity Section 3313.062, Revised Code

A fund provided to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services Current Budget Bill appropriation line item 200-511 and 200-532

A fund used to account for monies which provide services and materials to pupils attending non-public schools within the school district.

Education Management Information Systems Current Budget Bill appropriation line item 200-446

A fund used to account for funds associated with the state-wide requirements of the Education Management System (EMIS).

Entry Year Grant Current Budget Bill, Appropriation line item 200-410

A fund provided to implement entry-year programs pursuant to Section 3317.024(T) of the Revised Code.

OneNet Subsidy Current Budget Bill appropriation line item 200-426

A fund provided to account for money appropriated for Ohio Educational Computer Network Connections.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

Nonmajor Special Revenue Funds - (Continued)

SchoolNet Professional Development Current Budget Bill appropriation line item 200-406

A fund provided to account for a limited number of professional development subsidy grants.

Ohio Reads Current Budget Bill appropriation line item 200-566

A fund intended to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination, for background checks of volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Alternative School Grant Current Budget Bill appropriation line item 200-520 and 200-421

A fund used to account for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at risk of dropping out of school, those who are habitually truant or disruptive, or those on probation or on parole from a Department of Youth Services facility.

Poverty Aid Section 3317.029, Revised Code

A fund used to account for monies appropriated for poverty based assistance as part of the state foundation system. Programs included are academic intervention, all-day kindergarten, class-size reduction, Limited English Proficient students, professional development, dropout prevention, and community outreach.

Miscellaneous State Grants Section 5705.12, Revised Code

A fund used to account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

Adult Basic Education Catalog of Federal Domestic Assistance #84.002

A fund used to account for the Federal monies used to provide programs in reading, writing and math competency for adults who have not earned a high school diploma.

Title VI-B Catalog of Federal Domestic Assistance #84.027

To account for Federal monies which assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Title I Catalog of Federal Domestic Assistance
#84.010, 84.013, 84.213, 84.332

To account for funds which are to: 1) establish or improve programs designed to meet the special educational need of migratory children of migratory agricultural workers or migratory fishers' and 2) enable State education agencies to coordinate their state migrant education programs and local projects with similar programs and projects in other states, including the transfer of school records of other information about migratory children.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

Nonmajor Special Revenue Funds - (Continued)

Title VI Catalog of Federal Domestic Assistance #84.151

To account for funds which consolidate various programs into a single authorization of grants to State for the same purposes set forth in the provisions of law as specified in the authorization section, to be used in accordance with the educational needs and priorities of the State and local agencies.

Drug-Free School Grant Catalog of Federal Domestic Assistance #84-186

To provide funds to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

Improving Teacher Quality Catalog of Federal Domestic Assistance #84.367

A fund used to account for monies to hire additional classroom teachers in grades one through three so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Catalog of Federal Domestic Assistance #84 and #94

A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant and be approved by the Auditor of State.

Nonmajor Debt Service Fund

Bond Retirement

A fund provided for the retirement of general obligation bonds and loans. All revenue derived from general or special levies, either within or exceeding the statutory unvoted ten-mill limitation, which is levied for debt charges on bonds or loans, are paid into this fund. The District maintains only one debt service fund, therefore, combining statements and schedules are not required.

Capital Projects Funds

Capital projects funds account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). During fiscal year 2007, the District had four capital projects funds. A description of the District's capital projects funds follows:

Major Capital Projects Fund

Building Section 5705.09, Revised Code

This fund is used to account for monies received and expended in connection with the renovation and construction of District buildings.

Nonmajor Capital Projects Funds

Permanent Improvement Section 5705.12, Revised Code

A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by chapter 5705, Revised Code.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
GOVERNMENTAL FUND DESCRIPTIONS**

Nonmajor Capital Projects Funds - (Continued)

Capital Projects - H.B. 426

Section 5705.13, Revised Code

A fund used to accumulate money for one or more capital projects.

SchoolNet

Section 5705.09, Revised Code

A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Building				
Total revenues and other sources	\$ 500,000	\$ 509,758	\$ 532,172	\$ 22,414
Total expenditures and other uses	<u>8,258,889</u>	<u>12,977,995</u>	<u>12,977,995</u>	<u>-</u>
Net change in fund balance	(7,758,889)	(12,468,237)	(12,445,823)	22,414
Fund balance at beginning of year.	4,843,800	4,843,800	4,843,800	-
Prior year encumbrances appropriated.	<u>8,062,236</u>	<u>8,062,236</u>	<u>8,062,236</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,147,147</u>	<u>\$ 437,799</u>	<u>\$ 460,213</u>	<u>\$ 22,414</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,118,354	\$ 774,459	\$ 1,004,737	\$ 2,897,550
Receivables:				
Taxes	-	1,696,746	-	1,696,746
Accounts.	7,955	-	-	7,955
Intergovernmental	539,594	-	-	539,594
Materials and supplies inventory	48,046	-	-	48,046
 Total assets.	 \$ 1,713,949	 \$ 2,471,205	 \$ 1,004,737	 \$ 5,189,891
 Liabilities:				
Accounts payable.	\$ 25,962	\$ -	\$ 30,940	\$ 56,902
Accrued wages and benefits	300,953	-	-	300,953
Early retirement incentive payable.	16,000	-	-	16,000
Pension obligation payable.	52,225	-	-	52,225
Intergovernmental payable.	21,807	1,514	-	23,321
Deposits payable.	-	-	260,000	260,000
Deferred revenue.	157,984	148,863	-	306,847
Unearned revenue.	-	1,530,260	-	1,530,260
 Total liabilities.	 574,931	 1,680,637	 290,940	 2,546,508
 Fund Balances:				
Reserved for encumbrances	636,220	-	-	636,220
Reserved for materials and supplies inventory	48,046	-	-	48,046
Reserved for debt service.	-	790,568	-	790,568
Unreserved, undesignated, reported in:				
Special revenue funds	454,752	-	-	454,752
Capital projects.	-	-	713,797	713,797
 Total fund balances.	 1,139,018	 790,568	 713,797	 2,643,383
 Total liabilities and fund balances	 \$ 1,713,949	 \$ 2,471,205	 \$ 1,004,737	 \$ 5,189,891

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
From local sources:				
Taxes	\$ -	\$ 1,622,375	\$ -	\$ 1,622,375
Charges for services	942,502	-	-	942,502
Earnings on investments	28,565	-	-	28,565
Extracurricular	635,365	-	-	635,365
Classroom materials and fees	1,060	-	-	1,060
Other local revenue	66,201	-	-	66,201
Intergovernmental - Intermediate	233,770	-	-	233,770
Intergovernmental - State	512,181	171,435	32,800	716,416
Intergovernmental - Federal	2,898,614	-	-	2,898,614
Total revenues	<u>5,318,258</u>	<u>1,793,810</u>	<u>32,800</u>	<u>7,144,868</u>
Expenditures:				
Current:				
Instruction:				
Regular	541,906	-	30,940	572,846
Special	1,380,543	-	-	1,380,543
Other	158,952	-	-	158,952
Support services:				
Pupil	310,313	-	-	310,313
Instructional staff	224,919	-	-	224,919
Administration	480,375	-	-	480,375
Fiscal	-	28,288	-	28,288
Pupil transportation	27,436	-	-	27,436
Operation of non-instructional services:				
Food service operations	1,521,322	-	-	1,521,322
Other non-instructional services	58,668	-	-	58,668
Extracurricular activities	442,015	-	-	442,015
Facilities acquisition and construction	-	-	430,249	430,249
Intergovernmental pass through	256,734	-	-	256,734
Debt service:				
Principal retirement	-	480,780	-	480,780
Interest and fiscal charges	-	1,150,169	-	1,150,169
Total expenditures	<u>5,403,183</u>	<u>1,659,237</u>	<u>461,189</u>	<u>7,523,609</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(84,925)</u>	<u>134,573</u>	<u>(428,389)</u>	<u>(378,741)</u>
Other financing sources:				
Loan issuance	-	-	380,320	380,320
Transfers in	135,275	23,763	-	159,038
Total other financing sources	<u>135,275</u>	<u>23,763</u>	<u>380,320</u>	<u>539,358</u>
Net change in fund balances	50,350	158,336	(48,069)	160,617
Fund balances				
at beginning of year (restated)	1,073,969	632,232	761,866	2,468,067
Increase in reserve for inventory	14,699	-	-	14,699
Fund balances at end of year	<u>\$ 1,139,018</u>	<u>\$ 790,568</u>	<u>\$ 713,797</u>	<u>\$ 2,643,383</u>

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**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	<u>Food Service</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Miscellaneous Grants</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 345,194	\$ 273,417	\$ 63,939	\$ 29,130
Receivables:				
Accounts.	272	7,162	-	-
Intergovernmental	148,060	-	-	-
Materials and supplies inventory	48,046	-	-	-
Total assets.	<u>\$ 541,572</u>	<u>\$ 280,579</u>	<u>\$ 63,939</u>	<u>\$ 29,130</u>
Liabilities:				
Accounts payable.	\$ -	\$ 9,902	\$ -	\$ 238
Accrued wages and benefits	114,692	-	1,034	-
Early retirement incentive payable.	-	-	-	-
Pension obligation payable.	51,247	-	978	-
Intergovernmental payable	5,691	115	11	37
Deferred revenue.	-	-	-	-
Total liabilities.	<u>171,630</u>	<u>10,017</u>	<u>2,023</u>	<u>275</u>
Fund Balances:				
Reserved for encumbrances.	-	9,542	41,040	-
Reserved for materials and supplies inventory	48,046	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	321,896	261,020	20,876	28,855
Total fund balances (deficits)	<u>369,942</u>	<u>270,562</u>	<u>61,916</u>	<u>28,855</u>
Total liabilities and fund balances.	<u>\$ 541,572</u>	<u>\$ 280,579</u>	<u>\$ 63,939</u>	<u>\$ 29,130</u>

<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Education Management Information Systems</u>	<u>Ohio Reads</u>	<u>Alternative School Grant</u>	<u>Poverty Aid</u>
\$ 69,468	\$ 185,574	\$ -	\$ -	\$ 822	\$ 6,960
521	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 69,989</u>	<u>\$ 185,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 822</u>	<u>\$ 6,960</u>
\$ 9,397	\$ 6,425	\$ -	\$ -	\$ -	\$ -
365	448	-	-	2,876	-
-	-	-	-	-	-
-	-	-	-	-	-
343	550	377	158	360	617
-	-	-	-	-	-
<u>10,105</u>	<u>7,423</u>	<u>377</u>	<u>158</u>	<u>3,236</u>	<u>617</u>
10,243	179,149	-	-	822	6,960
-	-	-	-	-	-
<u>49,641</u>	<u>(998)</u>	<u>(377)</u>	<u>(158)</u>	<u>(3,236)</u>	<u>(617)</u>
<u>59,884</u>	<u>178,151</u>	<u>(377)</u>	<u>(158)</u>	<u>(2,414)</u>	<u>6,343</u>
<u>\$ 69,989</u>	<u>\$ 185,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 822</u>	<u>\$ 6,960</u>

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**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2007

	<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 6,940	\$ 42,023	\$ 28,628	\$ 2,367
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	21,822	286,823	23,094	-
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 28,762</u>	<u>\$ 328,846</u>	<u>\$ 51,722</u>	<u>\$ 2,367</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	101,920	55,251	-
Early retirement incentive payable.	-	-	16,000	-
Pension obligation payable.	-	-	-	-
Intergovernmental payable	81	6,978	3,458	-
Deferred revenue.	21,822	53,273	23,094	-
Total liabilities.	<u>21,903</u>	<u>162,171</u>	<u>97,803</u>	<u>-</u>
Fund Balances:				
Reserved for encumbrances.	4,940	273,511	28,628	2,367
Reserved for materials and supplies inventory	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	1,919	(106,836)	(74,709)	-
Total fund balances (deficits)	<u>6,859</u>	<u>166,675</u>	<u>(46,081)</u>	<u>2,367</u>
Total liabilities and fund balances.	<u>\$ 28,762</u>	<u>\$ 328,846</u>	<u>\$ 51,722</u>	<u>\$ 2,367</u>

<u>Drug-Free School Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,384	\$ 13,475	\$ 49,033	\$ 1,118,354
-	-	-	7,955
-	-	59,795	539,594
-	-	-	48,046
<u>\$ 1,384</u>	<u>\$ 13,475</u>	<u>\$ 108,828</u>	<u>\$ 1,713,949</u>
\$ -	\$ -	\$ -	\$ 25,962
-	-	24,367	300,953
-	-	-	16,000
-	-	-	52,225
84	1,333	1,614	21,807
-	-	59,795	157,984
<u>84</u>	<u>1,333</u>	<u>85,776</u>	<u>574,931</u>
1,384	13,475	64,159	636,220
-	-	-	48,046
<u>(84)</u>	<u>(1,333)</u>	<u>(41,107)</u>	<u>454,752</u>
<u>1,300</u>	<u>12,142</u>	<u>23,052</u>	<u>1,139,018</u>
<u>\$ 1,384</u>	<u>\$ 13,475</u>	<u>\$ 108,828</u>	<u>\$ 1,713,949</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Food Service</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Miscellaneous Grants</u>
Revenues:				
From local sources:				
Charges for services	\$ 942,502	\$ -	\$ -	\$ -
Earnings on investments	10,713	7,902	-	-
Extracurricular	-	270,645	-	-
Classroom materials and fees.	-	-	-	-
Other local revenues	22,000	7,547	12,611	6,419
Intergovernmental - Intermediate.	-	-	233,770	-
Intergovernmental - State	23,292	-	26,460	-
Intergovernmental - Federal	663,675	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	1,662,182	286,094	272,841	6,419
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	16,519	-
Special	-	-	1,698	-
Other	-	-	-	-
Support services:				
Pupil	-	-	229,580	5,128
Instructional staff.	-	-	-	13,109
Administration	-	245,739	-	-
Pupil transportation.	-	-	553	-
Operation of non-instructional services:				
Food service operations	1,521,322	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities.	-	-	-	-
Intergovernmental pass through	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,521,322	245,739	248,350	18,237
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures.	140,860	40,355	24,491	(11,818)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources:				
Transfers in	-	-	30,252	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	30,252	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	140,860	40,355	54,743	(11,818)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits)				
at beginning of year (restated).	214,383	230,207	7,173	40,673
Increase in reserve for inventory	14,699	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits) at end of year	\$ 369,942	\$ 270,562	\$ 61,916	\$ 28,855
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

District Managed Student Activity	Auxiliary Services	Education Management Information Systems	Entry Year Grant	OneNet Subsidy	SchoolNet Professional Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,736	8,214	-	-	-	-
364,720	-	-	-	-	-
1,060	-	-	-	-	-
16,437	-	-	25	-	-
-	-	-	-	-	-
-	241,266	16,654	-	24,000	3,300
-	-	-	-	-	-
383,953	249,480	16,654	25	24,000	3,300
4,289	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
190	-	-	-	24,000	4,936
-	-	54,963	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
442,015	-	-	-	-	-
-	256,734	-	-	-	-
446,494	256,734	54,963	-	24,000	4,936
(62,541)	(7,254)	(38,309)	25	-	(1,636)
60,000	-	38,163	-	-	-
60,000	-	38,163	-	-	-
(2,541)	(7,254)	(146)	25	-	(1,636)
62,425	185,405	(231)	(25)	-	1,636
-	-	-	-	-	-
\$ 59,884	\$ 178,151	\$ (377)	\$ -	\$ -	\$ -

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**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Ohio Reads</u>	<u>Alternative School Grant</u>	<u>Poverty Aid</u>	<u>Miscellaneous State Grants</u>
Revenues:				
From local sources:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - Intermediate.	-	-	-	-
Intergovernmental - State	26,000	61,504	74,337	15,368
Intergovernmental - Federal	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	26,000	61,504	74,337	15,368
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Instruction:				
Regular.	24,978	40,583	69,216	-
Special	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	1,234	-	-	15,369
Instructional staff.	-	-	-	-
Administration	-	25,031	-	-
Pupil transportation.	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities.	-	-	-	-
Intergovernmental pass through	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	26,212	65,614	69,216	15,369
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures.	(212)	(4,110)	5,121	(1)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources:				
Transfers in	-	-	-	6,860
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-	6,860
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(212)	(4,110)	5,121	6,859
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits)				
at beginning of year (restated).	54	1,696	1,222	-
Increase in reserve for inventory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits) at end of year . . .	<u>\$ (158)</u>	<u>\$ (2,414)</u>	<u>\$ 6,343</u>	<u>\$ 6,859</u>

Adult Basic Education	Title VI-B	Title I	Title VI	Drug-Free School Grant	Improving Teacher Quality
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,162	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,252,479	517,225	7,746	18,063	185,461
1,162	1,252,479	517,225	7,746	18,063	185,461
-	51,382	-	868	10,766	163,597
-	817,998	560,847	-	-	-
-	158,952	-	-	-	-
-	-	1,911	-	-	-
-	159,358	-	4,339	7,171	6,601
-	54,440	3,378	-	-	-
-	17,464	-	-	-	-
-	-	-	-	-	-
-	25,345	19,870	1,260	2,644	2,262
-	-	-	-	-	-
-	-	-	-	-	-
-	1,284,939	586,006	6,467	20,581	172,460
1,162	(32,460)	(68,781)	1,279	(2,518)	13,001
-	-	-	-	-	-
-	-	-	-	-	-
1,162	(32,460)	(68,781)	1,279	(2,518)	13,001
(1,162)	199,135	22,700	1,088	3,818	(859)
-	-	-	-	-	-
\$ -	\$ 166,675	\$ (46,081)	\$ 2,367	\$ 1,300	\$ 12,142

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**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues:		
From local sources:		
Charges for services	\$ -	\$ 942,502
Earnings on investments	-	28,565
Extracurricular	-	635,365
Classroom materials and fees.	-	1,060
Other local revenues	-	66,201
Intergovernmental - Intermediate.	-	233,770
Intergovernmental - State	-	512,181
Intergovernmental - Federal	253,965	2,898,614
Total revenues	253,965	5,318,258
Expenditures:		
Current:		
Instruction:		
Regular.	159,708	541,906
Special	-	1,380,543
Other	-	158,952
Support services:		
Pupil	57,091	310,313
Instructional staff.	5,215	224,919
Administration	96,824	480,375
Pupil transportation.	9,419	27,436
Operation of non-instructional services:		
Food service operations	-	1,521,322
Operation of non-instructional services . .	7,287	58,668
Extracurricular activities.	-	442,015
Intergovernmental pass through	-	256,734
Total expenditures	335,544	5,403,183
Excess (deficiency) of revenues		
over (under) expenditures.	(81,579)	(84,925)
Other financing sources:		
Transfers in	-	135,275
Total other financing sources	-	135,275
Net change in fund balances		
	(81,579)	50,350
Fund balances (deficits)		
at beginning of year (restated).	104,631	1,073,969
Increase in reserve for inventory	-	14,699
Fund balances (deficits) at end of year . . .	\$ 23,052	\$ 1,139,018

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
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>		
Food Service				
Total revenues and other sources	\$ 1,574,900	\$ 1,529,655	\$ 1,530,546	\$ 891
Total expenditures and other uses	<u>1,547,422</u>	<u>1,436,953</u>	<u>1,436,953</u>	<u>-</u>
Net change in fund balance	27,478	92,702	93,593	891
Fund balance at beginning of year.	<u>251,601</u>	<u>251,601</u>	<u>251,601</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 279,079</u></u>	<u><u>\$ 344,303</u></u>	<u><u>\$ 345,194</u></u>	<u><u>\$ 891</u></u>
Public School Support				
Total revenues and other sources	\$ 270,750	\$ 278,306	\$ 279,021	\$ 715
Total expenditures and other uses	<u>303,200</u>	<u>257,528</u>	<u>257,428</u>	<u>100</u>
Net change in fund balance	(32,450)	20,778	21,593	815
Fund balance at beginning of year.	227,587	227,587	227,587	-
Prior year encumbrances appropriated.	<u>4,968</u>	<u>4,968</u>	<u>4,968</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 200,105</u></u>	<u><u>\$ 253,333</u></u>	<u><u>\$ 254,148</u></u>	<u><u>\$ 815</u></u>
Other Grants				
Total revenues and other sources	\$ 308,684	\$ 323,754	\$ 323,754	\$ -
Total expenditures and other uses	<u>247,758</u>	<u>291,928</u>	<u>291,928</u>	<u>-</u>
Net change in fund balance	60,926	31,826	31,826	-
Fund balance (deficit) at beginning of year.	(9,576)	(9,576)	(9,576)	-
Prior year encumbrances appropriated.	<u>649</u>	<u>649</u>	<u>649</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 51,999</u></u>	<u><u>\$ 22,899</u></u>	<u><u>\$ 22,899</u></u>	<u><u>\$ -</u></u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Miscellaneous Grants				
Total revenues and other sources	\$ 20,000	\$ 6,419	\$ 6,419	\$ -
Total expenditures and other uses	<u>15,022</u>	<u>20,072</u>	<u>18,161</u>	<u>1,911</u>
Net change in fund balance	4,978	(13,653)	(11,742)	1,911
Fund balance at beginning of year.	39,168	39,168	39,168	-
Prior year encumbrances appropriated.	<u>1,704</u>	<u>1,704</u>	<u>1,704</u>	<u>-</u>
Fund balance at end of year	<u>\$ 45,850</u>	<u>\$ 27,219</u>	<u>\$ 29,130</u>	<u>\$ 1,911</u>
District Managed Student Activity				
Total revenues and other sources	\$ 519,558	\$ 447,790	\$ 447,710	\$ (80)
Total expenditures and other uses	<u>521,112</u>	<u>454,242</u>	<u>452,360</u>	<u>1,882</u>
Net change in fund balance	(1,554)	(6,452)	(4,650)	1,802
Fund balance at beginning of year.	63,537	63,537	63,537	-
Prior year encumbrances appropriated.	<u>338</u>	<u>338</u>	<u>338</u>	<u>-</u>
Fund balance at end of year	<u>\$ 62,321</u>	<u>\$ 57,423</u>	<u>\$ 59,225</u>	<u>\$ 1,802</u>
Auxiliary Services				
Total revenues and other sources	\$ 270,000	\$ 249,479	\$ 249,479	\$ -
Total expenditures and other uses	<u>355,780</u>	<u>460,577</u>	<u>460,577</u>	<u>-</u>
Net change in fund balance	(85,780)	(211,098)	(211,098)	-
Fund balance at beginning of year.	125,318	125,318	125,318	-
Prior year encumbrances appropriated.	<u>85,780</u>	<u>85,780</u>	<u>85,780</u>	<u>-</u>
Fund balance at end of year	<u>\$ 125,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
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>		
Education Management Information Systems				
Total revenues and other sources	\$ -	\$ 54,817	\$ 54,817	\$ -
Total expenditures and other uses	-	54,817	54,817	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
OneNet Subsidy				
Total revenues and other sources	\$ 24,000	\$ 24,000	\$ 24,000	\$ -
Total expenditures and other uses	-	24,000	24,000	-
Net change in fund balance	24,000	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ 24,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SchoolNet Professional Development				
Total revenues and other sources	\$ -	\$ 3,300	\$ 3,300	\$ -
Total expenditures and other uses	-	4,936	4,936	-
Net change in fund balance	-	(1,636)	(1,636)	-
Fund balance at beginning of year	1,636	1,636	1,636	-
Fund balance at end of year	<u>\$ 1,636</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Ohio Reads				
Total revenues and other sources	\$ 20,000	\$ 26,000	\$ 26,000	\$ -
Total expenditures and other uses	<u>20,204</u>	<u>26,204</u>	<u>26,204</u>	<u>-</u>
Net change in fund balance	(204)	(204)	(204)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>204</u>	<u>204</u>	<u>204</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Alternative School Grant				
Total revenues and other sources	\$ 61,073	\$ 61,504	\$ 61,504	\$ -
Total expenditures and other uses	<u>64,416</u>	<u>64,847</u>	<u>64,847</u>	<u>-</u>
Net change in fund balance	(3,343)	(3,343)	(3,343)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>3,343</u>	<u>3,343</u>	<u>3,343</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Poverty Aid				
Total revenues and other sources	\$ 74,337	\$ 74,337	\$ 74,337	\$ -
Total expenditures and other uses	<u>77,256</u>	<u>77,256</u>	<u>77,256</u>	<u>-</u>
Net change in fund balance	(2,919)	(2,919)	(2,919)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>2,919</u>	<u>2,919</u>	<u>2,919</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
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>		
Miscellaneous State Grants				
Total revenues and other sources	\$ -	\$ 22,228	\$ 22,228	\$ -
Total expenditures and other uses	<u>-</u>	<u>20,228</u>	<u>20,228</u>	<u>-</u>
Net change in fund balance	-	2,000	2,000	-
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>
Title VI-B				
Total revenues and other sources	\$ 1,566,149	\$ 1,332,599	\$ 1,332,599	\$ -
Total expenditures and other uses	<u>1,616,357</u>	<u>1,616,357</u>	<u>1,614,295</u>	<u>2,062</u>
Net change in fund balance	(50,208)	(283,758)	(281,696)	2,062
Fund balance (deficit) at beginning of year.	(313,670)	(313,670)	(313,670)	-
Prior year encumbrances appropriated.	<u>363,878</u>	<u>363,878</u>	<u>363,878</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (233,550)</u>	<u>\$ (231,488)</u>	<u>\$ 2,062</u>
Title I				
Total revenues and other sources	\$ 646,654	\$ 611,808	\$ 611,808	\$ -
Total expenditures and other uses	<u>663,979</u>	<u>630,993</u>	<u>630,993</u>	<u>-</u>
Net change in fund balance	(17,325)	(19,185)	(19,185)	-
Fund balance (deficit) at beginning of year.	(94,583)	(94,583)	(94,583)	-
Prior year encumbrances appropriated.	<u>113,768</u>	<u>113,768</u>	<u>113,768</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,860</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Title VI				
Total revenues and other sources	\$ 7,746	\$ 7,746	\$ 7,746	\$ -
Total expenditures and other uses	<u>9,282</u>	<u>9,420</u>	<u>9,420</u>	<u>-</u>
Net change in fund balance	(1,536)	(1,674)	(1,674)	-
Fund balance at beginning of year.	138	138	138	-
Prior year encumbrances appropriated.	<u>1,536</u>	<u>1,536</u>	<u>1,536</u>	<u>-</u>
Fund balance at end of year	<u>\$ 138</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Drug-Free School Grant				
Total revenues and other sources	\$ 18,063	\$ 18,063	\$ 18,063	\$ -
Total expenditures and other uses	<u>21,284</u>	<u>22,407</u>	<u>22,407</u>	<u>-</u>
Net change in fund balance	(3,221)	(4,344)	(4,344)	-
Fund balance at beginning of year.	1,123	1,123	1,123	-
Prior year encumbrances appropriated.	<u>3,221</u>	<u>3,221</u>	<u>3,221</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Improving Teacher Quality				
Total revenues and other sources	\$ 185,921	\$ 185,461	\$ 185,461	\$ -
Total expenditures and other uses	<u>186,830</u>	<u>186,370</u>	<u>186,370</u>	<u>-</u>
Net change in fund balance	(909)	(909)	(909)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>909</u>	<u>909</u>	<u>909</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Miscellaneous Federal Grants				
Total revenues and other sources	\$ 358,167	\$ 306,412	\$ 306,412	\$ -
Total expenditures and other uses	<u>373,058</u>	<u>395,987</u>	<u>395,987</u>	<u>-</u>
Net change in fund balance	(14,891)	(89,575)	(89,575)	-
Fund balance at beginning of year.	27,838	27,838	27,838	-
Prior year encumbrances appropriated.	<u>46,611</u>	<u>46,611</u>	<u>46,611</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 59,558</u>	<u>\$ (15,126)</u>	<u>\$ (15,126)</u>	<u>\$ -</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
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>		
Bond Retirement				
Total revenues and other sources	\$ 1,790,123	\$ 1,799,950	\$ 1,799,950	\$ -
Total expenditures and other uses	<u>1,635,686</u>	<u>1,657,723</u>	<u>1,657,723</u>	<u>-</u>
Net change in fund balance	154,437	142,227	142,227	-
Fund balance at beginning of year.	<u>632,232</u>	<u>632,232</u>	<u>632,232</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 786,669</u></u>	<u><u>\$ 774,459</u></u>	<u><u>\$ 774,459</u></u>	<u><u>\$ -</u></u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2007

	Permanent Improvement	Capital Projects- H.B. 426	SchoolNet	Total Nonmajor Capital Projects Funds
Assets:				
Equity in pooled cash and cash equivalents.	\$ 210,071	\$ 761,866	\$ 32,800	\$ 1,004,737
Total assets	\$ 210,071	\$ 761,866	\$ 32,800	\$ 1,004,737
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 30,940	\$ 30,940
Deposits payable.	260,000	-	-	260,000
Total liabilities.	260,000	-	30,940	290,940
Fund Balances:				
Unreserved, undesignated (deficit), reported in:				
Capital projects	(49,929)	761,866	1,860	713,797
Total fund balances (deficits).	(49,929)	761,866	1,860	713,797
Total liabilities and fund balances	\$ 210,071	\$ 761,866	\$ 32,800	\$ 1,004,737

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Permanent Improvement</u>	<u>Capital Projects- H.B. 426</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:				
Intergovernmental - State	\$ -	\$ -	\$ 32,800	\$ 32,800
Total revenues	<u>-</u>	<u>-</u>	<u>32,800</u>	<u>32,800</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	30,940	30,940
Facilities acquisition and construction.	430,249	-	-	430,249
Total expenditures	<u>430,249</u>	<u>-</u>	<u>30,940</u>	<u>461,189</u>
Excess (deficiency) of revenues over (under) expenditures	(430,249)	-	1,860	(428,389)
Other financing sources:				
Loan issuance.	380,320	-	-	380,320
Total other financing sources	<u>380,320</u>	<u>-</u>	<u>-</u>	<u>380,320</u>
Net change in fund balances	(49,929)	-	1,860	(48,069)
Fund balances				
at beginning of year (restated).	<u>-</u>	<u>761,866</u>	<u>-</u>	<u>761,866</u>
Fund balances (deficits) at end of year	<u>\$ (49,929)</u>	<u>\$ 761,866</u>	<u>\$ 1,860</u>	<u>\$ 713,797</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Total revenues and other sources	\$ -	\$ 380,320	\$ 380,320	\$ -
Total expenditures and other uses	<u>-</u>	<u>430,249</u>	<u>430,249</u>	<u>-</u>
Net change in fund balance	-	(49,929)	(49,929)	-
Fund balance at beginning of year.	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 260,000</u>	<u>\$ 210,071</u>	<u>\$ 210,071</u>	<u>\$ -</u>
Capital Projects H.B. 426				
Total revenues and other sources	\$ -	\$ -	\$ -	\$ -
Total expenditures and other uses	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(750,000)	-	-	-
Fund balance at beginning of year.	<u>761,865</u>	<u>761,865</u>	<u>761,865</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,865</u>	<u>\$ 761,865</u>	<u>\$ 761,865</u>	<u>\$ -</u>
SchoolNet				
Total revenues and other sources	\$ -	\$ 32,800	\$ 32,800	\$ -
Total expenditures and other uses	<u>-</u>	<u>30,940</u>	<u>30,940</u>	<u>-</u>
Net change in fund balance	-	1,860	1,860	-
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,860</u>	<u>\$ 1,860</u>	<u>\$ -</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
PROPRIETARY FUND DESCRIPTIONS**

Nonmajor Enterprise Fund

Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation and indirect costs) of providing goods or services to the students or general public on a continuing basis are financed or recovered quickly through user charges. This fund can also account for operations where the school board has decided that periodic determination of revenues earned, expenses incurred, and income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Special Enterprise

Section 5705.12, Revised Code

A fund to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation and direct costs) of providing goods or services to the students or general public on a continuing basis are financed or recovered primarily through user charges. This fund can also account for operations where the school board has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. This fund accounts for the programs of the community center and summer school. The District maintains only one enterprise fund, therefore combining statements schedules are not required.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Special Enterprise				
Total revenues	\$ 50,950	\$ 63,394	\$ 63,394	\$ -
Total expenses	<u>74,484</u>	<u>94,574</u>	<u>91,351</u>	<u>3,223</u>
Net change in fund balance	(23,534)	(31,180)	(27,957)	3,223
Fund balance at beginning of year.	78,303	78,303	78,303	-
Prior year encumbrances appropriated.	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ 55,769</u>	<u>\$ 48,123</u>	<u>\$ 51,346</u>	<u>\$ 3,223</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
FIDUCIARY FUND DESCRIPTIONS**

Fiduciary Funds

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

Private Purpose Trust Fund

Scholarship Trust

Section 5705.09, Revised Code

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Funds

District Agency

Section 5705.09, Revised Code

A fund provided to account for monies of the Federal League Athletic Association.

Student Managed Activity

Section 3313.062, Revised Code

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007

	Private Purpose Trust	Agency	Totals
Assets:			
Equity in pooled cash and cash equivalents	\$ 41,632	\$ 61,885	\$ 103,517
Receivables			
Accounts	-	2,172	2,172
Total assets	41,632	64,057	105,689
Liabilities:			
Due to other governments	-	25,578	25,578
Due to students	-	38,479	38,479
Total liabilities.	-	\$ 64,057	64,057
Net Assets:			
Held in trust for scholarships	41,632		41,632
Total net assets	\$ 41,632		\$ 41,632

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Beginning Balance July 1, 2006	Additions	Deletions	Ending Balance June 30, 2007
District Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 29,479	\$ 52,071	\$ 55,972	\$ 25,578
Total assets	<u>\$ 29,479</u>	<u>\$ 52,071</u>	<u>\$ 55,972</u>	<u>\$ 25,578</u>
Liabilities:				
Due to other governments.	29,479	52,071	55,972	25,578
Total liabilities	<u>\$ 29,479</u>	<u>\$ 52,071</u>	<u>\$ 55,972</u>	<u>\$ 25,578</u>
Student Managed Activity				
Assets:				
Equity in pooled cash and cash equivalents	\$ 39,910	\$ 127,611	\$ 131,214	\$ 36,307
Receivables Accounts	596	2,172	596	2,172
Total assets	<u>\$ 40,506</u>	<u>\$ 129,783</u>	<u>\$ 131,810</u>	<u>\$ 38,479</u>
Liabilities:				
Accounts payable	\$ 2,801	\$ -	\$ 2,801	\$ -
Due to students	37,705	129,783	129,009	38,479
Total liabilities.	<u>\$ 40,506</u>	<u>\$ 129,783</u>	<u>\$ 131,810</u>	<u>\$ 38,479</u>
Total				
Assets:				
Equity in pooled cash and cash equivalents	\$ 69,389	\$ 179,682	\$ 187,186	\$ 61,885
Receivables Accounts	596	2,172	596	2,172
Total assets	<u>\$ 69,985</u>	<u>\$ 181,854</u>	<u>\$ 187,782</u>	<u>\$ 64,057</u>
Liabilities:				
Accounts payable	\$ 2,801	\$ -	\$ 2,801	\$ -
Due to other governments.	29,479	52,071	55,972	25,578
Due to students	37,705	129,783	129,009	38,479
Total liabilities.	<u>\$ 69,985</u>	<u>\$ 181,854</u>	<u>\$ 187,782</u>	<u>\$ 64,057</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Scholarship Trust				
Total revenues	\$ 5,610	\$ 10,248	\$ 10,371	\$ 123
Total expenses	<u>9,037</u>	<u>4,165</u>	<u>4,165</u>	<u>-</u>
Net change in fund balance	(3,427)	6,083	6,206	123
Fund balance at beginning of year.	<u>35,426</u>	<u>35,426</u>	<u>35,426</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 31,999</u></u>	<u><u>\$ 41,509</u></u>	<u><u>\$ 41,632</u></u>	<u><u>\$ 123</u></u>

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STATISTICAL SECTION

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**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

STATISTICAL SECTION

This part of the Austintown Local School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	106-117
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	118-125
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	126-129
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	130-131
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	132-139

Sources: Sources are noted on the individual schedules. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities:				
Invested in capital assets, net of related debt	\$ 5,925,236	\$ 5,585,792	\$ 5,710,633	\$ 6,086,260
Restricted	5,207,218	3,190,536	2,290,794	1,650,834
Unrestricted (deficit)	(921,311)	(2,444,751)	(3,368,533)	(4,331,546)
Total governmental activities net assets	<u>10,211,143</u>	<u>6,331,577</u>	<u>4,632,894</u>	<u>3,405,548</u>
Business-Type Activities:				
Invested in capital assets, net of related debt	54,780	45,878	21,436	14,163
Unrestricted	45,743	73,944	96,700	90,601
Total governmental activities net assets	<u>100,523</u>	<u>119,822</u>	<u>118,136</u>	<u>104,764</u>
Primary Government:				
Invested in capital assets, net of related debt	5,980,016	5,631,670	5,732,069	6,100,423
Restricted	5,207,218	3,190,536	2,290,794	1,650,834
Unrestricted (deficit)	(875,568)	(2,370,807)	(3,271,833)	(4,240,945)
Total net assets - primary government	<u>\$ 10,311,666</u>	<u>\$ 6,451,399</u>	<u>\$ 4,751,030</u>	<u>\$ 3,510,312</u>

Source: District financial records.

Note: 2006 amounts have been restated to properly account for the District's early retirement incentive.

2003

\$	6,071,299
	1,414,949
	<u>(2,143,202)</u>
	<u>5,343,046</u>

	16,342
	<u>95,671</u>
	<u>112,013</u>

	6,087,641
	1,414,949
	<u>(2,047,531)</u>
\$	<u><u>5,455,059</u></u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 19,786,687	\$ 20,211,422	\$ 20,398,344	\$ 20,229,285
Special	5,086,712	4,677,768	4,628,169	4,280,083
Vocational	297,227	231,132	294,317	273,806
Adult/continuing	-	31,691	-	-
Other instructional	1,772,787	1,220,107	939,960	772,412
Support services:				
Pupil	2,727,291	2,541,249	2,551,070	2,597,157
Instructional staff	1,366,564	1,123,499	1,256,735	1,231,504
Board of education	65,160	52,807	55,047	49,234
Administration	3,417,313	3,492,015	3,254,773	3,171,693
Fiscal	856,985	846,012	876,394	867,719
Business	54,720	4,519	2,856	5,350
Operations and maintenance	4,231,309	4,044,331	3,845,458	3,758,630
Pupil transportation	2,277,807	2,319,760	2,429,465	2,368,397
Central	-	2,282	1,599	1,335
Operation of non-instructional services:				
Food service operations	1,464,605	1,727,412	1,452,914	1,678,327
Other non-instructional services	130,149	42,651	100,797	47,412
Extracurricular activities	1,045,737	996,301	1,013,794	1,013,635
Intergovernmental pass-through	256,734	257,754	225,516	251,721
Interest and fiscal charges	1,246,393	1,258,858	1,285,299	370,444
Total governmental activities expenses	<u>46,084,180</u>	<u>45,081,570</u>	<u>44,612,507</u>	<u>42,968,144</u>
Business-type activities:				
Adult education	-	-	11,463	13,543
Special enterprise	82,973	51,381	39,904	50,231
Total business-type activities expenses	<u>82,973</u>	<u>51,381</u>	<u>51,367</u>	<u>63,774</u>
Total primary government expenses	<u>46,167,153</u>	<u>45,132,951</u>	<u>44,663,874</u>	<u>43,031,918</u>

2003

\$ 20,013,091
3,427,735
274,729
-
30,668

2,507,098
1,212,462
30,302
3,086,963
829,807
5,375
4,354,610
2,118,437
231,582

1,609,800
49,046
1,027,243
250,258
11,640

41,070,846

9,589

40,677

50,266

41,121,112

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

CHANGES IN NET ASSETS - (Continued)
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 139,332	\$ 97,459	\$ 95,995	\$ 129,647
Vocational	24,504	-	-	-
Support services:				
Pupil	7,814	5,903	-	14,331
Instructional staff	6,879	-	53	17,163
Administration	276,649	268,504	-	232,733
Fiscal	-	3,333	263,988	1,800
Operations and maintenance	17,928	-	-	-
Pupil transportation	-	-	-	523
Operation of non-instructional services:				
Food service operations	964,502	963,959	973,855	918,988
Other non-instructional services	933	-	-	11,981
Extracurricular activities	368,827	351,400	386,473	433,225
Intergovernmental pass-through	-	11,326	10,732	-
Operating grants and contributions:				
Instruction:				
Regular	525,126	522,623	630,071	542,902
Special	2,911,901	1,470,398	1,375,614	1,118,151
Vocational	50,065	-	-	2,343
Adult/continuing	-	31,367	-	-
Other	161,527	-	30,616	30,169
Support services:				
Pupil	360,394	100,508	86,954	82,218
Instructional staff	214,488	211,625	215,307	177,031
Administration	189,092	202,945	205,357	137,220
Operations and maintenance	-	-	1,084	739
Pupil transportation	141,853	29,435	6,648	997
Operation of non-instructional services:				
Food service operations	697,680	762,747	698,152	661,440
Other non-instructional services	57,150	43,515	84,440	40,085
Extracurricular activities	12,510	2,575	-	-
Intergovernmental pass-through	249,480	283,146	268,309	277,272
Capital grants and contributions:				
Instruction:				
Regular	32,800	-	40,004	-
Support services:				
Pupil transportation	113,950	-	-	-
Total governmental program revenues	<u>7,525,384</u>	<u>5,362,768</u>	<u>5,373,652</u>	<u>4,830,958</u>
Business-type activities:				
Charges for services:				
Adult education	-	-	10,271	13,679
Special enterprise	63,674	53,067	54,468	42,846
Total business-type activities program revenues	<u>63,674</u>	<u>53,067</u>	<u>64,739</u>	<u>56,525</u>
Total primary government program revenues	<u>7,589,058</u>	<u>5,415,835</u>	<u>5,438,391</u>	<u>4,887,483</u>

2003

\$	144,423
	-
	10,685
	25,345
	-
	-
	-
	911,225
	-
	663,527
	-
	451,325
	780,766
	-
	-
	-
	21,955
	146,660
	237,619
	2,000
	118
	610,627
	35,219
	-
	263,831
	-
	-
	<u>4,305,325</u>
	9,525
	<u>36,636</u>
	<u>46,161</u>
	<u>4,351,486</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

CHANGES IN NET ASSETS - (Continued)
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (38,558,796)	\$ (39,718,802)	\$ (39,238,855)	\$ (38,137,186)
Business-Type Activities	(19,299)	1,686	13,372	(7,249)
Total primary government net expense	<u>(38,578,095)</u>	<u>(39,717,116)</u>	<u>(39,225,483)</u>	<u>(38,144,435)</u>
General Revenues and Other				
Changes in Net Assets				
Governmental activities:				
Property taxes levied for:				
General purposes	18,967,834	17,364,641	17,557,079	16,022,646
Debt service	1,648,406	1,578,146	1,490,170	890,725
Grants and entitlements not restricted to specific programs	19,750,702	21,309,943	20,259,894	18,994,521
Investment earnings	751,807	928,050	718,729	291,886
Decrease in fair market value of investments	-	-	-	(282,291)
Miscellaneous	52,001	236,705	440,329	282,201
Special item	1,267,612	-	-	-
Total governmental activities	<u>42,438,362</u>	<u>41,417,485</u>	<u>40,466,201</u>	<u>36,199,688</u>
Change in Net Assets				
Governmental activities	3,879,566	1,698,683	1,227,346	(1,937,498)
Business-type activities	(19,299)	1,686	13,372	(7,249)
Total primary government	<u>\$ 3,860,267</u>	<u>\$ 1,700,369</u>	<u>\$ 1,240,718</u>	<u>\$ (1,944,747)</u>

Source: District financial records.

Note: 2006 amounts have been restated to properly account for the District's early retirement incentive.

2003

\$ (36,765,521)
(4,105)
(36,769,626)

15,912,856
285,421

17,703,889
80,384

-
657,313

-
34,639,863

(2,125,658)
(4,105)

\$ (2,129,763)

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund:				
Reserved	\$ 340,417	\$ 331,372	\$ 291,366	\$ 431,086
Designated	-	-	-	-
Unreserved, undesignated (deficit)	<u>(57,517)</u>	<u>(2,307,860)</u>	<u>(4,016,826)</u>	<u>(3,832,366)</u>
Total general fund	<u>\$ 282,900</u>	<u>\$ (1,976,488)</u>	<u>\$ (3,725,460)</u>	<u>\$ (3,401,280)</u>
All Other Governmental Funds:				
Reserved	\$ 3,891,211	\$ 8,304,427	\$ 2,223,173	\$ 2,577,473
Unreserved, undesignated, reported in:				
Special revenue funds	454,752	534,602	412,172	347,325
Debt service funds	-	-	-	26,835,632
Capital projects funds	<u>1,172,347</u>	<u>5,670,148</u>	<u>23,204,489</u>	<u>23,945,041</u>
Total all other governmental funds	<u>\$ 5,518,310</u>	<u>\$ 14,509,177</u>	<u>\$ 25,839,834</u>	<u>\$ 53,705,471</u>

Source: District financial records.

Note: 2006 amounts have been restated to properly account for the District's early retirement incentive.

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
\$ 149,164	\$ 299,185	\$ 396,999	\$ 888,256	\$ 624,860	\$ 778,024
-	-	761,865	251,015	-	-
<u>(2,885,685)</u>	<u>(493,541)</u>	<u>(671,105)</u>	<u>(1,644,439)</u>	<u>(1,115,575)</u>	<u>(1,885,586)</u>
<u>\$ (2,736,521)</u>	<u>\$ (194,356)</u>	<u>\$ 487,759</u>	<u>\$ (505,168)</u>	<u>\$ (490,715)</u>	<u>\$ (1,107,562)</u>
\$ 339,036	\$ 86,467	\$ 782,614	\$ 120,342	\$ 285,751	\$ 42,107
312,257	337,937	388,700	544,301	314,852	400,818
220,000	-	-	-	-	65,936
761,866	832,208	104,992	125,084	311,242	270,695
<u>\$ 1,633,159</u>	<u>\$ 1,256,612</u>	<u>\$ 1,276,306</u>	<u>\$ 789,727</u>	<u>\$ 911,845</u>	<u>\$ 779,556</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues					
From local sources:					
Taxes	\$ 19,853,553	\$ 19,851,045	\$ 18,979,253	\$ 18,361,775	\$ 15,993,174
Tuition	94,391	9,027	27,129	55,658	78,800
Charges for services	943,435	963,959	951,855	919,935	879,360
Earnings on investments	798,469	979,907	719,689	219,403	80,384
Decrease in fair market value of investments	-	-	-	(282,291)	-
Extracurricular	639,472	616,047	649,433	642,552	644,548
Classroom materials and fees	66,709	68,085	64,947	68,508	63,351
Other local revenues	126,158	286,504	478,061	304,051	735,743
Intergovernmental - Intermediate	233,770	9,315	11,472	4,657	18,961
Intergovernmental - State	22,138,528	21,934,592	20,968,734	19,783,828	18,342,029
Intergovernmental - Federal	2,898,614	3,137,053	2,893,140	2,223,947	1,747,933
Total revenues	<u>47,793,099</u>	<u>47,855,534</u>	<u>45,743,713</u>	<u>42,302,023</u>	<u>38,584,283</u>
Expenditures					
Current:					
Instruction:					
Regular	19,605,253	19,854,668	20,334,464	20,107,813	19,566,743
Special	5,007,673	4,698,465	4,645,599	4,235,247	3,399,942
Vocational	278,107	254,223	288,105	266,546	285,829
Adult/continuing	-	31,691	-	-	-
Other	1,772,787	1,220,107	939,960	772,412	30,668
Support services:					
Pupil	2,699,948	2,567,320	2,524,345	2,558,943	2,464,305
Instructional staff	1,353,971	1,108,648	1,254,019	1,211,735	1,186,781
Board of education	65,160	52,807	55,047	49,234	30,302
Administration	3,446,104	3,346,153	3,340,826	3,151,122	3,021,759
Fiscal	852,861	852,175	875,032	858,479	819,137
Business	52,413	4,519	2,856	5,350	5,375
Operations and maintenance	4,192,060	4,002,233	3,803,221	3,697,985	4,306,601
Pupil transportation	2,205,944	2,303,187	2,262,641	2,405,709	2,229,604
Central	-	2,282	1,599	1,335	231,582
Operation of non-instructional services:					
Food service operations	1,521,322	1,710,817	1,445,400	1,631,812	1,465,748
Other non-instructional services	130,072	42,591	85,337	44,672	34,554
Extracurricular activities	1,010,955	999,258	987,353	987,001	1,000,609
Intergovernmental pass-through	256,734	257,754	225,516	225,721	250,258
Facilities acquisitions and construction	10,105,357	12,538,541	2,321,274	461,280	11,043
Debt service:					
Principal retirement	480,780	415,123	26,670,123	245,123	65,123
Interest and fiscal charges	1,150,169	1,178,030	1,485,314	15,292	13,546
Bond issuance expenses	-	-	-	372,211	-
Total expenditures	<u>56,187,670</u>	<u>57,440,592</u>	<u>73,548,031</u>	<u>43,331,022</u>	<u>40,419,509</u>
Excess of revenues over (under) expenditures	(8,394,571)	(9,585,058)	(27,804,318)	(1,028,999)	(1,835,226)
Other Financing Sources (Uses)					
Transfers in	159,038	84,007	119,686	25,000	312,978
Transfers (out)	(159,038)	(84,007)	(119,686)	(25,000)	(312,978)
Sale of assets	461	1,594	-	-	467
Loan issuance	380,320	-	-	-	-
Sale of bonds	-	-	-	26,000,000	-
Sale of notes	-	-	-	26,000,000	-
Premium on bonds	-	-	-	390,974	-
Premium on notes	-	-	-	44,400	-
Total other financing sources (uses)	<u>380,781</u>	<u>1,594</u>	<u>-</u>	<u>52,435,374</u>	<u>467</u>
Special Item:					
Consortium refund	1,267,612	-	-	-	-
Net change in fund balances	<u>\$ (6,746,178)</u>	<u>\$ (9,583,464)</u>	<u>\$ (27,804,318)</u>	<u>\$ 51,406,375</u>	<u>\$ (1,834,759)</u>
Debt service as a percentage of noncapital expenditures	0.86%	0.72%	36.26%	1.42%	0.16%

Source: District financial records.

Note: 2006 amounts have been restated to properly account for the District's early retirement incentive.

	2002	2001	2000	1999	1998
\$	17,313,456	\$ 17,924,738	\$ 16,403,947	\$ 16,362,893	\$ 16,138,642
	70,991	55,174	12,277	16,662	99,506
	-	-	-	-	10,238
	145,786	301,718	250,431	183,349	171,885
	-	-	-	-	-
	606,131	548,297	597,030	506,990	486,917
	48,877	41,897	31,569	28,434	-
	433,153	273,365	379,682	281,830	203,138
	21,135	10,665	2,809	-	-
	17,213,812	15,935,794	15,195,772	14,560,134	14,226,977
	1,131,748	1,059,923	868,111	843,322	-
	<u>36,985,089</u>	<u>36,151,571</u>	<u>33,741,628</u>	<u>32,783,614</u>	<u>31,337,303</u>
	18,773,257	17,149,045	17,092,298	19,150,357	15,865,577
	2,585,719	2,828,518	2,649,181	-	1,508,865
	303,112	302,695	313,286	-	294,103
	-	-	-	-	104,192
	39,823	83,359	36,759	-	-
	2,147,254	2,032,654	1,928,715	1,810,251	1,768,275
	1,160,530	1,128,965	763,520	799,174	686,289
	38,473	15,406	28,693	9,956	29,402
	4,068,341	2,964,054	3,114,475	2,960,885	2,556,014
	763,580	811,992	706,964	650,201	665,325
	3,947	4,191	8,096	10,549	11,534
	3,849,408	3,469,462	3,171,344	2,912,896	2,790,452
	2,000,885	1,977,728	1,831,271	1,644,540	1,501,855
	194,032	1,993	1,977	1,674	85,667
	-	-	-	-	-
	22,624	31,953	26,944	244,658	253,673
	826,835	813,438	761,416	681,365	679,595
	266,839	282,742	429,066	-	-
	27,104	1,087,810	738,146	870,734	859,246
	587,948	247,948	247,948	247,948	261,451
	28,437	45,041	29,801	40,534	80,408
	-	-	-	-	-
	<u>37,688,148</u>	<u>35,278,994</u>	<u>33,879,900</u>	<u>32,035,722</u>	<u>30,001,923</u>
	(703,059)	872,577	(138,272)	747,892	1,335,380
	761,866	61,691	150,000	-	-
	(761,866)	(61,691)	(150,000)	-	-
	1,250	6,929	1,701	1,244	-
	-	-	-	-	-
	-	-	-	-	-
	-	600,000	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	<u>1,250</u>	<u>606,929</u>	<u>1,701</u>	<u>1,244</u>	<u>-</u>
	-	-	-	-	-
\$	<u>(701,809)</u>	<u>\$ 1,479,506</u>	<u>\$ (136,571)</u>	<u>\$ 749,136</u>	<u>\$ 1,335,380</u>
	1.56%	0.70%	0.73%	0.77%	0.87%

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property (a)	Tangible Personal Property (b)			Total
	Assessed Value	Tangible	Public Utility (b)	Assessed Value	
		Assessed Value			
2007	\$ 582,798,810	\$ 24,701,268	\$ 13,835,580	\$ 38,536,848	
2006	573,111,310	36,807,590	13,839,970	50,647,560	
2005	503,307,470	47,559,910	14,660,530	62,220,440	
2004	496,304,180	47,831,740	14,634,550	62,466,290	
2003	488,821,390	54,682,960	14,689,080	69,372,040	
2002	484,345,170	59,276,160	14,362,910	73,639,070	
2001	478,045,190	57,695,600	18,950,130	76,645,730	
2000	467,786,420	52,340,250	21,346,130	73,686,380	
1999	380,596,690	55,995,070	21,233,540	77,228,610	
1998	369,939,520	56,155,390	21,023,540	77,178,930	

Source: Mahoning County Auditor's Office

(a) The assessed value of real property is fixed at 35% of true value.

(b) Tangible personal property and public utility tangible property are assessed at varying percentages of true value. As categories of tangible personal property have not been separated for this table, the maximum assessed rate of 25% of true value is assumed.

Total

Assessed Value	Estimated Actual Value	%
\$ 621,335,658	\$ 1,819,286,849	34.15%
623,758,870	1,840,051,126	33.90%
565,527,910	1,686,903,103	33.52%
558,770,470	1,667,877,103	33.50%
558,193,430	1,674,120,703	33.34%
557,984,240	1,678,399,623	33.25%
554,690,920	1,672,426,320	33.17%
541,472,800	1,631,278,149	33.19%
457,825,300	1,396,333,554	32.79%
447,118,450	1,365,685,777	32.74%

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS**

Tax Year/ Collection Year	Overlapping Rates				Direct Rates			
	County	Township	Park District	Career Center	Voted		Unvoted	Total
					General	Bond		
2006/2007	11.90	18.10	1.75	2.10	48.20	2.90	6.40	57.50
2005/2006	11.50	18.10	1.75	2.10	48.20	2.90	6.40	57.50
2004/2005	11.65	18.10	1.75	2.10	48.20	2.90	6.40	57.50
2003/2004	11.70	18.10	1.75	2.10	48.20	-	6.40	54.60
2002/2003	11.70	18.10	1.75	2.10	48.20	-	6.40	54.60
2001/2002	11.70	18.10	1.75	2.10	48.20	-	6.40	54.60
2000/2001	10.85	17.10	1.90	2.10	48.20	-	6.40	54.60
1999/2000	10.85	17.10	1.90	2.10	48.20	-	6.40	54.60
1998/1999	10.85	17.10	1.90	2.10	48.20	-	6.40	54.60
1997/1998	10.85	17.10	1.90	2.10	48.20	-	6.40	54.60

Source: Mahoning County Auditor's Office

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

PRINCIPAL REAL ESTATE PROPERTY TAX PAYERS
DECEMBER 31, 2006 AND DECEMBER 31, 2001

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
P&S Equities	\$ 4,093,570	1	0.70%
Austintown Plaza Ltd.	3,831,920	2	0.66%
Gulch Ltd.	3,571,860	3	0.61%
West View Village Co.	2,819,220	4	0.48%
Hillbrook Apartments	2,814,420	5	0.48%
Retail Trust Co.	2,470,760	6	0.42%
Westminster Associates	2,372,480	7	0.41%
35th Strouss Associates	2,351,960	8	0.40%
Austintown Realty Co.	2,094,720	9	0.36%
Austintown Properties Ltd.	1,813,770	10	0.31%
Total	\$ 28,234,680		4.83%

December 31, 2001			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
P&S Equities	\$ 6,169,770	1	1.27%
West View Village Co.	2,862,170	2	0.59%
35th Strouss Associates	2,642,720	3	0.55%
Hillbrook Apartments	2,553,250	4	0.53%
Westminster Associates	2,310,010	5	0.48%
Austintown Realty Co.	2,199,520	6	0.45%
Retail Trust Co.	1,876,000	7	0.39%
Franklin LLC	1,685,600	8	0.35%
Prasad Karipineni	1,610,770	9	0.33%
Speedway Superamerica LLC	1,368,640	10	0.28%
Total	\$ 25,278,450		5.22%

Source: Mahoning County Auditor's Office

Note: Information prior to 2001 is unavailable.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

PRINCIPAL PERSONAL PROPERTY TAX PAYERS
DECEMBER 31, 2006 AND DECEMBER 31, 2001

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Ohio Edison Co.	\$ 7,759,630	1	20.14%
Giant Eagle Inc.	3,928,420	2	10.19%
Hynes Industries	2,961,250	3	7.68%
Ohio Bell Telephone	2,628,940	4	6.82%
YSD Industries	2,513,890	5	6.52%
Tamarkin Co.	2,246,360	6	5.83%
Greenwood Chevrolet	2,074,170	7	5.38%
Eagle Industries	1,523,260	8	3.95%
Austintown Chrysler Plymouth	1,491,590	9	3.87%
Wean Incorporated	1,476,790	10	3.83%
Total	\$ 28,604,300		74.21%

December 31, 2001			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Ohio Edison Co.	\$ 7,055,830	1	9.58%
Tamarkin Co.	4,303,500	2	5.84%
Ohio Bell Telephone	4,044,680	3	5.49%
Hynes Industries	3,262,500	4	4.43%
Modern Building Supply Inc.	2,426,520	5	3.30%
Greenwood Chevrolet	2,184,900	6	2.97%
FYDA Freightliner	2,003,190	7	2.72%
Cerni Motor Sales Inc.	1,611,270	8	2.19%
WalMart Stores	1,585,880	9	2.15%
GE Lighting Inc.	1,475,970	10	2.00%
Total	\$ 29,954,240		40.67%

Source: Mahoning County Auditor's Office

Note: Information prior to 2001 is unavailable.

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**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS**

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2006	\$ 21,398,775	\$ 2,206,308	\$ 23,605,083	\$ 20,896,817	97.65%
2005	21,278,874	2,394,420	23,673,294	20,522,828	96.45%
2004	20,221,343	N/A	N/A	N/A	N/A
2003	19,069,227	2,771,773	21,841,000	16,549,680	86.79%
2002	19,184,967	3,974,447	23,159,414	16,820,249	87.67%
2001	19,333,864	4,385,780	23,719,644	18,374,462	95.04%
2000	19,059,197	3,994,049	23,053,246	18,265,756	95.84%
1999	17,907,052	3,828,641	21,735,693	17,513,702	97.80%
1998	17,695,372	3,837,056	21,532,428	17,419,600	98.44%
1997	17,328,931	3,508,580	20,837,511	17,046,460	98.37%

Source: Mahoning County Auditor's Office

Note: 2004 delinquent levy information is unavailable

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 669,922	\$ 21,566,739	91.36%
597,190	21,120,018	89.21%
N/A	N/A	N/A
1,168,977	17,718,657	81.13%
849,905	17,670,154	76.30%
1,493,695	19,868,157	83.76%
628,965	18,894,721	81.96%
547,787	18,061,489	83.10%
651,406	18,071,006	83.92%
465,439	17,511,899	84.04%

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities						(a) Total Primary Government	(b) Per Capita	(b) Per ADM
	General Obligation Bonds	Asbestos Abatement Loan	H.B. 264 Loan	Capital Lease	Bond Anticipation Notes	Energy Conservation Notes			
2007	\$ 24,777,884	\$ 113,057	\$ 364,663	\$ -	\$ -	\$ -	\$ 25,255,604	\$ 699	\$ 5,260
2006	25,122,060	138,180	-	-	-	-	25,260,240	693	5,231
2005	25,430,483	163,303	-	-	-	-	25,593,786	696	5,287
2004	26,000,000	188,426	-	-	26,000,000	-	52,188,426	1,410	10,756
2003	-	213,549	-	-	-	220,000	433,549	12	84
2002	-	238,672	-	-	-	260,000	498,672	13	99
2001	-	263,795	-	-	-	822,825	1,086,620	29	215
2000	-	445,650	-	-	-	288,918	734,568	19	146
1999	-	668,475	-	-	-	314,041	982,516	30	193
1998	-	891,300	-	8,293	-	339,164	1,238,757	38	241

Sources:

- (a) See notes to the financial statements regarding the District's outstanding debt information.
- (b) See schedule " Demographic and Economic Statistic, Last Ten Fiscal Years" for personal income, population and enrollment information.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST FOUR FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2007	\$ 24,777,884	\$ 24,777,884	1.36%	\$ 686
2006	25,122,060	25,122,060	1.37%	689
2005	25,430,483	25,430,483	1.51%	692
2004	26,000,000	26,000,000	1.56%	703

Notes: Details regarding the District's outstanding debt can be found in the notes to the financial statements. The District did not have general obligation bonds prior to 2004.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Austintown Local School District	\$ 24,777,884	100.00%	\$ 24,777,884
	<u>24,777,884</u>		<u>24,777,884</u>
Overlapping:			
Mahoning County	29,536,439	14.69%	4,338,903
Total Overlapping	<u>29,536,439</u>		<u>4,338,903</u>
Total direct and overlapping debt	<u>\$ 54,314,323</u>		<u>\$ 29,116,787</u>

Source: Ohio Municipal Advisory Council

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2007	\$ 53,366,610	\$ 24,525,000	\$ 790,568	\$ 23,734,432	\$ 29,632,178	44.47%
2006	56,138,298	25,122,060	632,232	24,489,828	31,648,470	43.62%
2005	50,897,512	25,430,483	442,702	24,987,781	25,909,731	49.09%
2004	50,289,342	26,000,000	26,835,632	(835,632)	51,124,974	-1.66%
2003	50,237,409	-	220,000	(220,000)	50,457,409	-0.44%
2002	50,218,582	-	13,248	(13,248)	50,231,830	-0.03%
2001	49,922,183	-	629,633	(629,633)	50,551,816	-1.26%
2000	48,732,552	-	65,936	(65,936)	48,798,488	-0.14%
1999	41,204,277	-	95,590	(95,590)	41,299,867	-0.23%
1998	40,240,661	-	65,936	(65,936)	40,306,597	-0.16%

Source: Mahoning County Auditor and District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

Note: Voted Debt Margins are determined without reference to applicable monies in the District's debt service fund.

Note: Beginning in fiscal year 2007, the amount of assessed valuation for railroad and telephone personal property has been excluded from the debt margin calculation.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (1)	Per Capita Personal Income (2)	Median Family Income (2)	School Enrollment (3)	Unemployment Rates (4)		
					Mahoning County	Ohio	United States
2007	36,137	\$ 19,087	\$47,507	4,801	6.1%	6.1%	4.5%
2006	36,451	19,087	47,507	4,829	8.9%	5.9%	5.1%
2005	36,766	19,087	47,507	4,841	7.7%	5.9%	5.1%
2004	37,004	19,087	47,507	4,852	7.1%	6.2%	5.5%
2003	37,250	19,087	47,507	5,162	7.9%	6.2%	6.0%
2002	37,631	19,087	47,507	5,021	7.0%	5.7%	5.8%
2001	37,929	19,087	47,507	5,054	5.5%	4.4%	4.7%
2000	38,001	19,087	47,507	5,016	5.0%	4.0%	4.0%
1999	32,371	N/A	N/A	5,100	5.5%	4.3%	4.2%
1998	32,371	N/A	N/A	5,148	5.9%	4.3%	4.5%

Sources:

(1 & 2) U. S. Census Bureau

(3) District records

(4) Bureau of Labor Statistics, U.S. Department of Labor

Note: N/A indicates the information is unavailable.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

PRINCIPAL EMPLOYERS IN MAHONING COUNTY
DECEMBER 31, 2006 AND DECEMBER 31, 2003

<u>Employer</u>	<u>December 31, 2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
HM Health Services	5,440	1	4.85%
Forum Health	5,000	2	4.46%
Youngstown State University	2,105	3	1.88%
Mahoning County	1,799	4	1.60%
Youngstown City Schools	1,534	5	1.37%
Infocision Management	1,071	6	0.95%
City of Youngstown	839	7	0.75%
U.S. Postal Service	768	8	0.68%
Austintown Local Schools	764	9	0.68%
Boardman Local Schools	650	10	0.58%
Total	<u>19,970</u>		<u>17.80%</u>
Total County Employment	<u>112,200</u>		

<u>Employer</u>	<u>December 31, 2003</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
HM Health Services	5,565	1	5.07%
Forum Health	5,500	2	5.01%
Diocese of Youngstown	1,501	3	1.37%
Mahoning County	1,501	4	1.37%
U.S. Postal Service	1,501	5	1.37%
Youngstown City Schools	1,501	6	1.37%
Youngstown State University	1,501	7	1.37%
Home Savings & Loan	667	8	0.61%
City of Youngstown	501	9	0.46%
Boardman Local Schools	500	10	0.46%
Total	<u>20,238</u>		<u>18.46%</u>
Total County Employment	<u>109,800</u>		

Source: Mahoning County Auditor's Office

Note: Information on principal employers prior to 2003 is unavailable.

Note: Information on principal employers at the City level could not be obtained; therefore, information at the County level will be disclosed.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY FUNCTION/PROGRAM
FISCAL YEAR 2007

<u>Type</u>	<u>2007</u>
Administration:	20.47
Certificated Staff:	
Regular	228.00
Special	35.85
Vocational	3.00
Educational Service Personnel	22.00
Remedial Specialist	9.00
Counseling	12.00
Library Media	2.00
Audio Visual	0.47
Professional Staff:	
Nursing	4.00
Speech Therapist	5.00
Technology:	
Library Technician	1.00
Library Aide	5.97
Instructional Paraprofessional	12.49
Office/Clerical:	
Office Clerical	36.27
Instructional Paraprofessional	1.23
Other Clerical	1.76
Other Operations:	
Maintenance	9.00
Custodial/Grounds	41.11
Transportation/Drivers	39.00
Food Service	25.43
Other	6.10
Total	<u><u>521.15</u></u>

Source: District records

Note: Information prior to 2007 is unavailable.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION
LAST THREE FISCAL YEARS**

Function	2007	2006	2005
Instruction:			
Regular and Special			
Enrollment (students)	4,801	4,829	4,841
Graduates	400	372	370
Graduation rate	97.10%	97.10%	98.40%
Support services:			
Board of education			
Regular meetings per year	12	12	12
Special meetings per year	10	17	13
Fiscal			
Nonpayroll checks issued	5,300	4,508	5,304
Operations and maintenance			
Square footage maintained	665,047	665,047	665,047
Pupil transportation			
Avg. students transported daily	4,620	4,778	5,306

Source: District records

Note: Information prior to 2005 is unavailable.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**CAPITAL ASSET STATISTICS
LAST FIVE FISCAL YEARS**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:					
Land	\$ 502,026	\$ 502,026	\$ 502,026	\$ 502,026	\$ 502,026
Construction in progress	24,815,115	15,268,495	2,732,638	434,000	-
Land improvements	263,976	103,598	89,327	103,714	104,859
Buildings/improvements	4,143,586	4,075,607	4,378,638	4,683,650	5,020,949
Furniture/equipment	263,555	204,511	151,014	116,824	107,182
Vehicles	647,209	726,184	667,523	835,018	769,832
Total Governmental Activities Capital Assets, net	<u>\$30,635,467</u>	<u>\$20,880,421</u>	<u>\$ 8,521,166</u>	<u>\$ 6,675,232</u>	<u>\$ 6,504,848</u>
Business-Type Activities:					
Furniture/equipment	\$ 54,780	\$ 45,878	\$ 21,436	\$ 14,163	\$ 16,342
Total Business-Type Activities Capital Assets, net	<u>\$ 54,780</u>	<u>\$ 45,878</u>	<u>\$ 21,436</u>	<u>\$ 14,163</u>	<u>\$ 16,342</u>
Primary Government:					
Land	\$ 502,026	\$ 502,026	\$ 502,026	\$ 502,026	\$ 502,026
Construction in progress	24,815,115	15,268,495	2,732,638	434,000	-
Land improvements	263,976	103,598	89,327	103,714	104,859
Buildings/improvements	4,143,586	4,075,607	4,378,638	4,683,650	5,020,949
Furniture/equipment	318,335	250,389	172,450	130,987	123,524
Vehicles	647,209	726,184	667,523	835,018	769,832
Total Primary Government Capital Assets, net	<u>\$30,690,247</u>	<u>\$20,926,299</u>	<u>\$ 8,542,602</u>	<u>\$ 6,689,395</u>	<u>\$ 6,521,190</u>

Source: District financial records.

Note: Amounts above are presented net of accumulated depreciation.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**SCHOOL BUILDING INFORMATION
LAST THREE FISCAL YEARS**

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Fitch High School (1968/'78/2000/2007)			
Square feet	262,048	262,048	262,048
Enrollment	1,629	1,677	1,684
Austintown Middle School (1914/'22/'26/'46/'54/2002) (Mahoning Avenue Building)			
Square feet	102,600	102,600	102,600
Enrollment	866	842	850
Frank Ohl Middle School (1960/'61/'92/2007)			
Square feet	89,485	89,485	89,485
Enrollment	666	687	726
Davis Elementary (1954/'57/2002)			
Square feet	32,958	32,958	32,958
Enrollment	295	262	253
Lloyd Elementary (1954/'57/'92)			
Square feet	33,013	33,013	33,013
Enrollment	407	422	423
Lynn Kirk Elementary (1958/'60)			
Square feet	35,136	35,136	35,136
Enrollment	371	341	342
Watson Elementary (1961)			
Square feet	61,435	61,435	61,435
Enrollment	440	453	442
Woodside Elementary (1948/'57)			
Square feet	33,372	33,372	33,372
Enrollment	312	360	332
Community Fitness Center (1999/2001)			
Square feet	15,000	15,000	15,000

Source: District records

Notes: Year of original construction and subsequent additions are in parentheses.

The original Austintown Middle School was replaced with the new Austintown Middle School for the 07-08 school year.

Frank Ohl Middle School became Frank Ohl Intermediate School (grades 4-5) for the 07-08 school year.

The Board of Education Office housed in the lower level of Watson Elementary moved to a new addition on the new Austintown Middle School in the summer of 2007. The office is 3,512 square feet.

Information prior to 2005 is unavailable.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities (2)		Enrollment
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil	
2007	\$ 54,556,721	\$ 11,364	\$ 44,837,787	\$ 9,339	4,801
2006	55,847,439	11,565	43,822,712	9,075	4,829
2005	45,392,594	9,377	43,327,208	8,950	4,841
2004	42,698,396	8,800	42,597,700	8,779	4,852
2003	40,340,840	7,815	41,059,206	7,954	5,162
2002	37,071,763	7,383	N/A	N/A	5,021
2001	34,986,005	6,922	N/A	N/A	5,054
2000	33,602,151	6,699	N/A	N/A	5,016
1999	31,747,240	6,225	N/A	N/A	5,100
1998	29,660,064	5,761	N/A	N/A	5,148

Source: District records

(1) Debt Service totals have been excluded.

(2) The District implemented GASB 34 in fiscal year 2003.

Percent Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
-0.58%	326	14.73	94.70%
-0.25%	329	14.68	94.30%
-0.23%	333	14.54	94.80%
-6.01%	331	14.66	94.50%
2.81%	333	15.50	94.00%
-0.65%	328	15.31	94.20%
0.76%	327	15.46	93.60%
-1.65%	322	15.58	93.70%
-0.93%	321	15.89	93.00%
0.00%	310	16.61	93.60%

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**TEACHER EDUCATION AND EXPERIENCE
AS OF JUNE 30, 2007 AND JUNE 30, 2002**

<u>Degree</u>	<u>June 30, 2007</u>		<u>June 30, 2002</u>	
	<u>Number of Teachers</u>	<u>Percentage of Total</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Non-Degree	0	0.00%	1	0.30%
Bachelor's Degree	51	15.64%	58	17.68%
Bachelor's Degree + 15	48	14.72%	58	17.68%
Master's Degree	76	23.31%	68	20.73%
Master's Degree + 15	30	9.20%	20	6.10%
Master's Degree + 30	119	36.52%	121	36.90%
Ph.D.	2	0.61%	2	0.61%
	<u>326</u>	<u>100.00%</u>	<u>328</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>June 30, 2007</u>		<u>June 30, 2002</u>	
	<u>Number of Teachers</u>	<u>Percentage of Total</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5 Years	86	26.38%	96	29.27%
6 - 10 Years	65	19.94%	52	15.85%
11 - 15 Years	65	19.94%	38	11.58%
16 - 20 Years	22	6.75%	34	10.37%
21 - 25 Years	31	9.51%	41	12.50%
26 - 42 Years	57	17.48%	67	20.43%
	<u>326</u>	<u>100.00%</u>	<u>328</u>	<u>100.00%</u>

Source: District Personnel Records

Note: Information prior to 2002 is not available.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

TEACHER SALARIES
LAST TEN FISCAL YEARS

Year	Teacher Salaries			
	Austintown			State
	BA Min.	MA Max.	Average	Average
2007	\$29,151	\$65,619	\$51,097	\$53,536
2006	28,440	64,018	50,252	51,197
2005	27,883	62,765	49,363	49,342
2004	27,883	62,765	48,919	47,495
2003	26,940	60,642	46,801	45,515
2002	26,029	58,591	N/A	44,266
2001	25,271	56,885	N/A	42,892
2000	24,535	55,228	N/A	41,713
1999	23,820	53,619	N/A	40,746
1998	23,353	52,568	N/A	39,714

Sources: District Records and Ohio Department of Education

Note: N/A indicates the information is unavailable.



Mary Taylor, CPA
Auditor of State

AUSTINTOWN LOCAL SCHOOL DISTRICT

MAHONING 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 18, 2008**