



Mary Taylor, CPA
Auditor of State

**Youngstown City School District
Mahoning County, Ohio**

**Financial Forecast
For the Fiscal Year Ending June 30, 2010**

Local Government Services Section

Youngstown City School District
Mahoning County

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Youngstown City School District
Financial Planning and Supervision Commission
Ohio Department of Education
25 Front Street
Columbus, Ohio 43215

and

Board of Education
Youngstown City School District
20 West Wood Street
Youngstown, Ohio 44501-0550

CERTIFICATION

Certification is hereby made that, based upon the requirement set forth in Section 3316.08, Revised Code, the Local Government Services Section of the Auditor of State's Office has examined the financial forecast of the general fund of the Youngstown City School District, Mahoning County, Ohio, and issued a report dated March 31, 2010. The forecast is based on the assumption that the School District will continue to operate its instructional program in accordance with its adopted school calendar and pay all obligations. Additional significant assumptions are set forth in the forecast. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, the actual results of operations during the forecast period will vary from the forecast, and the variations may be material.

The forecast reflects an operating excess for the fiscal year ending June 30, 2010 of \$2,933,000.

The forecasted revenues include all property taxes scheduled for settlement during the forecast period. The forecast excludes the receipt of any advances against fiscal year 2011 scheduled property tax settlements. The potential advances have been excluded due to the School District's inability to appropriate this revenue until received and the uncertainty of the timing of any advances. Currently, it is the Board's intent not to appropriate any such advances for fiscal year 2010.

MARY TAYLOR, CPA
Auditor of State

A handwritten signature in cursive script that reads "Unice S. Smith".

Unice S. Smith
Chief of Local Government Services

May 6, 2010

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Mary Taylor, CPA

Auditor of State

Board of Education
Youngstown City School District
20 West Wood Street
Youngstown, Ohio 44501-0550

Independent Accountant's Report

We have examined the accompanying forecasted statement of revenues, expenditures and changes in fund balance of the general fund of the Youngstown City School District for the fiscal year ending June 30, 2010. The Youngstown City School District's management is responsible for the forecast. Our responsibility is to express an opinion on the forecast based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included such procedures as we considered necessary to evaluate both the assumptions used by management and the preparation and presentation of the forecast. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the accompanying forecast is presented in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, and the underlying assumptions provide a reasonable basis for the Board's forecast. However, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying statement of revenues, expenditures and changes in fund balance of the general fund of Youngstown City School District for the fiscal years ended June 30, 2007, 2008 and 2009 were compiled by us in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed this financial information, and, accordingly, do not express an opinion or any other form of assurance on them. Management has elected to omit substantially all of the disclosures associated with the historical financial statements; these disclosures might influence a user's conclusions regarding the School District's results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

A handwritten signature in black ink that reads "Robert R. Hinkle".

Robert R. Hinkle, CPA
Chief Deputy Auditor

March 31, 2010

Youngstown City School District
Mahoning County
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2007 Through 2009 Actual;
For the Fiscal Year Ending June 30, 2010 Forecasted
General Fund

	Fiscal Year 2007 Actual	Fiscal Year 2008 Actual	Fiscal Year 2009 Actual	Fiscal Year 2010 Forecasted
Revenues				
General Property Tax	\$16,814,000	\$16,281,000	\$17,236,000	\$19,822,000
Tangible Personal Property Tax	3,116,000	3,183,000	1,762,000	282,000
Unrestricted Grants-in-Aid	66,731,000	64,754,000	68,013,000	75,246,000
Restricted Grants-in-Aid	11,490,000	13,729,000	14,234,000	994,000
Restricted Federal Grants-in-Aid-SFSF	0	0	0	4,723,000
Property Tax Allocation	3,941,000	4,729,000	4,084,000	8,776,000
All Other Revenues	4,248,000	3,614,000	3,465,000	2,921,000
<i>Total Revenues</i>	<u>106,340,000</u>	<u>106,290,000</u>	<u>108,794,000</u>	<u>112,764,000</u>
Other Financing Sources				
Manuscript Note Proceeds	0	0	5,290,000	0
Solvency Assistance Advance	15,025,000	10,380,000	3,000,000	0
Advances In	0	712,000	203,000	101,000
<i>Total Other Financing Sources</i>	<u>15,025,000</u>	<u>11,092,000</u>	<u>8,493,000</u>	<u>101,000</u>
<i>Total Revenues and Other Financing Sources</i>	<u>121,365,000</u>	<u>117,382,000</u>	<u>117,287,000</u>	<u>112,865,000</u>
Expenditures				
Personal Services	55,606,000	50,845,000	45,459,000	42,697,000
Employees' Retirement/Insurance Benefits	20,576,000	20,417,000	18,395,000	19,196,000
Purchased Services	34,999,000	35,613,000	37,896,000	37,356,000
Supplies and Materials	2,356,000	2,766,000	1,607,000	1,606,000
Capital Outlay	536,000	94,000	142,000	87,000
Debt Service:				
Principal - State Advance	0	7,512,000	12,703,000	6,690,000
Principal - Manuscript Note	0	0	0	1,323,000
Interest	0	0	0	67,000
Other Objects	1,155,000	1,092,000	1,025,000	1,157,000
<i>Total Expenditures</i>	<u>115,228,000</u>	<u>118,339,000</u>	<u>117,227,000</u>	<u>110,179,000</u>
Other Financing Uses				
Operating Transfers Out to Debt Service Fund	681,000	0	0	0
Other Operating Transfers Out	673,000	1,121,000	37,000	40,000
Advances Out	712,000	203,000	101,000	106,000
All Other Financing Uses	0	100,000	22,000	0
<i>Total Other Financing Uses</i>	<u>2,066,000</u>	<u>1,424,000</u>	<u>160,000</u>	<u>146,000</u>
<i>Total Expenditures and Other Financing Uses</i>	<u>117,294,000</u>	<u>119,763,000</u>	<u>117,387,000</u>	<u>110,325,000</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	4,071,000	(2,381,000)	(100,000)	2,540,000
Cash Balance (Deficit) July 1	<u>(276,000)</u>	<u>3,795,000</u>	<u>1,414,000</u>	<u>1,314,000</u>
Cash Balance June 30	<u>3,795,000</u>	<u>1,414,000</u>	<u>1,314,000</u>	<u>3,854,000</u>
Encumbrances and Reserves:				
Actual/Estimated Encumbrances June 30	941,000	353,000	243,000	300,000
Reservations of Fund Balance for:				
Bus Purchase	402,000	468,000	621,000	621,000
DPIA/Poverty Based Assistance	825,000	0	0	0
Total Encumbrances and Reserves of Fund Balance	<u>2,168,000</u>	<u>821,000</u>	<u>864,000</u>	<u>921,000</u>
Unencumbered/Unreserved Fund Balance June 30	<u>\$1,627,000</u>	<u>\$593,000</u>	<u>\$450,000</u>	<u>\$2,933,000</u>

See accompanying summary of significant forecast assumptions and accounting policies
See accountants report

Youngstown City School District
Mahoning County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010

Note 1 – The School District

The Youngstown City School District (School District) is located in Mahoning County and encompasses all of the City of Youngstown. The School District is organized under Article VI, Sections 2 and 3, of the Constitution of the State of Ohio. The legislative power of the School District is vested in the Board of Education, consisting of seven members elected at large for staggered four year terms. The School District currently operates fifteen instructional buildings and an administrative building. The School District is staffed by 443 classified and 665 certificated personnel to provide services to approximately 6,819 students and other community members.

Note 2 - Nature of the Forecast

This financial forecast presents, to the best of the Youngstown City School District Board of Education's knowledge and belief, the expected revenues, expenditures and operating balance of the general fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of March 31, 2010, the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

Note 3 – Nature of the Presentation

The forecast presents the revenues, expenditures, and changes in fund balance of the general fund. Under State law, certain general fund resources received from the State must be spent on specific programs. These resources and the related expenditures have been segregated in the accounting records of the School District to demonstrate compliance. State laws also require the general fund resources pledged for the repayment of debt to be recorded directly in the debt service fund. For presentation in the forecast, the poverty based assistance fund, the school district fiscal stabilization fund and general fund supported debt are included in the general fund.

Note 4 - Summary of Significant Accounting Policies

A. - Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts, disbursements, and encumbrances, which is consistent with the required budget (non-GAAP) basis of accounting used to prepare the historical financial statements. Under this basis of accounting, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the School District is required to maintain the encumbrance method of accounting. This method requires purchase orders, contracts, and other commitments for the expenditure of monies to be recorded as the equivalent of an expenditure in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

B. - Fund Accounting

The School District maintains its accounting in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the segregation of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Youngstown City School District
Mahoning County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010

Governmental Funds

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

Special Revenue Funds - Special revenue funds account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to disbursements for specified purposes.

Debt Service Fund - Debt service funds account for the accumulation of resources for, and the payment of, general long-term and short-term debt principal and interest.

Capital Projects Funds - Capital projects funds account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Permanent Funds - Permanent funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for the benefit of the School District or its students.

Proprietary Funds

Enterprise Funds - Enterprise funds account for any activity for which a fee is charged to external users for goods or services.

Internal Service Funds – Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the School District, or to other governments on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary funds account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations or other governmental units. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds.

C. - Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Budget – A budget of estimated cash receipts and disbursements is submitted to the Mahoning County Auditor, as secretary of the county budget commission, by January 20 of each year, for the succeeding fiscal year.

Youngstown City School District
Mahoning County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010

Estimated Resources - The county budget commission certifies its actions to the School District by March 1. As part of this certification, the School District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations - A temporary appropriation measure to control cash disbursements may be passed on or about July 1 of each year. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire year. The appropriation measure may be amended or supplemented during the year as new information becomes available.

Encumbrances - The School District uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation.

Note 5 - General Operating Assumptions

The Youngstown City School District will continue to operate its instructional program in accordance with its adopted school calendar and pay all obligations. The forecast contains those expenditures the Board of Education has determined to be necessary to provide for an adequate educational program.

Note 6 - Significant Assumptions for Revenues and Other Financing Sources

A. - General and Tangible Personal Property Taxes

Property taxes are applied to real property, public utility real and personal property, manufactured homes and tangible personal property used in businesses which are located within the School District. Property taxes are collected for, and distributed to, the School District by the county auditor and treasurer. Settlement dates, on which collections are distributed to the School District, are established by State statute. The School District may request advances from the Mahoning County Auditor as the taxes are collected. When final settlements are made, any amounts remaining to be distributed to the School District are paid. Deductions for auditor and treasurer fees, advertising delinquent taxes, election expenses, and other fees are made at these settlement times. The amounts shown in the revenue section of the forecast represent gross property tax revenue.

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. Property tax revenue received during calendar year 2010 (the collection year) for real and public utility property taxes represents collections of 2009 taxes (the tax year). Property tax payments received during calendar year 2010 for tangible personal property (other than public utility property) are for calendar year 2010 taxes. First half calendar year tax collections are received by the School District in the second half of the fiscal year. Second half calendar year tax distributions occur in the first half of the following fiscal year.

State law allows for certain reductions in the form of rollbacks and homestead exemptions for real estate taxes. The State reimburses the School District for all revenues lost due to these exemptions. The amount of the reimbursement is presented in the account "Property Tax Allocation".

Youngstown City School District
Mahoning County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010

Prior to fiscal year end, a school district may request an advance of real property tax collections that ordinarily would be settled in August and used to finance the upcoming fiscal year. The forecast excludes the receipt of any advances against fiscal year 2011 scheduled property tax settlements. The potential advances have been excluded due to the School District's inability to appropriate this revenue until received and the uncertainty of the timing of any advances. Currently, it is the Board's intent not to appropriate any such advances for fiscal year 2010.

The property tax revenues for the general fund are generated from several levies. The levies being collected for the general fund, the year approved, first and last year of collections, and the full tax rate are as follows:

Tax Levies	Year Approved	First Calendar Year of Collection	Last Calendar Year of Collection	Full Tax Rate (per \$1,000 of assessed valuation)
Inside Ten Mill Limitation (Unvoted)	n/a	n/a	n/a	\$4.20
Continuing Operating	1976	1977	n/a	27.90
Continuing Operating	1988	1989	n/a	14.50
Emergency (\$5,291,000)	2008	2009	2012	10.00
Total Tax Rate				<u>\$56.60</u>

The School District also has levies for bonded debt and school facilities maintenance totaling \$7.60 per \$1,000 of assessed valuation. The School District's total rate is \$64.20 per \$1,000 of assessed valuation.

Ohio law provides for a reduction in the rates of voted levies to offset increased values resulting from a reappraisal of real property. Reduction factors are applied to voted levies so that each levy yields the same amount of real property tax revenues on carryover property as in the prior year. Reduction factors are also adjusted to generate the same amount of property tax revenue on carryover property when there is a decline in the assessed valuation of property. For all voted levies, except emergency and debt levies, increases in revenues are restricted to amounts generated from new construction. Emergency and debt levies are intended to generate a set revenue amount annually. The revenue generated by emergency and debt levies is not affected by changes in real property valuation. The reduction factors are computed annually and applied separately for residential/agricultural real property and commercial/industrial real property. Reduction factors are not applied to inside millage (an unvoted levy) nor to tangible personal or public utility personal property levy rates. State law also prohibits the reduction factors from reducing the effective millage of the sum of the general fund current operating levies (excluding emergency levies) plus inside millage used for operating purposes below 20 mills. For the general fund, the effective residential and agricultural real property tax rate is \$40.76 per \$1,000 of assessed valuation for collection year 2010, and the effective commercial and industrial real property tax rate is \$51.58 per \$1,000 of assessed valuation for collection year 2010.

Public utility real and personal property taxes are collected and settled by the county with real estate taxes and are recorded as general property taxes. Beginning in 2001, the Ohio General Assembly reduced the assessment rate for certain tangible personal property of electric and gas utilities from 88 percent to 25 percent. Starting in tax year 2005, the assessment rate for personal property owned by telephone utilities prior to 1995 was being phased down from 88 percent to 25 percent (in tax year 2007) over a three-year period. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes will be levied or collected after calendar year 2010 on local and inter-exchange telephone companies. The State of Ohio reimburses

Youngstown City School District
Mahoning County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010

the School District for the loss of tangible personal property taxes as a result of these changes within certain limitations (see Property Tax Allocation Revenue below).

General Property Tax - General property tax revenue includes real estate taxes, public utility property taxes and manufactured home taxes. The amount shown in the revenue section of the forecast represents gross property tax revenue and is based upon information provided by the Mahoning County Auditor. The School District anticipates an increase of \$2,586,000 from the prior fiscal year, due to the passage of an emergency levy on November 4, 2008, and additional revenue from new construction. The emergency levy is to generate \$5,291,000, annually. The increase in property taxes is less than expected due to the decreasing trend in collections of delinquent property taxes. In fiscal years 2007, 2008 and 2009, the School District received \$1,333,000, \$1,235,000 and \$1,014,000 respectfully, in delinquent taxes.

Tangible Personal Property Tax – Tangible personal property tax is levied on machinery and equipment, furniture and fixtures, and inventory of businesses. Effective for tax years 2005 and 2006, the 23 percent assessment rate on business inventory was to be reduced by two percent if the total statewide collections of personal property taxes for the second preceding year exceed the total statewide collections of property taxes for the third preceding year. Effective for tax years 2007 and beyond, the assessment rate for inventory was to be reduced by two percent per year until it is completely phased out regardless of the growth in collections.

Beginning in 2006, House Bill 66 phased out by 25 percent each year tangible personal property tax on most business inventory, manufacturing machinery and equipment, and furniture and fixtures. This change supersedes the changes and phase out periods addressed above. No tangible personal property taxes will be levied or collected in calendar year 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010). Most new manufacturing machinery and equipment that would have been first taxable in tax year 2006 and thereafter will not be subject to any tangible personal property tax. The School District, based on the last year of collections before the phase out period, lost approximately \$4,967,000 annually. The State of Ohio reimbursed the School District for the loss of tangible personal property taxes as a result of the changes in House Bill 66 within certain limitations (see Property Tax Allocation below).

For fiscal year 2010, tangible personal property tax revenues include telephone property only. The October 2008 tangible personal property tax settlement received in fiscal year 2009 was the last property tax settlement for general personal property taxes. The decrease in revenue for the forecast period compared to the prior fiscal year is due to the phase out of tangible personal property taxes.

B. - Unrestricted Grants-in-Aid

Prior to fiscal year 2010, the State's foundation program was established by Chapter 3317 of the Ohio Revised Code and included formula aid and various categorical aid programs such as special and gifted education, career and technical education and transportation. Other programs such as parity aid, excess cost supplement and transitional aid guarantee were provided to address certain policy issues or correct flaws in formula aid were also included in this revenue. The semi-annual payments were calculated by the State Department of Education, Division of School Finance, on the basis of pupil enrollment (ADM), times a per pupil foundation level, less the equivalent of 23 mills multiplied by the school district's taxable property valuation. The per pupil foundation level was set by State Legislature. Beginning in fiscal year 2008, the per pupil amount was increased by four base supplements called "building blocks." The building blocks were funding for intervention, professional development, data based decision making, and professional development for data based decision making.

Youngstown City School District
Mahoning County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010

The per pupil amount for fiscal years 2007 through 2009 are as follows:

Fiscal Year	Per Pupil Foundation Level	Building Blocks	Total
2007	\$5,403	\$0	\$5,403
2008	5,565	49	5,614
2009	5,732	51	5,783

Beginning in fiscal year 2010, the State General Assembly adopted a new funding method called the Ohio Evidence-Based Model (OEBM). The Ohio Evidence-based Model was established in Chapter 3306 of the Ohio Revised Code and links educational research on academic achievement and successful outcomes with funding components to achieve results. It incorporates real financial data and socioeconomic factors to fund resources and implement proven school programs according to the student need to achieve educational adequacy. The adequacy amount is the sum of service support components for instruction, administrative, operations and maintenance, gifted and enrichment, professional development and an instructional materials factor. These factors are multiplied against the Ohio education challenge factor (a district's wealth factor) and the State-wide base salary for given positions and the number of positions funded. Other factors included in the calculation are student/teacher ratios, organizational units, and average daily membership (ADM). The adequacy amount is offset by the school district share of the adequacy amount (the charge off amount), which is equal to 22 mills for fiscal year 2010.

The State Department of Education, Division of School Finance calculates the annual funding, including the adequacy amount, and distributes a prorated share bi-monthly to the school district. In transitioning to the Ohio Evidence-Based Model, the gifted, enrichment, technology service support components and the charge off amount are phased in over a five year period. In addition, the school districts are guaranteed 99 percent of prior year's State Foundation aid for the current fiscal year. For fiscal year 2010, the Youngstown City School District estimates \$75,246,000 in adequacy funding.

In fiscal year 2010, approximately six percent of the adequacy funding is provided from a State Fiscal Stabilization grant received by the State of Ohio under the American Recovery and Reinvestment Act (see D - Restricted Federal Grants-in-Aid).

C. - Restricted Grants-in-Aid

In previous years, restricted grants distributed as part of the Foundation program such as poverty based assistance, bus purchase allowance, and career tech funding were reflected in this account. For fiscal year 2010, the restricted grants-in-aid account consists only of career tech funding, which is forecasted in the amount of \$994,000.

D. - Restricted Federal Grants-in-Aid

In 2010, Ohio was allocated \$845 million from the American Recovery and Reinvestment Act in State Fiscal Stabilization Funds (SFSF) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services. SFSF for primary and secondary education is distributed to school districts as part of the foundation settlement payments twice a month. The Youngstown City School District, based on estimates provided by the Department of Education, anticipates \$4,723,000 for fiscal year 2010. These funds have limited restrictions on their use. The School District has chosen to use these funds for technology programs.

Youngstown City School District
Mahoning County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010

E. - Property Tax Allocation

State law grants tax relief in the form of a ten percent reduction in real property tax bills. In addition, a two and one-half percent rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. Beginning in tax collection year 2008, the State expanded the homestead exemption to allow eligible homeowners to shield the first \$25,000 in market value from taxation. This expanded exemption will increase property tax allocation revenue and decrease property tax revenues by an equal amount. The State reimburses the School District for the loss of real property taxes as a result of the rollback and homestead tax relief programs. In fiscal year 2009, the State of Ohio held back \$1.7 million that is normally received in May or June. The distribution was not made until fiscal year 2010.

Historically, the State exempted the first \$10,000 in general business personal property from taxation and reimburse the School District for the lost revenue. Beginning with tax year 2004, the State began phasing out the reimbursement by 10 percent each year. Under HB 66, the phase-out period was accelerated. The last reimbursement for this exemption was in October 2008.

Beginning in tax year 2001, there were significant reductions in the valuation of certain types of public utility property. Two bills enacted by the 123rd General Assembly reduced the assessment rate for certain tangible personal property of electric utilities and all tangible personal property of gas utilities. To replace this money, new state consumption taxes have been enacted, a kilowatt-hour tax on electricity and a thousand cubic foot tax on natural gas. Money from these new taxes is used to reimburse school districts for the loss of public utility property tax revenue. Reimbursements are made twice a year in February and August and are identified as Utility Deregulation payments. For fiscal year 2010, the School District anticipates receiving \$248,000 in public utility reimbursements based on the amounts received to date.

In fiscal year 2006, the State began reimbursing the School District for lost revenue due to the phase out of tangible personal property tax. In the first five years, the School District will be fully reimbursed relative to prior law for revenue lost due to the taxable value of reductions through 2013. Beginning in fiscal year 2013, the reimbursements are gradually phased out. The reimbursement will be for the difference between the assessed values under prior law and the assessed values under House Bill 66. This means the School District is only reimbursed for the difference between the amounts that would have been received under the prior law and the amounts actually received as the phase-outs in House Bill 66 are implemented. For fiscal year 2010, the School District anticipates receiving \$3,392,000 of reimbursement for the tangible personal property tax phase out.

Property tax allocation revenues consist of the following:

Revenue Sources	Actual Fiscal Year 2007	Actual Fiscal Year 2008	Actual Fiscal Year 2009	Forecasted Fiscal Year 2010	Variance
Homestead and Rollback	\$1,836,000	\$2,188,000	\$1,306,000	\$5,136,000	\$3,830,000
Tangible Personal Property Exemption	122,000	97,000	49,000	0	(49,000)
Utility Deregulation	207,000	183,000	423,000	248,000	(175,000)
Tangible Personal Property Loss Reimbursement	1,776,000	2,261,000	2,306,000	3,392,000	1,086,000
Totals	\$3,941,000	\$4,729,000	\$4,084,000	\$8,776,000	\$4,692,000

Youngstown City School District
Mahoning County
Summary of Significant Assumptions and Accounting Policies
For the Fiscal Year Ending June 30, 2010

F. - All Other Revenues

All other revenues include tuition and open enrollment, transportation, interest on investments, E-rate reimbursements, payments in lieu of taxes, Community Alternative Funding Source (CAFS) reimbursements, other revenue, and the refund of prior year expenditures.

Tuition and open enrollment revenue is expected to increase from the prior fiscal year due to additional students enrolling in the School District. The School District receives tuition revenue from other school districts whose students are incarcerated at the Juvenile Justice Center, for students who reside in foster home/group homes and for special education students who are residents of other school districts. The School District also receives a small amount of open enrollment tuition for students from other school districts attending Youngstown City School District.

Transportation revenue is expected to decrease due to fewer extracurricular related events that will be utilizing the use of school transportation.

Interest is based on historical investment practices and anticipated rates and cash balances during the forecast period. The School District pools cash from all funds for investment purposes. Investments are restricted by provisions of the Ohio Revised Code and are valued at cost. Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings with the greatest allocation being to the general fund. The decrease in interest revenue is due to the School District having less cash to invest.

E-Rate Reimbursement revenue decreased due to the related decrease in the amount of expenses that are eligible for e-rate reimbursement.

Other revenues consist of services provided to other entities such as charter schools, a general state grant through Youngtown State University and payments from ROTC. The change in other revenues is due to the decrease in fees collected from Mahoning Valley Opportunity Center Charter School.

Payments in Lieu of Taxes consist of payments from contractors and developers in lieu of property taxes. Prior to calendar year 2009, developers paid 50 percent of the amount due while the other 50 percent was abated. For calendar year 2009, collection year 2010, the 50 percent abatement dropped off and the School District is now receiving 100 percent of the payment due to them.

The CAFS program ended June 30, 2005 with the final distribution in fiscal year 2006. During an audit of the CAFS program, it was determined that the School District was to receive an additional \$401,000 in reimbursements for prior fiscal years. This reimbursement was received by the School District in fiscal year 2009. The School District does not expect to receive any reimbursement during the forecast period.

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All other revenues consist of the following:

Revenue Sources	Actual Fiscal Year 2007	Actual Fiscal Year 2008	Actual Fiscal Year 2009	Forecast Fiscal Year 2010	Variance Increase (Decrease)
Tuition and Open Enrollment	\$207,000	\$532,000	\$382,000	\$393,000	\$11,000
Transportation	308,000	281,000	411,000	334,000	(77,000)
Interest on Investments	1,423,000	1,248,000	345,000	119,000	(226,000)
E-Rate Reimbursements	517,000	139,000	427,000	325,000	(102,000)
Rentals	86,000	100,000	31,000	19,000	(12,000)
Other Revenue	1,154,000	664,000	803,000	739,000	(64,000)
Payments in Lieu of Taxes	540,000	540,000	581,000	967,000	386,000
CAFS Reimbursements	0	50,000	401,000	0	(401,000)
Sale of Capital Assets	10,000	41,000	23,000	25,000	2,000
Refund of Prior Year Expenditures	3,000	19,000	61,000	0	(61,000)
Totals	\$4,248,000	\$3,614,000	\$3,465,000	\$2,921,000	(\$544,000)

G. - Other Financing Sources

Solvency Assistance Advance – During fiscal years 2007, 2008 and 2009, the School District received Solvency Assistance Fund Advances in the amounts of \$15,025,000, \$10,380,000 and \$3,000,000, respectively, from the State. The State solvency assistance fund advances money to school districts that are in fiscal emergency or that meet one or more of nine reasons identified in Section 3301-92-03 of the Ohio Administrative Code. The advances are repaid over two years from State foundation revenues and are interest free.

Manuscript Note Proceeds – During fiscal year 2009, the School District issued notes in the amount of \$5,290,000. The School District borrowed this amount from its bond retirement fund to avoid borrowing an additional amount from the State’s solvency assistance fund. This amount will be paid back in four annual principal and interest installments.

Transfers and Advances In - The School District anticipates the repayment of advances to other funds of \$101,000 during the forecast period. During fiscal year 2009, the general fund advanced cash to various grant funds in order to prevent the grant funds from ending the year with a deficit balance.

Note 7 - Significant Assumptions for Expenditures and Other Financing Uses

A. - Personal Services

Personal services expenditures represent the salaries and wages paid to certified employees, classified and administrative staff, substitutes, tutors and board members. In addition to regular salaries, it includes payment for supplemental contracts, severance pay, and a retirement incentive bonus. All employees receive their compensation on a bi-weekly basis. Administrative and non-bargaining unit salaries are set by the Board of Education.

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Staffing levels for the last two fiscal years and the current fiscal year are displayed in the chart below. The positions shown are full time equivalents.

	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund:			
Certified	646	610	524
Classified	<u>316</u>	<u>281</u>	<u>295</u>
Total General Fund	<u>962</u>	<u>891</u>	<u>819</u>
Other Funds:			
Certified	89	82	141
Classified	<u>227</u>	<u>241</u>	<u>148</u>
Total Other Funds	<u>316</u>	<u>323</u>	<u>289</u>
Totals	<u><u>1,278</u></u>	<u><u>1,214</u></u>	<u><u>1,108</u></u>

Certified (teaching) staff salaries are based on a negotiated contract which includes step increases and educational incentives. The contract also offers an attendance bonus for certified employees. The current contract covers the period July 1, 2007 through June 30, 2010. Fiscal years 2007, 2008 and 2009 included step increases from three to six percent. The forecast includes only step increases that range from three to six percent based on the fiscal year 2010 salary schedule. The contract does not include base increases for fiscal years 2008, 2009 and 2010. The attendance bonus is anticipated to remain relatively consistent from fiscal year 2009 to fiscal year 2010.

Classified salaries are based on a negotiated contract which includes step increases and covers the period February 1, 2007 through January 31, 2010. Fiscal years 2007, 2008 and 2009 included step increases ranging from three to five percent. The forecast includes only step increases that range from three to five percent based on the fiscal year 2010 salary schedule.

Certified and classified salaries are expected to decline due to a reduction of 72 employees from fiscal year 2009 levels. This decrease is comprised of a reduction in force, employee retirements and resignations.

Substitute salaries are expected to decrease by \$112,000 during the forecast period due to fewer positions needing substitutes during fiscal year 2010.

Supplemental salaries are expected to increase \$196,000 due to an increase in supplemental positions.

The School District offers severance pay upon retirement to its certified and classified employees with at least ten years of service in the School District. Payments for certified employees are one-fourth of the value of their accumulated sick leave. Payments for administrators are 37.5 percent of the value of their accumulated sick leave and classified employees receive sixty percent of the value of their accumulated sick leave up to a maximum of 144 days. Certified employees and administrators accumulate sick leave without any limit. Payment is based on the daily rate of pay at retirement.

The School District offered a retirement incentive bonus of \$30,000 to a certified employee who was eligible to retire and choose to take the incentive as of July 31 of fiscal year 2006 and fiscal year 2007. The fiscal year 2006 retirement incentive payment is made in six equal payments in October and January

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of three consecutive years after retirement. The fiscal year 2007 retirement incentive is made in four equal payments in October of the year after retirement, in October and January of the second consecutive year and in October of the third consecutive year.

Severance and early retirement incentive costs are anticipated to increase \$527,000 due to more employees retiring in fiscal year 2010.

Presented below is a comparison of salaries and wages for fiscal years 2007, 2008, 2009 and the forecast period.

	Actual Fiscal Year 2007	Actual Fiscal Year 2008	Actual Fiscal Year 2009	Forecast Fiscal Year 2010	Variance Increase (Decrease)
Certified Salaries	\$38,357,000	\$35,155,000	\$31,699,000	\$29,023,000	(\$2,676,000)
Classified Salaries	12,523,000	11,854,000	10,654,000	9,957,000	(697,000)
Substitute Salaries	3,516,000	2,576,000	2,510,000	2,398,000	(112,000)
Supplemental Contracts	128,000	114,000	85,000	281,000	196,000
Severance Pay and Incentives	1,055,000	1,114,000	481,000	1,008,000	527,000
Other Salaries and Wages	27,000	32,000	30,000	30,000	0
Totals	<u>\$55,606,000</u>	<u>\$50,845,000</u>	<u>\$45,459,000</u>	<u>\$42,697,000</u>	<u>(\$2,762,000)</u>

B. – Employees’ Retirement/Insurance Benefits

Employees’ retirement and insurance benefits include employer contributions to the State pension systems, health care, medicare, workers’ compensation, and other benefits arising from the negotiated agreements.

Retirement costs are based on the employers’ contribution rate of 14 percent of salaries for STRS and SERS and an additional SERS surcharge levied to fund health care benefits for employees earning less than a minimum salary amount. Payments are made based upon estimated salary and wages for each fiscal year. Adjustments resulting from differences between the estimates and actuals are prorated over the next calendar year. The School District pays the employee’s portion of retirement contributions for its superintendent, business manager and treasurer. The decrease that appears on the schedule on page 16 is due to the reduction in staff that occurred for fiscal years 2009 and 2010.

SERS sent notice to all employers to become current in contributions and offered two choices for payment. All districts can choose to make restitution in a lump payment due this June or through a six year amortization of the liability. The Youngstown School District chose the six year amortization and this will result in no additional expense to the School District in this forecast.

Health care costs are based on number of employees participating in the program and the type of coverage (single or family) provided to each employee. Monthly charges per person for single and family participation in the program are recommended by the third party administrator and approved by the Board of Education. The health care program includes medical, prescription drug, dental care, and vision. Health care rates are fixed for a twelve month period from January through December. For fiscal year 2010, no increases in premiums are expected. The increase in health care/life insurance is due to an extra month’s premium payment made in July 2009 for a fiscal year 2009 billing, offset by a decrease in the number of participating employees.

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The monthly rates for single or family health care benefits are as follows:

Coverage:	Effective January 1, 2007	Effective January 1, 2008	Effective January 1, 2009	Estimated January 1, 2010
Family	\$2,096.51	\$2,258.41	\$1,382.54	\$1,382.54
Single	807.37	909.60	559.30	559.30

Life insurance premiums are based on the coverage amount and the anticipated number of employees participating in the program.

The School District uses the State Workers' Compensation retrospective rating (tier II) and payment system. Workers' compensation is based on the School District's assigned rate and the amount of wages paid in a calendar year. This plan involves the payment of a minimum premium for administrative services and stop-loss coverage plus the actual claim costs for employees injured. Premiums are paid in the following calendar year. The School District may choose to pay the entire premium in May or 45 percent in May and 55 percent in September. The School District anticipates paying the entire premium in May as in prior years. In the prior fiscal year, only a very minimal amount was being charged to the general fund for workers' compensation. This is due to the School District's workers' compensation fund being over funded and the School District drawing down the workers' compensation fund. Beginning in fiscal year 2009 and continuing into fiscal year 2010, the School District began charging the general fund the amount necessary to make the workers' compensation payment. The School District also made an additional workers' compensation payment in July that was for June 2009.

The School District anticipates paying unemployment benefits of \$176,000 during fiscal year 2010, a \$134,000 decrease from the prior year due to fewer employees being laid off.

Presented below is a comparison of the past three fiscal years and the forecast period:

	Actual Fiscal Year 2007	Actual Fiscal Year 2008	Actual Fiscal Year 2009	Forecast Fiscal Year 2010	Variance Increase (Decrease)
Employer's Retirement	\$7,727,000	\$7,104,000	\$6,378,000	\$6,030,000	(\$348,000)
Health Care/Life Insurance	12,147,000	12,660,000	10,965,000	11,962,000	997,000
Workers' Compensation	14,000	18,000	290,000	599,000	309,000
Medicare	506,000	458,000	432,000	397,000	(35,000)
Unemployment	172,000	169,000	310,000	176,000	(134,000)
Tuition Reimbursement	10,000	8,000	20,000	32,000	12,000
Totals	<u>\$20,576,000</u>	<u>\$20,417,000</u>	<u>\$18,395,000</u>	<u>\$19,196,000</u>	<u>\$801,000</u>

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C. - Purchased Services

Presented below are the purchased service expenditures for the past three fiscal years and the forecast period:

	Actual Fiscal Year 2007	Actual Fiscal Year 2008	Actual Fiscal Year 2009	Forecast Fiscal Year 2010	Variance Increase (Decrease)
Professional and Technical Services	\$553,000	\$788,000	\$332,000	\$252,000	(\$80,000)
Property Services	1,880,000	1,175,000	1,548,000	1,127,000	(421,000)
Travel and Meeting Expenses	81,000	87,000	47,000	37,000	(10,000)
Communication Costs	365,000	321,000	433,000	577,000	144,000
Utility Services	4,096,000	3,514,000	2,653,000	1,970,000	(683,000)
Trade Services	3,000	1,000	2,000	3,000	1,000
Tuition Payments	26,573,000	28,280,000	31,748,000	32,676,000	928,000
Pupil Transportation	1,448,000	1,447,000	1,133,000	714,000	(419,000)
Totals	<u>\$34,999,000</u>	<u>\$35,613,000</u>	<u>\$37,896,000</u>	<u>\$37,356,000</u>	<u>(\$540,000)</u>

Property services will decrease due to the School District making fewer repairs in fiscal year 2010 and fewer buildings in operation. Communication costs will increase due to an increase in School District buildings being equipped with high speed internet cable. Utility services are forecasted to decrease due to the closing of multiple elementary schools and the bus garage building as well as a decrease in gas rates from \$9 MCF per 1,000 cubic feet to \$7 MCF per 1,000 cubic feet. Tuition payments are increasing due to students continuing to leave the School District and attending other school districts. Pupil transportation will decrease due to a decrease in the cost of providing transportation to disabled students.

D. - Supplies and Materials

Presented below are the supplies and materials expenditures for the past three fiscal years and the forecast period:

	Actual Fiscal Year 2007	Actual Fiscal Year 2008	Actual Fiscal Year 2009	Forecast Fiscal Year 2010	Variance Increase (Decrease)
General Supplies, Library Books and Periodicals	\$1,150,000	\$1,413,000	\$809,000	\$783,000	(\$26,000)
Operations, Maintenance and Repair	898,000	1,006,000	652,000	671,000	19,000
Textbooks	308,000	347,000	146,000	152,000	6,000
Totals	<u>\$2,356,000</u>	<u>\$2,766,000</u>	<u>\$1,607,000</u>	<u>\$1,606,000</u>	<u>(\$1,000)</u>

Supplies and materials are forecasted to decrease primarily due to the School District's purchasing fewer supplies during fiscal year 2010.

E. - Capital Outlay

The costs of property, plant and equipment acquired or constructed for general governmental services are recorded as expenditures. The School District plans to decrease expenditures for fiscal year 2010 due to fewer buildings that need maintained.

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F. – Debt Service

The outstanding balances and fiscal year 2010 principal payments for general fund supported debt consists of the following:

<u>Type</u>	<u>Maturity Date</u>	Balance at 6/30/2009	Fiscal Year 2010 Principal Payment
Solvency Assistance Advance	June 30, 2011	\$3,000,000	\$1,500,000
Solvency Assistance Advance	June 30, 2010	5,190,000	5,190,000
Manuscript Notes	December 1, 2012	5,290,000	1,323,000
Total		<u>\$13,480,000</u>	<u>\$8,013,000</u>

During fiscal year 2009, the School District issued \$5,290,000 in notes. The notes will be repaid in four annual payments in the principal amount of \$1,323,000 during fiscal years 2010 through 2013. For fiscal year 2010, \$67,000 in interest will be paid as well.

During fiscal year 2009, the School District received \$3,000,000 in a solvency assistance advance. The advance will be repaid in full with State foundation monies in fiscal year 2011.

During fiscal year 2008, the School District received \$10,380,000 in a solvency assistance advance. The advance will be repaid in full with State foundation monies in fiscal year 2010.

G. - Other Objects

Other object expenditures consist of dues and fees, insurance and awards. The \$132,000 increase is due primarily to an increase in audit fees and auditor and treasurer fees.

H. - Operating Transfers and Advances Out

During fiscal year 2009, the School District transferred \$37,000 to various grant funds in order to bring their fund balances to zero and close them out.

Transfers out of \$40,000 are anticipated during fiscal year 2010 to help cover operating costs in the athletic fund.

The School District is forecasting advances out in fiscal year 2010 in the amount of \$106,000 due to the timing of the receipt of grant monies to the various funds. The general fund provides temporary funding of the program until the grant dollars are received.

Note 8 - Encumbrances

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments which have been performed, invoiced, and are awaiting payment. Encumbrances on a budget basis of accounting are treated as the equivalent of an expenditure at the time authorization is made in order to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance.

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Encumbrances for purchased services, supplies and materials, capital outlay and other objects were \$941,000 in fiscal year 2007, \$353,000 in fiscal year 2008 and \$243,000 in fiscal year 2009. For fiscal year 2010, the encumbrances are expected to increase due to the need to carry over enough to cover fiscal year end purchases and are forecasted to be \$300,000.

Note 9 - Reservations of Fund Balance

The School District is required by State statute to annually set aside in the general fund three percent of certain revenues for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

A. - Textbooks and Instructional Materials Set-Aside

Under Sections 3315.17(B)(2) and 3315.18(D)(1), Revised Code, a Board of Education in fiscal emergency may deposit less than the required set aside or make no deposit into the textbook and capital set asides. The Board of Education by resolution has waived the current year set-aside requirement for fiscal year 2010 due to fiscal emergency status; therefore, no reserve amount is forecasted for textbooks and instructional materials.

B. - Capital and Maintenance Set-Aside

The set aside amount for fiscal year 2010 is \$1,184,000. The School District anticipates \$1,363,000 in offsets and \$87,000 in qualifying expenditures during the current fiscal year. Therefore, no reserve amount is forecasted for capital acquisition and improvements.

C. - Bus Purchases

At June 30, 2009, the School District had \$621,000 in unspent bus monies. The School District does not anticipate receiving any bus purchase allowance during fiscal year 2010. The School District does not anticipate spending anything towards the purchase of new buses in fiscal year 2010, leaving a reserve balance of \$621,000 forecasted for bus purchases.

Note 10 - Levies

In the past ten years, the School District has placed levies on the ballot. The type of levy, millage amount, term and election results are as follows:

<u>Date</u>	<u>Type</u>	<u>Amount</u>	<u>Term</u>	<u>Election Results</u>
November 2000	School Facilities Improvements	\$33,198,000	23 Years	Passed
November 2000	School Facilities Maintenance	.5 mills	23 Years	Passed
November 2004	School Facilities Improvements	\$4,000,000	23 Years	Passed
November 2006	Operating/Permanent Improvements	9.5 mills	5 Years	Failed
November 2007	Operating/Permanent Improvements	9.5 mills	5 Years	Failed
March 2008	Operating/Permanent Improvements	9.5 mills	5 Years	Failed
November 2008	Emergency	\$5,291,000	4 Years	Passed

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Note 11 – Pending Litigation

The School District's management is of the opinion that there are no issues that would have a material effect on the financial forecast.

Note 12 – Youngstown Benefits Self-Insurance Fund

The School District provides medical/surgical, prescription drug, vision and dental benefits through a self-insured program. Grossman Consulting, a third party administrator, processes the claims. All funds make monthly payments to the self-insurance fund based on the number of employees and the type of coverage provided to each employee. Monthly charges per person for single and family participation in the program are recommended by the third party administrator and approved by the Board of Education. The fund purchase annual stop loss coverage for claims in excess of \$200,000 per person and \$11,855,390 for the School District as a whole. The School District anticipates the monthly charges to the various funds will cover the cost of claims and administrative charges and maintain a positive cash fund balance.

Note 13 – Financial Planning and Supervision Commission

On November 16, 2006, the School District was declared to be in a state of "Fiscal Emergency" by the Auditor of State. Legislation effective September 1996, permitted this declaration due to the School District's declining financial condition. In accordance with the law, a five-member Financial Planning and Supervision Commission has been established to oversee the financial affairs of the School District. The Commission is comprised of the State Superintendent of Public Instruction and the State Director of Budget and Management or their designees, and three appointed members. The appointments are made by the Governor of the State of Ohio, the State Superintendent of Public Instruction and the Mayor of the City of Youngstown. The Commission's primary charge is to develop, adopt and implement a financial recovery plan. Once the plan has been adopted, the Board of Education's discretion is limited in that all financial activity of the School District must be in accordance with the plan.

The financial recovery plan was adopted on March 15, 2007 and under State law is to be updated annually. The recovery plan included the reduction of 132 full time and 8 part time employees from the general fund for fiscal year 2008. In addition, the plan included reductions in both overtime and utility expenditures. For fiscal year 2009, the plan included the reduction of 140 full-time equivalents. The Commission issued a revised plan on April 9, 2009. The revised plan includes the reduction of 79 full-time equivalents as well as reductions in both overtime and utility expenditures for fiscal year 2010. The recovery plan, dated April 9, 2009, does not address periods beyond fiscal year 2010.

Note 14 - Information Related to Periods Beyond the Forecast Period

Management is required to annually prepare and file a five-year financial plan with the Ohio Department of Education. The last financial plan filed was for the fiscal years 2010 through 2014. Management believes that the following information, although it does not constitute a financial forecast, is necessary in order for users to make a meaningful analysis of the forecast results. The plan assumed the continued operation of the School District with no significant increases in revenues. The plan also assumes a decrease in the number of employees which causes a decrease in salaries as well as benefits for fiscal years 2010 through 2014. The operating surplus increases to \$4,544,000 in fiscal year 2014.

The information presented in this note is less reliable than the information presented in the financial forecast and, accordingly, is presented for analysis purposes only. Furthermore, there can be no assurance that events and circumstances described in this note will occur.



Mary Taylor, CPA
Auditor of State

YOUNGSTOWN CITY 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
MAY 6, 2010**