



Mary Taylor, CPA
Auditor of State

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Dave Yost • Auditor of State

JULY 5, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Reports completed prior to that date contain the signature of my predecessor.

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DAVE YOST
Auditor of State

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**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, 2010**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Total Food Distribution Program						
Nutrition Cluster:						
National School Lunch Program	048298-LLP4-2009	10.555	\$729,690	\$83,686	\$729,690	\$83,686
National School Breakfast Program	048298-05PU-2009	10.553	153,280		153,280	
Total Nutrition Cluster			882,970	83,686	882,970	83,686
Child Nutrition Discretionary Grant	048298-EDUFSTIMDC-10	10.579	5,973		5,973	
Total U.S. Department of Agriculture			888,943	83,686	888,943	83,686
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States	048298-6BSF-2009-P	84.027	30,049		190,194	
Special Education Grants to States	048298-6BSF-2010-P	84.027	906,996		779,384	
Special Education Grants to States, Recovery Act	84.391	84.391	828,217		735,022	
Total Special Education Cluster			1,765,262		1,704,600	
Grants to Local Educational Agencies						
Title I Grants to Local Educational Agencies	048298-C1S1-2009	84.010	21,038		73,661	
Title I Grants to Local Educational Agencies	048298-C1S1-2010	84.010	628,105		551,806	
Title I Grants to Local Educational Agencies, Recovery Act	84.389	84.389	370,862		325,593	
Total Grants to Local Educational Agencies			1,020,005		951,060	
Innovative Educational Program Strategies	048298-C2S1-2009	84.298	0		3,948	
Total Innovative Educational Program Strategies			0		3,948	
Education Technology State Grants						
Education Technology State Grants	048298-TJS1-2009	84.318	0		5,541	
Education Technology State Grants	048298-TJS1-2010	84.318	5,760		5,760	
Total Education Technology State Grants			5,760		11,301	
Safe and Drug-Free Schools and Communities Grant						
Safe and Drug-Free Schools and Communities Grant	048298-DRS1-2009	84.186	0		506	
Safe and Drug-Free Schools and Communities Grant	048298-DRS1-2010	84.186	13,866		13,631	
Total Safe and Drug Free Schools and Communities Grant			13,866		14,137	
Twenty-First Century Community Learning Centers Grant	048298-T1S1-2009	84.287	0		29,658	
Total Twenty-First Century Community Learning Centers Grant			0		29,658	
Improving Teacher Quality Grant						
Improving Teacher Quality Grant	048298-TRS1-2009	84.367	(31)		425	
Improving Teacher Quality Grant	048298-TRS1-2010	84.367	176,840		165,793	
Total Improving Teacher Quality Grant			176,809		166,218	
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)						
		84.394	1,190,701		1,190,701	
Total Department of Education			4,172,403		4,071,623	
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Pass Through Ohio Department of Mental Retardation and Developmental Disabilities</i>						
Injury Prevention and Control Research and State and Community Based Programs						
		93.136	32,300		33,421	
		93.136	15,000		29,132	
Total Department of Health and Human Services			47,300		62,553	
Totals			\$5,108,646	\$83,686	\$5,023,119	\$83,686

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, 2010**

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, 2010, 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 Road
Austintown, Ohio 44515

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Austintown Local School District, Mahoning County, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 30, 2010.

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

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

Mary Taylor, CPA
Auditor of State

December 30, 2010



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON 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 Austintown Local School District, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that apply to the major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Austintown Local School District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control 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. However, we noted matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated December 30, 2010.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Austintown Local School District (the District) as of and for the year ended June 30, 2010 and have issued our report thereon dated December 30, 2010. Our audit was performed to form an opinion on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This letter replaces the *Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133* for the Austintown Local School District's fiscal year ended June 30, 2010, previously issued with our report dated December 30, 2010. You should rely on this report rather than on our report dated December 30, 2010. The preceding paragraph was erroneously omitted from the original report dated December 30, 2010.

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.



Dave Yost
Auditor of State

December 30, 2010, except for paragraph seven above for which the date is March 17, 2011.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title I (84.010, 84.389) Title VI-B (84.027, 84391) Nutrition Cluster (10.555, 10.553) SFSF (84.394)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

AUSTINTOWN LOCAL
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2010

PREPARED BY
TREASURER'S DEPARTMENT
MARY ANN HERSCHEL, 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, 2010

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INTRODUCTORY SECTION

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Austintown Local School District

Vincent S. Colaluca, Superintendent

Mary Ann Herschel, Treasurer



700 S. Raccoon Rd.

Austintown, Ohio 44515

Phone: (330) 797-3900

austintown.k12.oh.us

December 31, 2010

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, 2010, 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, 2010, 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 65th largest in the State of Ohio among 905 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 (2009-2010), 5,133 students were enrolled in the District's seven schools (four elementaries, one intermediate, one middle and one high school). Approximately 137 District residents attend the Mahoning County Career and Technical Center.

The District employs 239 non-certified staff members and 349 certificated staff members. The certified staff members include 17 administrators and 326 full-time and part-time teachers. Of the 326 member teaching staff, 70% have master's degrees. The District faculty has an average 13 years of teaching experience. Currently the District has 7 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 four elementary buildings house kindergarten (full day) through third 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 four and five are housed in an intermediate building and grades six through eight are housed in the newly opened 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's averages on the 4th and 6th grade Ohio Proficiency Tests are above average for the State of Ohio.

The United States Department of Education named Lloyd Elementary as one of 14 Ohio public schools designated as a 2008 No Child Left Behind Blue Ribbon School. Watson Elementary was named as one of 14 Ohio public schools designated as a 2009 No Child Left Behind Blue Ribbon School. The Blue Ribbon Schools Program honors public and private K-12 schools that are either academically superior in their state or that demonstrate dramatic gains in student achievement.

The District was rated Excellent by the Ohio Department of Education for the 2009-2010 school year.

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 (14.90%)
2. Mill Creek Park District (14.90%)
3. Austintown Township (98.68%)
4. Mahoning County Career and Technical Center (17.27%)

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 Covelli 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 Phantoms, an ice hockey 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.

Internal Controls

Management of the District is responsible for establishing and maintaining internal controls 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 controls are 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.

Budgetary Controls

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 certificate of estimated resources and the appropriations 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. The primary level of budgetary control required by Ohio Revised Code is at the fund level. The level of budgetary control imposed by the District (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

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 goals needed to meet both student requirements and community desires.

Goal 1 - By 2012, 90% of students District-wide will meet or exceed the proficient level in mathematics on the State performance assessments. There will be a reduction in the number of non-proficient students by at least 10% annually in each subgroup.

Goal 2 - By 2012, 92% of students District-wide will meet or exceed to proficient level in reading on the State performance assessments. There will be a reduction in the number of non-proficient students by at least 10% annually in each subgroup.

Goal 3 - By 2012, 90% of all Austintown resident students will attend the Austintown Local School District.

Capital Improvements - Through the generous donations of the "Falcon Forward Campaign" a new press box was constructed on the visitor side of the stadium to house the press and allow space for video equipment. The committee also raised funds to replace two concession stands that were completed in Fall 2009. All money for these projects was from donations to Falcon Forward.

The District completed a construction project to build a new transportation facility on the current high school campus. The approximate 12,000 square foot building houses four bay areas for bus repairs along with a wash bay. The transportation office is housed in the facility. There is also a secure fenced parking area for all of the transportation vehicles. The total cost of the project was approximately \$2 million.

Community - The Austintown Walmart was converted to a Super Walmart. The conversion doubled the store's size. Harley Davidson of Austintown built a new showroom and warehouse at a cost of approximately \$3.2 million. Infocision put on an addition to their building costing approximately \$2.8 million. Walgreen's built a new store at a cost of approximately \$2 million.

Major Initiatives for the Future

The Ohio Improvement Plan (OIP) is a three year goal increasing student achievement above the State bar of 75% passage. The District is using the academic coaching model to improve classroom instruction.

In May 2010, the District's voters passed a 2.9 mill bond issue to work with the Ohio School Facilities Commission (OSFC) to build two new elementary buildings (K-2 and 3-5). The buildings will be built on the current campus where the current high school and middle schools are located. This will create a campus setting with all students in one area and will enable sharing of resources along with streamlined transportation. The OSFC will pay 47% of the costs with the District's share being 53%.

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.

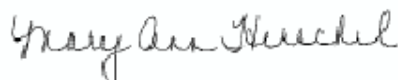
Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Austintown Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

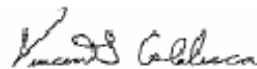
Acknowledgments

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,



Mary Ann Herschel, Treasurer



Vincent S. Colaluca, Superintendent

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

LIST OF PRINCIPAL OFFICERS
JUNE 30, 2010

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	2011	Retired Podiatrist
Mr. Lou Chine**	2008	2011	Retired Tradesman
Mrs. Kathy Mock	2010	2013	Educator
Mr. Dave Schnurrenberger	2010	2013	Engineer
Dr. Thomas Stellers	2010	2013	Educator

* President

** Vice President

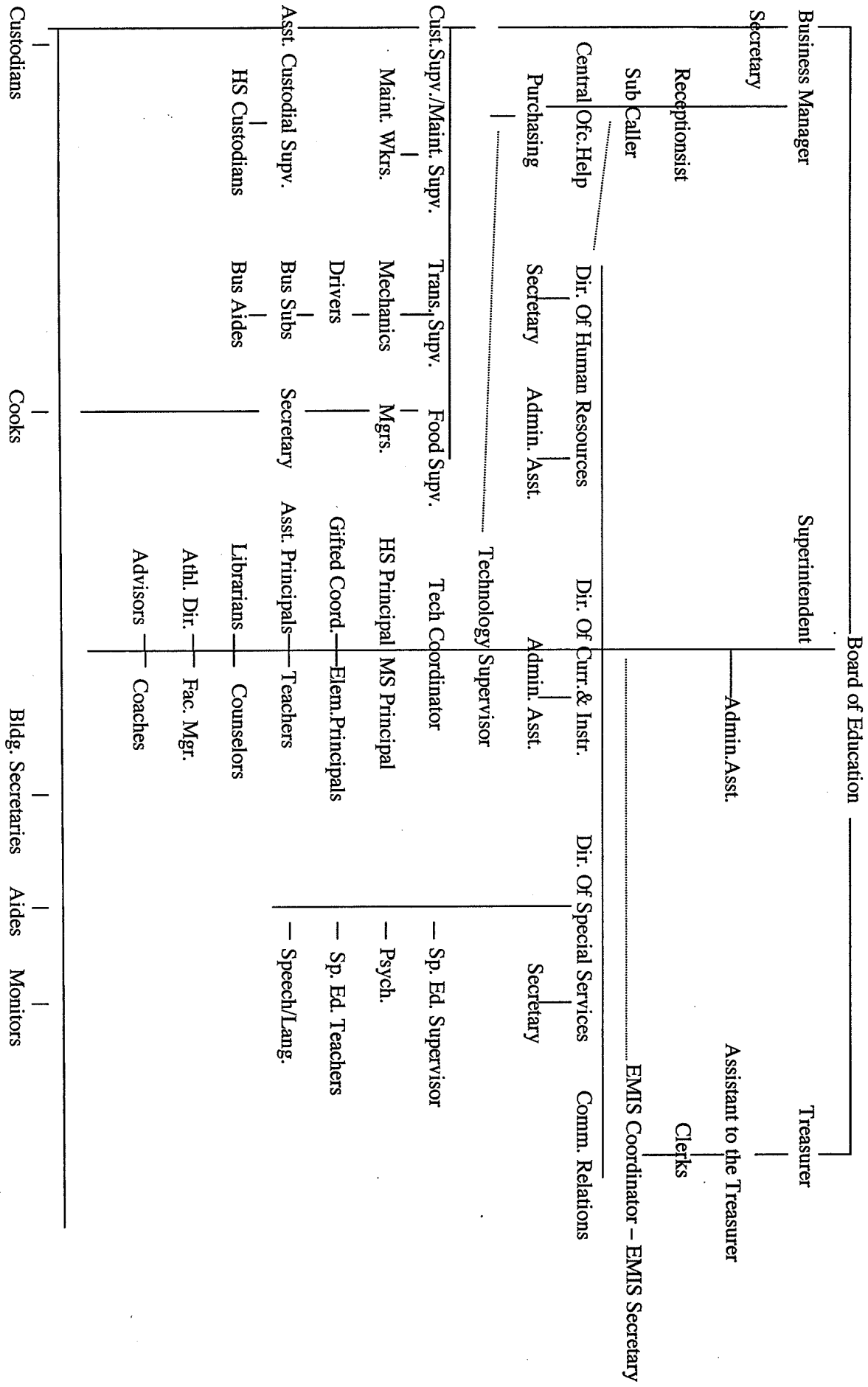
Central Office Administrative Staff

Superintendent	Mr. Vincent Colaluca
Treasurer	Ms. Mary Ann Herschel
Director of Instruction	Mr. Daniel Bokesch

District Administrative Staff

Director of Special Education	Mrs. Becky Morris
Supervisor of Operations and Facilities	Mr. Mal Culp
Transportation Supervisor	Ms. Colleen Murphy
Technology Coordinator	Mr. Thomas Ventresco
Athletic Administrator	Mr. Robert Conklin

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Austintown Local School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



President

Executive Director

FINANCIAL SECTION

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Austintown Local School District
Mahoning County
800 S. Raccoon Road
Austintown, Ohio 44515

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major fund, 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, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Austintown Local School District, Mahoning County, Ohio, as of June 30, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Mary Taylor, CPA
Auditor of State

December 30, 2010

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

The management's 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, 2010. 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 2010 are as follows:

- In total, net assets increased \$1,064,936. Net assets of governmental activities increased \$1,094,559, which represents a 9.61% increase from 2009. Net assets of business-type activities decreased \$29,623 or 30.68% from 2009.
- General revenues accounted for \$40,871,656 in revenue or 82.83% of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8,472,185 or 17.17% of total governmental activities revenues.
- The District had \$48,249,282 in expenses related to governmental activities; only \$8,472,185 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 \$40,871,656 were adequate to provide for these programs.
- The District's major governmental fund is the general fund. The general fund had \$40,221,069 in revenues and other financing sources and \$38,259,426 in expenditures and other financing uses. The general fund's fund balance increased \$1,961,643 from a deficit balance of \$1,559,205 to a positive balance of \$402,438.
- Net assets for the business-type activities decreased in 2010 by \$29,623. This decrease in net assets was mainly due to operating expenses exceeding tuition and fees revenue 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.

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 non major funds presented in total in one column. In the case of the District, the general fund is by far the most significant fund, and the only governmental fund reported as a major fund.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)

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 2010?" 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 27-29 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 18 and the analysis of the District's non major enterprise fund begins on page 18. 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 fund is the general fund.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)

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 30-34 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 35-37 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 an agency fund. The District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages 38 and 39. 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 41-71 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)

The District as a Whole

The statement of net assets provides the perspective of the District as a whole.

The table below provides a summary of the District's net assets for 2010 and 2009.

	Net Assets					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>						
Current assets	\$ 28,891,682	\$ 26,987,737	\$ 50,141	\$ 69,728	\$28,941,823	\$27,057,465
Capital assets, net	<u>34,630,735</u>	<u>36,079,865</u>	<u>23,388</u>	<u>29,338</u>	<u>34,654,123</u>	<u>36,109,203</u>
Total assets	<u>63,522,417</u>	<u>63,067,602</u>	<u>73,529</u>	<u>99,066</u>	<u>63,595,946</u>	<u>63,166,668</u>
<u>Liabilities</u>						
Current liabilities	23,344,843	23,205,823	5,332	1,621	23,350,175	23,207,444
Long-term liabilities	<u>27,688,416</u>	<u>28,467,180</u>	<u>1,250</u>	<u>875</u>	<u>27,689,666</u>	<u>28,468,055</u>
Total liabilities	<u>51,033,259</u>	<u>51,673,003</u>	<u>6,582</u>	<u>2,496</u>	<u>51,039,841</u>	<u>51,675,499</u>
<u>Net assets</u>						
Invested in capital assets, net of related debt	10,941,252	11,806,994	23,388	29,338	10,964,640	11,836,332
Restricted	2,710,737	2,557,821	-	-	2,710,737	2,557,821
Unrestricted (deficit)	<u>(1,162,831)</u>	<u>(2,970,216)</u>	<u>43,559</u>	<u>67,232</u>	<u>(1,119,272)</u>	<u>(2,902,984)</u>
Total net assets	<u>\$ 12,489,158</u>	<u>\$ 11,394,599</u>	<u>\$ 66,947</u>	<u>\$ 96,570</u>	<u>\$12,556,105</u>	<u>\$11,491,169</u>

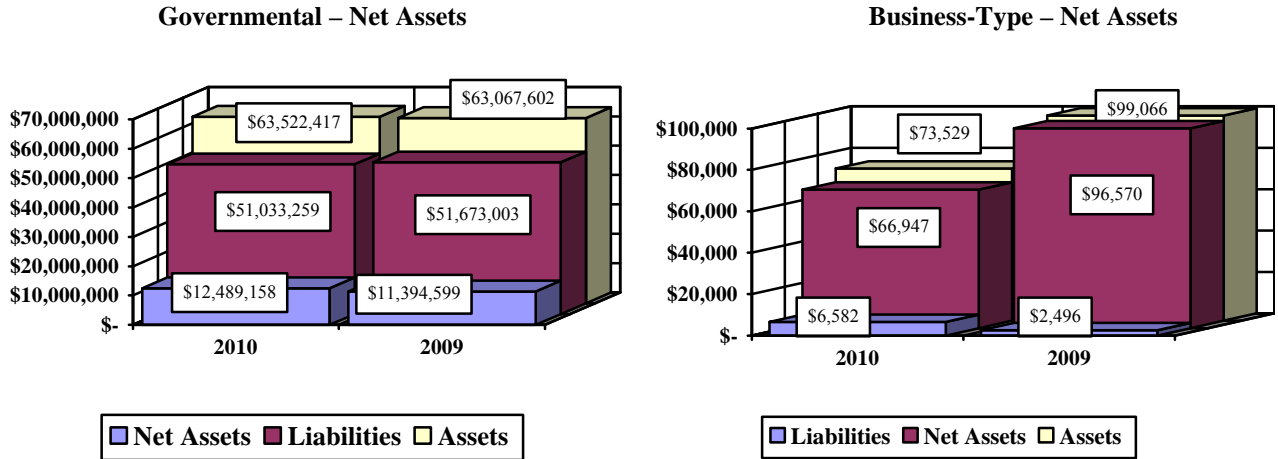
At year-end, capital assets represented 54.50% of total assets. Capital assets include, land, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks. Capital assets, net of related debt to acquire the assets at June 30, 2010 were \$10,964,640. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$2,710,737, represents resources that are subject to external restriction on how they may be used.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

The graphs below show the assets, liabilities and net assets of the governmental activities and business-type activities at June 30, 2010 and 2009.



The table below shows the changes in net assets for fiscal year 2010 and 2009.

Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for services and sales	\$ 2,824,151	\$ 1,787,934	\$ 67,514	\$ 71,608	\$ 2,891,665	\$ 1,859,542
Operating grants and contributions	5,648,034	5,278,978	1,546	-	5,649,580	5,278,978
Capital grants and contributions	-	107,614	-	-	-	107,614
General revenues:						
Property taxes	17,460,846	17,917,613	-	-	17,460,846	17,917,613
Grants and entitlements	23,272,435	19,949,270	-	-	23,272,435	19,949,270
Investment earnings	89,584	182,106	-	-	89,584	182,106
Other	48,791	48,900	-	-	48,791	48,900
Total revenues	49,343,841	45,272,415	69,060	71,608	49,412,901	45,344,023

-- Continued

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)

Change in Net Assets (Continued)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<u>Expenses</u>						
Program expenses:						
Instruction:						
Regular	19,689,324	19,736,189	-	-	19,689,324	19,736,189
Special	5,945,781	5,370,879	-	-	5,945,781	5,370,879
Vocational	255,143	246,183	-	-	255,143	246,183
Other	1,851,855	1,589,751	-	-	1,851,855	1,589,751
Support services:						
Pupil	2,767,898	2,777,257	-	-	2,767,898	2,777,257
Instructional staff	1,963,838	1,531,181	-	-	1,963,838	1,531,181
Board of education	51,886	46,498	-	-	51,886	46,498
Administration	3,703,502	3,642,006	-	-	3,703,502	3,642,006
Fiscal	837,264	891,394	-	-	837,264	891,394
Business	3,772	6,214	-	-	3,772	6,214
Operations and maintenance	4,130,588	4,246,874	-	-	4,130,588	4,246,874
Pupil transportation	2,543,253	2,413,659	-	-	2,543,253	2,413,659
Central	337	557	-	-	337	557
Operation of non-instructional services:						
Food service operations	1,851,766	1,894,552	-	-	1,851,766	1,894,552
Other non-instructional services	337,536	216,103	-	-	337,536	216,103
Extracurricular activities	1,096,890	1,063,997	-	-	1,096,890	1,063,997
Interest and fiscal charges	1,218,649	1,245,703	-	-	1,218,649	1,245,703
Special enterprise	-	-	98,683	55,044	98,683	55,044
Total expenses	<u>48,249,282</u>	<u>46,918,997</u>	<u>98,683</u>	<u>55,044</u>	<u>48,347,965</u>	<u>46,974,041</u>
Changes in net assets	1,094,559	(1,646,582)	(29,623)	16,564	1,064,936	(1,630,018)
Net assets at beginning of year	<u>11,394,599</u>	<u>13,041,181</u>	<u>96,570</u>	<u>80,006</u>	<u>11,491,169</u>	<u>13,121,187</u>
Net assets at end of year	<u>\$ 12,489,158</u>	<u>\$ 11,394,599</u>	<u>\$ 66,947</u>	<u>\$ 96,570</u>	<u>\$ 12,556,105</u>	<u>\$ 11,491,169</u>

Governmental Activities

For fiscal year 2010, the net assets of the District's governmental activities increased \$1,094,559. Total governmental expenses of \$48,249,282 were offset by program revenues of \$8,472,185 and general revenues of \$40,871,656. Program revenues supported 17.56% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These two revenue sources represent 82.55% of total governmental revenue. Real estate property is reappraised every six years.

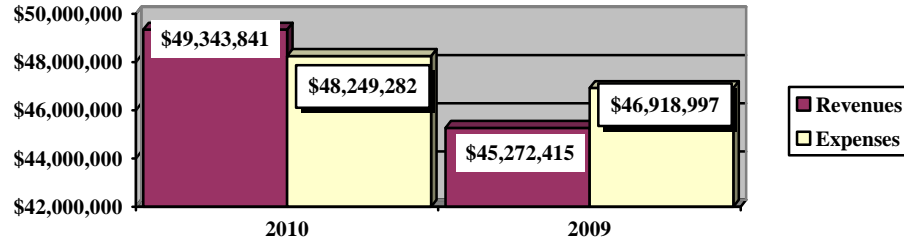
Property tax revenue decreased approximately \$457,000 from the prior fiscal year. This is due to the phase-out of the tangible personal property tax under HB 66. The District is being reimbursed by the State for this lost revenue. Intergovernmental revenues increased approximately \$3,323,000 because of a significant increase in homestead and rollback receipts and the increase in the reimbursement for the phase-out of tangible personal property tax revenue. Charges for services revenue increased approximately \$1,036,000 due to the District allowing open enrollment.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2010 and 2009.

Governmental Activities - Revenues and Expenses



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 2010 and 2009. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>
Program expenses:				
Instruction:				
Regular	\$ 19,689,324	\$ 18,276,830	\$ 19,736,189	\$ 19,197,390
Special	5,945,781	4,106,158	5,370,879	2,502,193
Vocational	255,143	186,344	246,183	153,197
Other	1,851,855	1,793,815	1,589,751	1,589,751

- - Continued

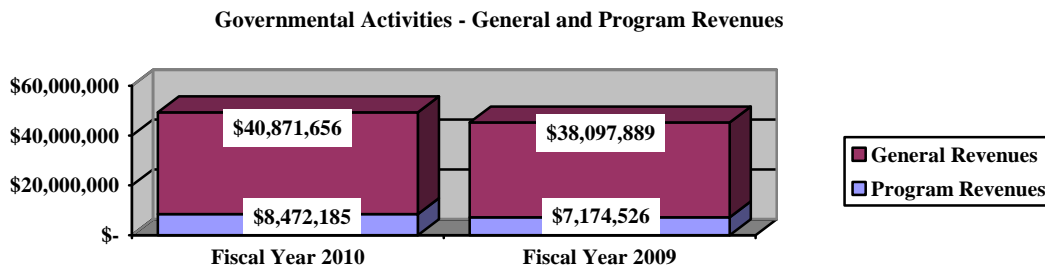
**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>
Support services:				
Pupil	2,767,898	2,612,445	2,777,257	2,666,754
Instructional staff	1,963,838	1,325,432	1,531,181	1,146,733
Board of education	51,886	51,886	46,498	46,498
Administration	3,703,502	2,108,553	3,642,006	3,209,760
Fiscal	837,264	821,338	891,394	891,394
Business	3,772	3,772	6,214	6,214
Operations and maintenance	4,130,588	4,102,002	4,246,874	4,156,349
Pupil transportation	2,543,253	2,440,832	2,413,659	2,208,611
Central	337	337	557	557
Operation of non-instructional services:				
Food service operations	1,851,766	(162,511)	1,894,552	55,573
Other non-instructional services	337,536	101,750	216,103	(29,477)
Extracurricular activities	1,096,890	789,465	1,063,997	697,271
Interest and fiscal charges	<u>1,218,649</u>	<u>1,218,649</u>	<u>1,245,703</u>	<u>1,245,703</u>
Total expenses	<u>\$ 48,249,282</u>	<u>\$ 39,777,097</u>	<u>\$ 46,918,997</u>	<u>\$ 39,744,471</u>

The dependence upon tax revenues during fiscal year 2010 for governmental activities is apparent, as 87.82% of 2010 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 82.44%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2010 and 2009.



Business-type Activities

Business-type activities include special enterprise operations. These programs had revenues of \$69,060 and expenses of \$98,683 for fiscal year 2010. The decrease in net assets is due to increased personal services and materials and supplies expenses during the fiscal year. The District's business-type activities receive no support from tax revenues.

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 30) reported a combined fund balance of \$2,572,571, which is greater than last year fund's total of \$885,366.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2010 and 2009.

	Fund Balance <u>June 30, 2010</u>	Fund Balance (deficit) <u>June 30, 2009</u>	Increase (Decrease)
General	\$ 402,438	\$ (1,559,205)	\$ 1,961,643
Other governmental	<u>2,170,133</u>	<u>2,444,571</u>	<u>(274,438)</u>
Total	<u>\$ 2,572,571</u>	<u>\$ 885,366</u>	<u>\$ 1,687,205</u>

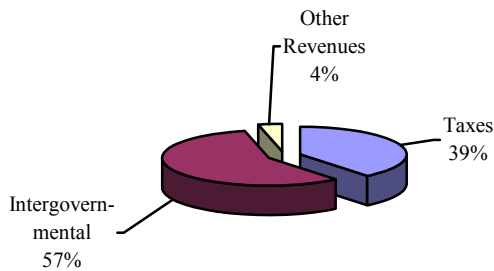
General Fund

The District's general fund balance increased \$1,961,643, which is primarily due to an increase in intergovernmental revenue and tuition revenue during the fiscal year. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

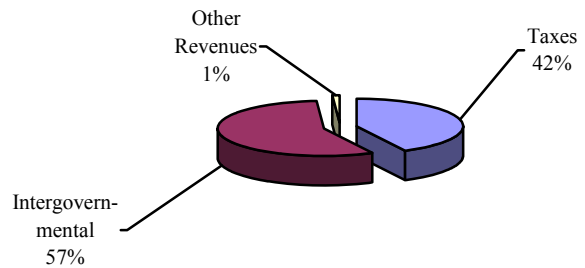
	2010 <u>Amount</u>	2009 <u>Amount</u>	Increase (Decrease)	Percentage Change
Revenues				
Taxes	\$ 15,701,596	\$ 16,447,102	\$ (745,506)	(4.53) %
Intergovernmental	23,073,236	21,867,955	1,205,281	5.51 %
Other revenues	<u>1,444,379</u>	<u>469,734</u>	<u>974,645</u>	207.49 %
Total	<u>\$ 40,219,211</u>	<u>\$ 38,784,791</u>	<u>\$ 1,434,420</u>	3.70 %

Tax revenue decreased by \$745,506 or 4.53% from fiscal 2009 due to House Bill 66 eliminating the tax on tangible personal property. Intergovernmental revenue increased \$1,205,281 or 5.51% 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 and an increase in homestead and rollback revenue. Other revenues increased \$974,645 or 207.49% due to an increase in tuition revenue received from the District's new open enrollment policy.

Revenues – Fiscal Year 2010



Revenues – Fiscal Year 2009



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

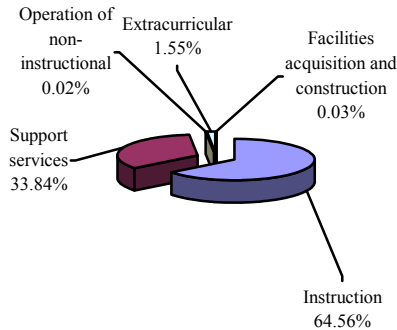
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

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

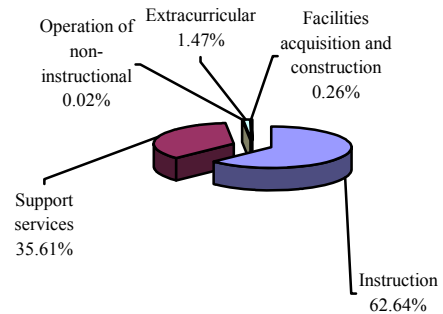
	<u>2010 Amount</u>	<u>2009 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<u>Expenditures</u>				
Instruction	\$ 24,562,487	\$ 24,326,017	\$ 236,470	0.97 %
Support services	12,874,462	13,827,288	(952,826)	(6.89) %
Operation of non-instructional services	5,271	4,871	400	8.21 %
Extracurricular activities	589,796	570,372	19,424	3.41 %
Facilities acquisition and construction	<u>10,740</u>	<u>100,240</u>	<u>(89,500)</u>	(89.29) %
Total	<u>\$ 38,042,756</u>	<u>\$ 38,828,788</u>	<u>\$ (786,032)</u>	(2.02) %

One of the most significant decreases was in support services expenditures. Support services expenditures decreased due to the District paying certain administrative employees, such as the superintendent, from the education stabilization fund, a nonmajor governmental fund. The revenues in this fund are the result of the American Recovery and Reinvestment Act (ARRA). Facilities acquisition and construction decreased because the District has curtailed its capital expenditures until the Ohio School Facilities Commission (OSFC) construction project gets underway in fiscal year 2011. Other expenditures remained consistent with the prior fiscal year.

Expenditures – Fiscal Year 2010



Expenditures – Fiscal Year 2009



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 2010, 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.

For the general fund, final budgeted revenues and other financing sources were \$40,219,856, which was increased from the original budgeted revenues and other financing sources estimate of \$37,724,264. Actual revenues and other financing sources for fiscal 2010 were \$40,234,782. This represents a \$14,926 increase from final budgeted revenues.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)

General fund original appropriations (appropriated expenditures plus other financing uses) of \$39,616,406 were decreased to \$39,057,680 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2010 totaled \$38,859,815, which was \$197,865 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

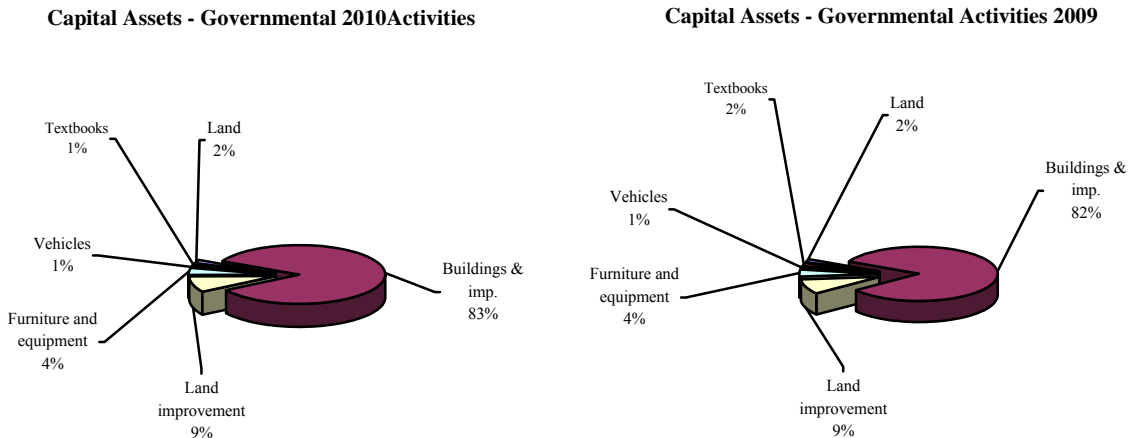
At the end of fiscal 2010, the District had \$34,654,123 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks. Of this total, \$34,630,735 was reported in governmental activities and \$23,388 was reported in business-type activities. The following table shows fiscal 2010 balances compared to 2009:

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 672,477	\$ 672,477	\$ -	\$ -	\$ 672,477	\$ 672,477
Land improvements	3,032,849	3,200,073	-	-	3,032,849	3,200,073
Building and improvements	28,936,714	29,739,145	-	-	28,936,714	29,739,145
Furniture and equipment	1,324,543	1,503,318	23,388	29,338	1,347,931	1,532,656
Vehicles	297,952	411,990	-	-	297,952	411,990
Textbooks	366,200	552,862	-	-	366,200	552,862
Total	\$ 34,630,735	\$ 36,079,865	\$ 23,388	\$ 29,338	\$ 34,654,123	\$ 36,109,203

Capital assets of the governmental activities decreased \$1,449,130, which is due to depreciation expense of \$1,633,697 exceeding capital outlays of \$184,567 in the current year. Capital assets of the business-type activities decreased \$5,950, which is due to current year depreciation expense.

The following graphs show the breakdown of governmental activities capital assets by category for 2010 and 2009.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)

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

Debt Administration

At June 30, 2010 the District had \$23,982,371 in an asbestos abatement loan, House Bill 264 loan and general obligation bonds outstanding. Of this total, \$591,558 is due within one year and \$23,390,813 is due in greater than one year. The following table summarizes the bonds and loans outstanding.

	Outstanding Debt, at Year End	
	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>
Asbestos abatement loan	\$ 37,686	\$ 62,810
House Bill 264 loan	304,727	325,155
General obligation bonds	<u>23,639,958</u>	<u>24,062,305</u>
 Total	 <u>\$ 23,982,371</u>	 <u>\$ 24,450,270</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.

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, 2010 the District's overall legal debt margin was \$32,715,858 with an unvoted debt margin of 607,234.

See Note 9 to the basic financial statements for more detail on the District's long-term obligations.

Current Financial Related Activities

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 State will make full reimbursements at these base levels through 2013, with gradual reductions in the reimbursement from 2014 through 2018 for school districts. The District stands to lose over \$2 million by the year 2013 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

The District passed a 2.9 mill bond issue placed on the May 2010 ballot. This allows the District to construct two new elementary schools with the State covering nearly half the cost of the new buildings. The construction will include two buildings: one will house Kindergarten through 2nd grade and the other 3rd through 5th grade. These two buildings will replace the District's five existing elementary schools which will decrease utilities and maintenance expenses. The Ohio School Facilities Commission (OSFC) will pay 47% of the cost with the remaining 53% paid by local taxpayers.

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. Mary Ann Herschel, Treasurer, Austintown Local School District, 700 S. Raccoon Road, Youngstown, Ohio 44515.

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

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents. . .	\$ 8,676,624	\$ 50,141	\$ 8,726,765
Receivables:			
Taxes	19,528,921	-	19,528,921
Accounts.	12,225	-	12,225
Intergovernmental	357,223	-	357,223
Prepayments	35,824	-	35,824
Materials and supplies inventory.	25,848	-	25,848
Unamortized bond issue costs.	255,017	-	255,017
Capital assets:			
Land	672,477	-	672,477
Depreciable capital assets, net.	33,958,258	23,388	33,981,646
Capital assets, net	34,630,735	23,388	34,654,123
 Total assets.	 63,522,417	 73,529	 63,595,946
Liabilities:			
Accounts payable.	113,441	-	113,441
Accrued wages and benefits	4,133,791	3,679	4,137,470
Pension obligation payable.	1,019,760	1,267	1,021,027
Intergovernmental payable	265,215	386	265,601
Deposits payable	260,000	-	260,000
Accrued interest payable	91,159	-	91,159
Unearned revenue	17,461,477	-	17,461,477
Long-term liabilities:			
Due within one year.	1,076,585	1,250	1,077,835
Due in more than one year.	26,611,831	-	26,611,831
 Total liabilities	 51,033,259	 6,582	 51,039,841
Net assets:			
Invested in capital assets, net of related debt.	10,941,252	23,388	10,964,640
Restricted for:			
Capital projects	117,724	-	117,724
Debt service.	1,225,378	-	1,225,378
Locally funded programs	85,591	-	85,591
State funded programs.	13,802	-	13,802
Federally funded programs	220,493	-	220,493
Public school support	173,821	-	173,821
Student activities	87,785	-	87,785
Other purposes	786,143	-	786,143
Unrestricted (deficit)	(1,162,831)	43,559	(1,119,272)
 Total net assets	 \$ 12,489,158	 \$ 66,947	 \$ 12,556,105

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, 2010

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
Instruction:			
Regular	\$ 19,689,324	\$ 1,279,150	\$ 133,344
Special	5,945,781	25,908	1,813,715
Vocational	255,143	-	68,799
Other	1,851,855	-	58,040
Support services:			
Pupil	2,767,898	7,956	147,497
Instructional staff	1,963,838	23,668	614,738
Board of education	51,886	-	-
Administration	3,703,502	295,431	1,299,518
Fiscal	837,264	-	15,926
Business	3,772	-	-
Operations and maintenance	4,130,588	28,586	-
Pupil transportation	2,543,253	4,483	97,938
Central	337	-	-
Operation of non-instructional services:			
Food service operations	1,851,766	851,382	1,162,895
Other non-instructional services	337,536	1,035	234,751
Extracurricular activities	1,096,890	306,552	873
Interest and fiscal charges	1,218,649	-	-
Total governmental activities	<u>48,249,282</u>	<u>2,824,151</u>	<u>5,648,034</u>
Business-type activities:			
Special enterprise	<u>98,683</u>	<u>67,514</u>	<u>1,546</u>
Totals	<u>\$ 48,347,965</u>	<u>\$ 2,891,665</u>	<u>\$ 5,649,580</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

Change in net assets

Net assets at beginning of year

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-Type Activities	Total
\$ (18,276,830)	\$ -	\$ (18,276,830)
(4,106,158)	-	(4,106,158)
(186,344)	-	(186,344)
(1,793,815)	-	(1,793,815)
(2,612,445)	-	(2,612,445)
(1,325,432)	-	(1,325,432)
(51,886)	-	(51,886)
(2,108,553)	-	(2,108,553)
(821,338)	-	(821,338)
(3,772)	-	(3,772)
(4,102,002)	-	(4,102,002)
(2,440,832)	-	(2,440,832)
(337)	-	(337)
162,511	-	162,511
(101,750)	-	(101,750)
(789,465)	-	(789,465)
(1,218,649)	-	(1,218,649)
<u>(39,777,097)</u>	<u>-</u>	<u>(39,777,097)</u>
-	(29,623)	(29,623)
<u>(39,777,097)</u>	<u>(29,623)</u>	<u>(39,806,720)</u>
15,932,210	-	15,932,210
1,528,636	-	1,528,636
23,272,435	-	23,272,435
89,584	-	89,584
48,791	-	48,791
<u>40,871,656</u>	<u>-</u>	<u>40,871,656</u>
1,094,559	(29,623)	1,064,936
<u>11,394,599</u>	<u>96,570</u>	<u>11,491,169</u>
<u>\$ 12,489,158</u>	<u>\$ 66,947</u>	<u>\$ 12,556,105</u>

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 5,335,863	\$ 3,267,718	\$ 8,603,581
Receivables:			
Taxes	17,996,700	1,532,221	19,528,921
Accounts.	10,700	1,525	12,225
Intergovernmental.	15,496	341,727	357,223
Interfund loans.	24,824	-	24,824
Prepayments.	35,824	-	35,824
Materials and supplies inventory.	-	25,848	25,848
Restricted assets:			
Equity in pooled cash and cash equivalents	73,043	-	73,043
Total assets	<u>\$ 23,492,450</u>	<u>\$ 5,169,039</u>	<u>\$ 28,661,489</u>
Liabilities:			
Accounts payable	\$ 106,566	\$ 6,875	\$ 113,441
Accrued wages and benefits.	3,628,146	505,645	4,133,791
Compensated absences payable	144,843	-	144,843
Early retirement incentive payable	96,000	-	96,000
Pension obligation payable.	938,355	81,405	1,019,760
Intergovernmental payable	163,906	101,309	265,215
Interfund loans payable.	-	24,824	24,824
Deposits payable	-	260,000	260,000
Deferred revenue	2,352,196	217,371	2,569,567
Unearned revenue.	15,660,000	1,801,477	17,461,477
Total liabilities.	<u>23,090,012</u>	<u>2,998,906</u>	<u>26,088,918</u>
Fund balances:			
Reserved for encumbrances	77,725	44,501	122,226
Reserved for materials and supplies inventory	-	25,848	25,848
Reserved for prepayments.	35,824	-	35,824
Reserved for debt service	-	1,149,822	1,149,822
Reserved for school bus purchases	73,043	-	73,043
Unreserved:			
Designated for retirement incentive.	128,000	-	128,000
Undesignated, reported in:			
General fund.	87,846	-	87,846
Special revenue funds	-	833,078	833,078
Capital projects funds	-	116,884	116,884
Total fund balances	<u>402,438</u>	<u>2,170,133</u>	<u>2,572,571</u>
Total liabilities and fund balances	<u>\$ 23,492,450</u>	<u>\$ 5,169,039</u>	<u>\$ 28,661,489</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, 2010

Total governmental fund balances		\$ 2,572,571
<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.		34,630,735
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes receivable	\$ 2,503,415	
Intergovernmental receivable	66,152	
Total	2,569,567	2,569,567
Unamortized premiums on bond issuances are not recognized in the funds.		(262,070)
Unamortized bond issuance costs are not recognized in the funds.		255,017
Accrued interest payable is not due and payable within the current period and therefore is not reported in the funds.		(91,159)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(23,639,958)	
Compensated absences	(3,075,132)	
Early retirement incentive	(128,000)	
House Bill 264 loan	(304,727)	
Asbestos loan	(37,686)	
Total	(27,185,503)	(27,185,503)
Net assets of governmental activities		\$ 12,489,158

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, 2010

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 15,701,596	\$ 1,506,778	\$ 17,208,374
Tuition	1,181,377	-	1,181,377
Earnings on investments	89,584	9,696	99,280
Charges for services	1,035	851,382	852,417
Extracurricular	4,820	582,699	587,519
Classroom materials and fees	121,827	955	122,782
Other local revenues	45,736	125,111	170,847
Intergovernmental - intermediate	-	23,255	23,255
Intergovernmental - state	23,073,236	610,455	23,683,691
Intergovernmental - federal	-	5,176,241	5,176,241
Total revenue	<u>40,219,211</u>	<u>8,886,572</u>	<u>49,105,783</u>
Expenditures:			
Current:			
Instruction:			
Regular	18,804,129	131,321	18,935,450
Special	3,713,327	2,142,068	5,855,395
Vocational	251,216	-	251,216
Other	1,793,815	58,040	1,851,855
Support services:			
Pupil	2,626,005	170,073	2,796,078
Instructional staff	1,048,538	749,442	1,797,980
Board of education	51,886	-	51,886
Administration	1,935,488	1,745,355	3,680,843
Fiscal	836,687	44,602	881,289
Business	3,772	-	3,772
Operations and maintenance	4,091,115	-	4,091,115
Pupil transportation	2,280,634	11,161	2,291,795
Central	337	-	337
Operation of non-instructional services:			
Food service operations	-	1,744,407	1,744,407
Other non-instructional services	5,271	332,526	337,797
Extracurricular activities	589,796	399,263	989,059
Facilities acquisition and construction	10,740	158,543	169,283
Debt service:			
Principal retirement	-	570,552	570,552
Interest and fiscal charges	-	1,117,785	1,117,785
Total expenditures	<u>38,042,756</u>	<u>9,375,138</u>	<u>47,417,894</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>2,176,455</u>	<u>(488,566)</u>	<u>1,687,889</u>
Other financing sources (uses):			
Sale/loss of assets	1,858	-	1,858
Transfers in	-	251,934	251,934
Transfers (out)	(216,670)	(35,264)	(251,934)
Total other financing sources (uses)	<u>(214,812)</u>	<u>216,670</u>	<u>1,858</u>
Net change in fund balances	1,961,643	(271,896)	1,689,747
Fund balances (deficit) at beginning of year	(1,559,205)	2,444,571	885,366
Decrease in reserve for inventory	-	(2,542)	(2,542)
Fund balances at end of year	<u>\$ 402,438</u>	<u>\$ 2,170,133</u>	<u>\$ 2,572,571</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, 2010

Net change in fund balances - total governmental funds \$ 1,689,747

*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 depreciation expense exceeds capital outlays the current period.

Capital asset additions	\$	184,567	
Current year depreciation expense		(1,633,697)	
Total			(1,449,130)

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

(2,542)

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

Taxes		252,472	
Intergovernmental revenue		(16,272)	
Total			236,200

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

570,552

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in more interest being reported in the statement of activities:

Decrease in accrued interest payable		1,444	
Accreted interest on "capital appreciation bonds"		(102,653)	
Amortization of bond issuance costs		(12,491)	
Amortization of bond premiums		12,836	
Total			(100,864)

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

150,596

Change in net assets of governmental activities \$ 1,094,559

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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
From local sources:				
Taxes	\$ 15,643,000	\$ 15,701,351	\$ 15,701,596	\$ 245
Tuition.	61,700	1,181,333	1,181,377	44
Earnings on investments	175,000	82,000	89,584	7,584
Charges for services	500	1,035	1,035	-
Extracurricular.	4,800	4,800	4,820	20
Classroom materials and fees	129,600	113,554	119,843	6,289
Other local revenues	61,000	40,334	40,732	398
Intergovernmental - state	21,638,664	23,072,889	23,073,235	346
Total revenue	<u>37,714,264</u>	<u>40,197,296</u>	<u>40,212,222</u>	<u>14,926</u>
Expenditures:				
Current:				
Instruction:				
Regular	19,708,668	19,101,524	19,133,890	(32,366)
Special.	3,744,687	3,810,380	3,813,496	(3,116)
Vocational.	266,000	270,174	252,297	17,877
Other.	1,510,000	1,620,000	1,793,815	(173,815)
Support services:				
Pupil.	2,613,488	2,619,056	2,679,140	(60,084)
Instructional staff	1,072,991	1,098,563	1,048,971	49,592
Board of education	56,550	57,329	52,753	4,576
Administration.	2,455,885	2,193,742	2,036,594	157,148
Fiscal	796,237	769,425	842,006	(72,581)
Business	6,000	6,000	4,210	1,790
Operations and maintenance.	4,440,812	4,287,040	4,099,945	187,095
Pupil transportation	2,315,193	2,357,338	2,297,694	59,644
Central.	500	171	337	(166)
Operation of non-instructional services	4,500	5,000	5,275	(275)
Extracurricular activities.	574,895	613,198	567,632	45,566
Facilities acquisition and construction	50,000	22,740	15,090	7,650
Total expenditures	<u>39,616,406</u>	<u>38,831,680</u>	<u>38,643,145</u>	<u>188,535</u>
Excess of revenues over (under) expenditures.	<u>(1,902,142)</u>	<u>1,365,616</u>	<u>1,569,077</u>	<u>203,461</u>
Other financing sources (uses):				
Refund of prior year's expenditures	10,000	20,702	20,702	-
Transfers (out).	-	(226,000)	(216,670)	9,330
Sale of capital assets.	-	1,858	1,858	-
Total other financing sources (uses).	<u>10,000</u>	<u>(203,440)</u>	<u>(194,110)</u>	<u>9,330</u>
Net change in fund balance.	(1,892,142)	1,162,176	1,374,967	212,791
Fund balance at beginning of year	3,594,403	3,594,403	3,594,403	-
Prior year encumbrances appropriated	318,491	318,491	318,491	-
Fund balance at end of year.	<u>\$ 2,020,752</u>	<u>\$ 5,075,070</u>	<u>\$ 5,287,861</u>	<u>\$ 212,791</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2010

	Business-type Activities
	Nonmajor Enterprise Fund
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 50,141
Noncurrent assets:	
Depreciable capital assets, net	23,388
Total assets.	73,529
Liabilities:	
Current liabilities:	
Accrued wages and benefits	3,679
Compensated absences.	1,250
Pension obligation payable.	1,267
Intergovernmental payable	386
Total liabilities	6,582
Net assets:	
Invested in capital assets.	23,388
Unrestricted.	43,559
Total net assets	\$ 66,947

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, 2010

	Business-type Activities
	Nonmajor Enterprise Fund
Operating revenues:	
Tuition and fees.	\$ 67,026
Sales/charges for services.	488
Total operating revenues	67,514
Operating expenses:	
Personal services.	59,020
Contractual services	10,966
Materials and supplies	22,747
Depreciation	5,950
Total operating expenses.	98,683
Operating loss.	(31,169)
Nonoperating revenues:	
Donations	1,546
Change in net assets.	(29,623)
Net assets at beginning of year	96,570
Net assets at end of year.	\$ 66,947

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, 2010

	Business-type Activities
	Nonmajor Enterprise Fund
Cash flows from operating activities:	
Cash received from tuition and fees	\$ 67,076
Cash received from sales/charges for services.	488
Cash payments for personal services.	(54,934)
Cash payments for contractual services	(10,966)
Cash payments for materials and supplies	(22,747)
	(21,083)
Net cash used in operating activities	(21,083)
Cash flows from noncapital financing activities:	
Cash received from donations.	1,546
	1,546
Net cash provided by noncapital financing activities.	1,546
Net decrease in cash and cash equivalents	(19,537)
Cash and cash equivalents at beginning of year	69,678
Cash and cash equivalents at end of year	\$ 50,141
	50,141
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (31,169)
Adjustments:	
Depreciation.	5,950
Changes in assets and liabilities:	
Decrease in accounts receivable.	50
Increase in accrued wages and benefits	2,915
Increase in intergovernmental payable.	231
Increase in compensated absences payable.	375
Increase in pension obligation payable.	565
	565
Net cash used in operating activities	\$ (21,083)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	Private Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 59,800	\$ 41,592
Total assets	59,800	\$ 41,592
Liabilities:		
Accounts payable	-	\$ 1,080
Due to students	-	40,512
Total liabilities	-	\$ 41,592
Net assets:		
Held in trust for scholarships	59,800	
Total net assets	\$ 59,800	

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, 2010

	Private Purpose Trust
	Scholarship
Additions:	
Interest	\$ 734
Gifts and contributions	12,317
Total additions	13,051
Deductions:	
Scholarships awarded	18,997
Change in net assets	(5,946)
Net assets at beginning of year	65,746
Net assets at end of year	\$ 59,800

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, 2010**

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 65th largest in the State of Ohio (among 905 public school districts and community schools) in terms of total enrollment. The District is staffed by 239 non-certified and 349 certified personnel to provide services to approximately 5,133 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) guidance issued on or before November 30, 1989, to its governmental and business-type activities 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". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

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 provide financial support to, the organization; or (4) 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 budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

The following organizations are described due to their relationship with the District:

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 26 districts in Mahoning and Columbiana Counties, two educational service centers, 20 non-public schools and two Special Education Regional Resource Centers. 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.

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, 2010

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 is the District's major governmental fund:

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

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities; (b) grants and other resources whose use is restricted to a particular purpose; (c) the accumulation of resources and payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment; and (d) food service operations.

PROPRIETARY FUNDS

Proprietary fund reporting focuses on changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise funds or internal service funds. The District has no internal service funds.

Enterprise fund - The enterprise fund is 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. The District's enterprise fund accounts for community center and summer school operations.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: private-purpose trust funds, investment trust funds, pension 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 agency fund accounts for student managed activities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 proprietary 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.

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 are 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

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 Nonexchange 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, 2010, but which were levied to finance fiscal year 2011 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, 2010 are recorded as deferred revenue in the governmental funds.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement 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 costs, 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 2010 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 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 July 1, 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 original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate in effect when the final appropriations were passed by the Board of Education.
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, 2010

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 2010. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during the fiscal year.
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 Cash Equivalents

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 cash equivalents" on the basic financial statements.

During fiscal year 2010, investments were limited to a repurchase agreement. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. 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 or by policy of the Board of Education. Interest revenue credited to the general fund during fiscal 2010 amounted to \$89,584, which includes \$32,940 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

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

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the purchase 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, 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 - 30 years	N/A
Building/improvements	10 - 40 years	N/A
Furniture/equipment	5 - 20 years	5 - 20 years
Vehicles	8 - 15 years	N/A
Textbooks	7 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, 2010.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

J. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave 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. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave 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 sick leave 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 sick leave payments has been calculated using pay rates in effect at June 30, 2010, 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, compensated absences and retirement incentives 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
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

L. Fund Balance Reserves/Designations

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, prepayments and school bus purchases. A portion of fund balance has been designated for retirement incentive payments.

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 for school bus purchases, food service operations, and miscellaneous grants.

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 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 the auxiliary services fund, a nonmajor governmental 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

Q. Unamortized Bond Issuance Costs and Bond Premiums

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized issuance costs are recorded as a separate line item on the statement of net assets.

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation of the bonds face value and the amount reported on the statement of net assets is presented in Note 9.D.

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 year 2010.

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. The District had no extraordinary or special items during fiscal year 2010.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2010, the District has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation of GASB Statement No. 51 did not have an effect on the financial statements of the District.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the District.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2010 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Education management information systems	\$ 2,650
Alternative school grant	280
Title VI-B	238,531
Education stabilization	58,026
Title I	128,120
Improving teacher quality	8,596

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, 2010.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

Interim monies 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 items (1) or (2) above 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

A. Deposits with Financial Institutions

At June 30, 2010, the carrying amount of all District deposits was \$(703,892), exclusive of the repurchase agreement reported in investments below. A liability was not recorded for the negative carrying amount of deposits because there was no actual overdraft, due to the "zero-balance" nature of the District's bank accounts. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2010, the entire amount of the District's bank balance of \$25,500 was covered by the FDIC.

B. Investments

As of June 30, 2010, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment maturities</u> <u>6 months or</u> <u>less</u>
Repurchase agreement	\$ 9,532,049	\$ 9,532,049
	<u>\$ 9,532,049</u>	<u>\$ 9,532,049</u>

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. 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 in federal agency securities that underlie the repurchase agreement were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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. 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, 2010:

<u>Investment type</u>	<u>Fair value</u>	<u>% of total</u>
Repurchase agreement	\$ 9,532,049	100.00
Total investments	<u>\$ 9,532,049</u>	<u>100.00</u>

C. Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets

The following is a reconciliation of cash and cash equivalents as reported in the note above to cash and cash equivalents as reported on the statement of net assets as of June 30, 2010:

<u>Cash and cash equivalents per note</u>	
Carrying amount of deposits	\$ (703,892)
Investments	<u>9,532,049</u>
Total	<u>\$ 8,828,157</u>

<u>Cash and cash equivalents per statement of net assets</u>	
Governmental activities	\$ 8,676,624
Business type activities	50,141
Private-purpose trust fund	59,800
Agency fund	<u>41,592</u>
Total	<u>\$ 8,828,157</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended June 30, 2010 consisted of the following as reported on the governmental fund financial statements:

<u>Transfers to nonmajor governmental funds from:</u>	<u>Amount</u>
General fund	\$ 216,670
<u>Transfers to nonmajor governmental funds from:</u>	
Nonmajor governmental funds	35,264
	<u><u>\$ 251,934</u></u>

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.

- B. Interfund balances at June 30, 2010, as reported on the governmental fund financial statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 24,824

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2010 are reported on the statement of net assets.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property, public utility property, and certain tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien on December 31, 2008, were levied after April 1, 2009, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 6 - PROPERTY TAXES - (Continued)

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, 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.

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, 2010, are available to finance fiscal year 2010 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2010 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 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 the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been deferred.

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

	2009 Second Half Collections		2010 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 598,068,280	98.07	\$ 595,856,810	98.05
Public utility personal	10,757,860	1.77	11,376,920	1.88
Tangible personal property	<u>1,058,233</u>	<u>0.16</u>	<u>526,550</u>	<u>0.07</u>
Total	<u>\$ 609,884,373</u>	<u>100.00</u>	<u>\$ 607,760,280</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, 2010

NOTE 7 - RECEIVABLES

Receivables at June 30, 2010 consisted of taxes, accounts (billings for user charged services and student fees) and intergovernmental grants and entitlements. 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	\$ 19,528,921
Accounts	12,225
Intergovernmental	<u>357,223</u>
Total governmental activities	<u>\$ 19,898,369</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, 2010

NOTE 8 - CAPITAL ASSETS

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

	<u>Balance</u> <u>6/30/09</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/10</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 672,477	\$ -	\$ -	\$ 672,477
Total capital assets, not being depreciated	<u>672,477</u>	<u>-</u>	<u>-</u>	<u>672,477</u>
Capital assets, being depreciated:				
Land improvements	3,814,225	29,000	-	3,843,225
Building/improvements	44,938,960	127,309	-	45,066,269
Furniture/equipment	3,322,044	23,258	-	3,345,302
Vehicles	2,836,765	5,000	-	2,841,765
Textbooks	4,547,399	-	-	4,547,399
Total capital assets, being depreciated	<u>59,459,393</u>	<u>184,567</u>	<u>-</u>	<u>59,643,960</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(614,152)	(196,224)	-	(810,376)
Building/improvements	(15,199,815)	(929,740)	-	(16,129,555)
Furniture/equipment	(1,818,726)	(202,033)	-	(2,020,759)
Vehicles	(2,424,775)	(119,038)	-	(2,543,813)
Textbooks	(3,994,537)	(186,662)	-	(4,181,199)
Total accumulated depreciation	<u>(24,052,005)</u>	<u>(1,633,697)</u>	<u>-</u>	<u>(25,685,702)</u>
Governmental activities capital assets, net	<u>\$ 36,079,865</u>	<u>\$ (1,449,130)</u>	<u>\$ -</u>	<u>\$ 34,630,735</u>
Business-type activities:				
Capital assets, being depreciated:				
Furniture/equipment	\$ 56,115	\$ -	\$ -	\$ 56,115
Less: accumulated depreciation	<u>(26,777)</u>	<u>(5,950)</u>	<u>-</u>	<u>(32,727)</u>
Total	<u>\$ 29,338</u>	<u>\$ (5,950)</u>	<u>\$ -</u>	<u>\$ 23,388</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged as follows:

	<u>Amount</u>
Governmental activities:	
<u>Instruction:</u>	
Regular	\$ 799,131
Special	92,581
Vocational	3,036
<u>Support services:</u>	
Pupil	22,522
Instructional staff	138,221
Administration	51,905
Fiscal	893
Operations and maintenance	57,172
Pupil transportation	258,030
Food service operations	102,375
Extracurricular activities	107,831
Total governmental activities	1,633,697
Business-type activities:	
Community center	5,950
Total depreciation expense	\$ 1,639,647

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 relating to this liability are recorded as expenditures in the bond retirement fund, a nonmajor governmental fund.

The following is a description of the District's asbestos loan outstanding as of June 30, 2010:

	Interest Rate	Issue Date	Maturity Date	Balance 6/30/09	Issued in 2010	Retired in 2010	Balance 6/30/10
Asbestos loan	0.00%	12/01/93	05/30/12	\$ 62,810	\$ -	\$ (25,124)	\$ 37,686
Total				\$ 62,810	\$ -	\$ (25,124)	\$ 37,686

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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>
2011	\$ 25,124	\$ -	\$ 25,124
2012	<u>12,562</u>	<u>-</u>	<u>12,562</u>
Total	<u>\$ 37,686</u>	<u>\$ -</u>	<u>\$ 37,686</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 expenditures in the bond retirement fund, a nonmajor governmental 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 (approximate initial offering yield to maturity 4.25%), December 1, 2012 (approximate initial offering yield to maturity 4.40%), and December 1, 2013 (approximate initial offering yield to maturity 4.55%), 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 \$554,958 in accreted interest on the capital appreciation bonds has been included on the statement of net assets at June 30, 2010.

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

The following is a schedule of activity for fiscal year 2010 on the general obligation bonds:

	<u>Balance 6/30/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/10</u>
Current interest bonds	\$ 22,675,000	\$ -	\$ (525,000)	\$ 22,150,000
Capital appreciation bonds	935,000	-	-	935,000
Accreted interest	<u>452,305</u>	<u>102,653</u>	<u>-</u>	<u>554,958</u>
Total G.O. bonds	<u>\$ 24,062,305</u>	<u>\$ 102,653</u>	<u>\$ (525,000)</u>	<u>\$ 23,639,958</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Year Ended	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 545,000	\$ 1,084,234	\$ 1,629,234	\$ -	\$ -	\$ -
2012	-	824,560	824,560	320,000	250,000	570,000
2013	-	774,560	774,560	315,000	300,000	615,000
2014	-	749,560	749,560	300,000	325,000	625,000
2015	630,000	1,061,330	1,691,330	-	-	-
2016 - 2020	4,100,000	4,802,447	8,902,447	-	-	-
2021 - 2025	6,060,000	3,556,470	9,616,470	-	-	-
2026 - 2030	8,670,000	1,717,557	10,387,557	-	-	-
2031	2,145,000	54,966	2,199,966	-	-	-
Total	\$ 22,150,000	\$ 14,625,684	\$ 36,775,684	\$ 935,000	\$ 875,000	\$ 1,810,000

- 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 bond retirement fund, a nonmajor governmental fund.

The following is a description of the District's House Bill 264 loan outstanding as of June 30, 2010:

	Interest Rate	Issue Date	Maturity Date	Balance 6/30/09	Issued in 2010	Retired in 2010	Balance 6/30/10
House Bill 264 Loan	4.75%	10/5/2006	10/1/2021	\$ 325,155	\$ -	\$ (20,428)	\$ 304,727
Total				\$ 325,155	\$ -	\$ (20,428)	\$ 304,727

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
2011	\$ 21,434	\$ 14,210	\$ 35,644
2012	22,454	13,191	35,645
2013	23,595	12,049	35,644
2014	24,757	10,887	35,644
2015	25,976	9,668	35,644
2016 - 2020	150,336	27,885	178,221
2021 - 2022	36,175	993	37,168
Total	\$ 304,727	\$ 88,883	\$ 393,610

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

	Balance 6/30/09	Additions	Reductions	Balance 6/30/10	Amounts Due in One Year
Governmental activities:					
Compensated absences payable	\$ 3,342,004	\$ 504,713	\$ (626,742)	\$ 3,219,975	\$ 389,027
Early retirement incentive payable	400,000	-	(176,000)	224,000	96,000
Loans payable	387,965	-	(45,552)	342,413	46,558
G.O. Bonds payable	<u>24,062,305</u>	<u>102,653</u>	<u>(525,000)</u>	<u>23,639,958</u>	<u>545,000</u>
Total governmental activities long-term liabilities	<u>\$ 28,192,274</u>	<u>\$ 607,366</u>	<u>\$ (1,373,294)</u>	27,426,346	<u>\$ 1,076,585</u>
Add: Unamortized premium on bond issue				<u>262,070</u>	
Total on statement of net assets				<u>\$ 27,688,416</u>	
Business-type activities:					
Compensated absences payable	<u>\$ 875</u>	<u>\$ 1,250</u>	<u>\$ (875)</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>

Compensated absences will be paid from the fund from which the employee is paid, which, for the District, is primarily the general fund, food service fund, auxiliary services fund, Title VI-B fund, education stabilization fund, Title I fund and the special enterprise fund.

The early retirement incentive is described in Note 10.B.

E. 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 used 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, 2010, are a voted debt margin of \$32,715,858 (including available funds of \$1,149,822) and an unvoted debt margin of \$607,234.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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.

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 (ERI) 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.

The District has recorded a liability of \$224,000 related to employees who have accepted the ERI. Of this total, \$96,000 is due within one year and has been recorded as a liability on the governmental fund financial statements. The ERI will be paid from the fund from which the employee is paid, which, for the District, is the general fund.

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 2010, the District contracted with Ohio Casualty for property, automobile, liability and umbrella insurance.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 11 - RISK MANAGEMENT - (Continued)

	<u>Per Occurrence</u>	<u>Deductibles</u>	<u>Annual Aggregate</u>
Property:			
Building and contents - replacement cost	\$ -	\$ 5,000	\$ 129,965,180
Computers	-	500	2,197,995
Equipment	-	500	960,768
Automobile:			
Liability	-	-	1,000,000
Uninsured motorist	-	-	350,000
Medical payments	-	-	5,000
Liability:			
General	1,000,000	-	2,000,000
Fire damage	-	-	300,000
Employer's liability	1,000,000	-	2,000,000
Employee benefits	-	1,000	3,000,000
Sexual misconduct	-	-	1,000,000
Employment practices	-	2,500	1,000,000
Umbrella	1,000,000	-	1,000,000

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

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 90% for classified employees. Employees are responsible for the remaining 7% and 10% 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.

C. Workers' Compensation

Workers' compensation coverage is provided by the State of Ohio. The District pays the Bureau of Workers' Compensation a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor 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. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Employers/Audit Resources*.

Funding Policy - 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 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$727,107, \$511,792 and \$541,441, respectively; 51.67 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

B. State Teachers Retirement System of Ohio

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 12 - PENSION PLANS - (Continued)

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

Funding Policy - For fiscal year 2010, 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. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009 and 2008 were \$2,619,986, \$2,559,627 and \$2,620,012, respectively; 83.48 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$54,657 made by the District and \$39,041 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2010, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40 and SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Employers/Audit Resources*.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2010, 0.46 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the actuarially determined amount was \$35,800.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2010, 2009, and 2008 were \$142,587, \$331,384 and \$337,850, respectively; 51.67 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2010, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$43,240, \$42,227 and \$39,012, respectively; 51.67 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$201,537, \$196,894 and \$201,539, respectively; 83.48 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 revenues, 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); and,
- (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).

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	\$ 1,374,967
Net adjustment for revenue accruals	6,989
Net adjustment for expenditure accruals	496,737
Net adjustment for other sources/uses	(20,702)
Adjustment for encumbrances	<u>103,652</u>
GAAP basis	<u>\$ 1,961,643</u>

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 are 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 15 - CONTINGENCIES - (Continued)

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, 2010, the reserve activity was as follows:

	<u>Textbooks/ Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2009	\$ (2,352,145)	\$ -
Current year set-aside requirement	821,539	821,539
Qualifying disbursements	<u>(593,398)</u>	<u>(1,312,123)</u>
Total	<u>\$ (2,124,004)</u>	<u>\$ (490,584)</u>
Balance carried forward to fiscal year 2011	<u>\$ (2,124,004)</u>	<u>\$ -</u>

The District had qualifying disbursements during the year that reduced the set-aside amount below zero for the textbooks/instructional materials reserve. This extra amount may be used to reduce the textbooks/instructional materials set-aside requirements for future years. The negative textbook/instructional materials amount is therefore presented as being carried forward to next fiscal year.

Although the District had qualifying disbursements during the year that reduced the set-aside amount below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

Monies set aside by the Board of Education for payment of the District's retirement incentive (See Note 10.B.) are reported as a designation of fund balance in the general fund. The balance in the retirement incentive designation at June 30, 2010 was \$128,000.

In addition to the above statutory reserves, the District has \$73,043 restricted for school bus purchases.

A schedule of the governmental fund restricted assets at June 30, 2010 follows:

Amount restricted for school bus purchases	<u>\$ 73,043</u>
Total restricted assets	<u>\$ 73,043</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 17 - SUBSEQUENT EVENTS

On July 13, 2010, the District issued \$26,682,099 in bond anticipation notes. The notes bear an interest rate of 2.5% and mature on November 17, 2010. The notes are for the local share of the District's Ohio School Facilities Commission (OSFC) construction project. The OSFC's share of this project is \$23,661,484 for a total project budget of \$50,343,583.

On August 25, 2010, the District issued \$26,680,000 in general obligation bonds. These bonds consist of \$2,765,000 in federally tax exempt classroom facilities improvement bonds, \$12,655,000 in federally taxable Build America Bonds, and \$11,260,000 in federally taxable qualified school construction bonds. The bonds have interest rates ranging from 2.0% to 6.306%. The final statement maturity of this issue is November 1, 2047.

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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**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 Section 5705.09, 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.

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

Nonmajor Special Revenue Funds - (Continued)

OneNet Subsidy Current Budget Bill appropriation line item 200-426

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

Alternative School Grant Current Budget Bill appropriation line item 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 5705.09, 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.

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.

Education Stabilization Catalog of Federal Domestic Assistance #84.394

To support and restore State funding for elementary, secondary, post-secondary education and, as applicable, early childhood programs.

Title II-D Catalog of Federal Domestic Assistance #84.386

To improve State academic achievement through technology in schools; to assist students in becoming technologically literate by the end of the eighth grade, and; to encourage effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods.

Title I Catalog of Federal Domestic Assistance #84.010

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.

Title VI Catalog of Federal Domestic Assistance #84.298

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.

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

Nonmajor Special Revenue Funds - (Continued)

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

Section 5705.09, Revised Code

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.

Nonmajor 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 2010, the District had four capital projects funds. A description of the District's capital projects funds follows:

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.

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.

Capital Projects - H.B. 426

Section 5705.13, Revised Code

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,740,172	\$ 1,149,822	\$ 377,724	\$ 3,267,718
Receivables:				
Taxes	-	1,532,221	-	1,532,221
Accounts.	1,525	-	-	1,525
Intergovernmental	341,727	-	-	341,727
Materials and supplies inventory	25,848	-	-	25,848
Total assets.	\$ 2,109,272	\$ 2,682,043	\$ 377,724	\$ 5,169,039
Liabilities:				
Accounts payable.	\$ 6,875	\$ -	\$ -	\$ 6,875
Accrued wages and benefits	505,645	-	-	505,645
Pension obligation payable.	81,405	-	-	81,405
Intergovernmental payable.	101,309	-	-	101,309
Interfund loans payable.	24,824	-	-	24,824
Deposits payable.	-	-	260,000	260,000
Deferred revenue.	50,656	166,715	-	217,371
Unearned revenue.	435,971	1,365,506	-	1,801,477
Total liabilities.	1,206,685	1,532,221	260,000	2,998,906
Fund balances:				
Reserved for encumbrances	43,661	-	840	44,501
Reserved for materials and supplies inventory	25,848	-	-	25,848
Reserved for debt service.	-	1,149,822	-	1,149,822
Unreserved, undesignated, reported in:				
Special revenue funds	833,078	-	-	833,078
Capital projects.	-	-	116,884	116,884
Total fund balances.	902,587	1,149,822	117,724	2,170,133
Total liabilities and fund balances	\$ 2,109,272	\$ 2,682,043	\$ 377,724	\$ 5,169,039

**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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Taxes	\$ -	\$ 1,506,778	\$ -	\$ 1,506,778
Earnings on investments	9,696	-	-	9,696
Charges for services	851,382	-	-	851,382
Extracurricular	582,699	-	-	582,699
Classroom materials and fees	955	-	-	955
Other local revenue	125,111	-	-	125,111
Intergovernmental - Intermediate	23,255	-	-	23,255
Intergovernmental - State	256,087	354,368	-	610,455
Intergovernmental - Federal	5,176,241	-	-	5,176,241
Total revenues	7,025,426	1,861,146	-	8,886,572
Expenditures:				
Current:				
Instruction:				
Regular	131,321	-	-	131,321
Special	2,142,068	-	-	2,142,068
Other	58,040	-	-	58,040
Support services:				
Pupil	170,073	-	-	170,073
Instructional staff	749,442	-	-	749,442
Administration	1,745,355	-	-	1,745,355
Fiscal	16,086	28,516	-	44,602
Pupil transportation	11,161	-	-	11,161
Operation of non-instructional services:				
Food service operations	1,744,407	-	-	1,744,407
Other non-instructional services	332,526	-	-	332,526
Extracurricular activities	399,263	-	-	399,263
Facilities acquisition and construction	-	-	158,543	158,543
Debt service:				
Principal retirement	-	570,552	-	570,552
Interest and fiscal charges	-	1,117,785	-	1,117,785
Total expenditures	7,499,742	1,716,853	158,543	9,375,138
Excess (deficiency) of revenues over (under) expenditures	(474,316)	144,293	(158,543)	(488,566)
Other financing sources (uses):				
Transfers in	191,167	60,767	-	251,934
Transfers (out)	(35,264)	-	-	(35,264)
Total other financing sources (uses)	155,903	60,767	-	216,670
Net change in fund balances	(318,413)	205,060	(158,543)	(271,896)
Fund balances at beginning of year	1,223,542	944,762	276,267	2,444,571
Decrease in reserve for inventory	(2,542)	-	-	(2,542)
Fund balances at end of year	\$ 902,587	\$ 1,149,822	\$ 117,724	\$ 2,170,133

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	<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.	\$ 785,030	\$ 173,664	\$ 90,699	\$ 35,646
Receivables:				
Accounts.	-	570	-	440
Intergovernmental	151,027	-	-	-
Materials and supplies inventory	25,848	-	-	-
Total assets.	<u>\$ 961,905</u>	<u>\$ 174,234</u>	<u>\$ 90,699</u>	<u>\$ 36,086</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 460	\$ 150
Accrued wages and benefits	116,828	300	1,813	2,319
Pension obligation payable.	75,018	-	1,335	-
Intergovernmental payable	5,667	113	250	296
Interfund loans payable	-	-	-	-
Deferred revenue.	-	-	-	-
Unearned revenue.	-	-	-	-
Total liabilities.	<u>197,513</u>	<u>413</u>	<u>3,858</u>	<u>2,765</u>
Fund balances:				
Reserved for encumbrances.	-	8,758	158	-
Reserved for materials and supplies inventory	25,848	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	738,544	165,063	86,683	33,321
Total fund balances (deficits)	<u>764,392</u>	<u>173,821</u>	<u>86,841</u>	<u>33,321</u>
Total liabilities and fund balances.	<u>\$ 961,905</u>	<u>\$ 174,234</u>	<u>\$ 90,699</u>	<u>\$ 36,086</u>

<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Education Management Information Systems</u>	<u>Alternative School Grant</u>	<u>Title VI-B</u>	<u>Education Stabilization</u>
\$ 87,614	\$ 8,679	\$ -	\$ 3,109	\$ 220,806	\$ -
515	-	-	-	-	-
-	14,428	-	-	96,086	-
-	-	-	-	-	-
<u>\$ 88,129</u>	<u>\$ 23,107</u>	<u>\$ -</u>	<u>\$ 3,109</u>	<u>\$ 316,892</u>	<u>\$ -</u>
\$ -	\$ 5,129	\$ -	\$ -	\$ -	\$ -
88	508	1,853	3,113	210,910	51,178
-	-	259	-	4,793	-
256	333	538	276	79,457	6,848
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	260,263	-
<u>344</u>	<u>5,970</u>	<u>2,650</u>	<u>3,389</u>	<u>555,423</u>	<u>58,026</u>
677	596	-	3,109	974	-
-	-	-	-	-	-
<u>87,108</u>	<u>16,541</u>	<u>(2,650)</u>	<u>(3,389)</u>	<u>(239,505)</u>	<u>(58,026)</u>
<u>87,785</u>	<u>17,137</u>	<u>(2,650)</u>	<u>(280)</u>	<u>(238,531)</u>	<u>(58,026)</u>
<u>\$ 88,129</u>	<u>\$ 23,107</u>	<u>\$ -</u>	<u>\$ 3,109</u>	<u>\$ 316,892</u>	<u>\$ -</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2010

	<u>Title I</u>	<u>Drug-Free School Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 121,568	\$ 235	\$ 11,047	\$ 202,075
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	18,483	-	16,703	45,000
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 140,051</u>	<u>\$ 235</u>	<u>\$ 27,750</u>	<u>\$ 247,075</u>
Liabilities:				
Accounts payable.	\$ 1,051	\$ -	\$ -	\$ 85
Accrued wages and benefits	85,593	-	29,482	1,660
Pension obligation payable.	-	-	-	-
Intergovernmental payable	5,819	78	1,208	170
Interfund loans payable	-	-	-	24,824
Deferred revenue.	-	-	5,656	45,000
Unearned revenue.	175,708	-	-	-
Total liabilities.	<u>268,171</u>	<u>78</u>	<u>36,346</u>	<u>71,739</u>
Fund balances:				
Reserved for encumbrances.	844	235	27,750	560
Reserved for materials and supplies inventory . .	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	(128,964)	(78)	(36,346)	174,776
Total fund balances (deficits)	<u>(128,120)</u>	<u>157</u>	<u>(8,596)</u>	<u>175,336</u>
Total liabilities and fund balances.	<u>\$ 140,051</u>	<u>\$ 235</u>	<u>\$ 27,750</u>	<u>\$ 247,075</u>

**Total
Nonmajor
Special Revenue
Funds**

\$ 1,740,172

1,525
341,727
25,848

\$ 2,109,272

\$ 6,875
505,645
81,405
101,309
24,824
50,656
435,971

1,206,685

43,661
25,848

833,078

902,587

\$ 2,109,272

**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, 2010

	<u>Food Service</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Miscellaneous Grants</u>
Revenues:				
From local sources:				
Earnings on investments	\$ 6,670	\$ 2,345	\$ -	\$ -
Charges for services	851,382	-	-	-
Extracurricular	-	281,223	-	-
Classroom materials and fees	-	-	-	-
Other local revenues	44,000	14,857	8,056	29,057
Intergovernmental - Intermediate	-	-	23,255	-
Intergovernmental - State	21,746	-	-	-
Intergovernmental - Federal	1,090,479	-	-	-
Total revenues	<u>2,014,277</u>	<u>298,425</u>	<u>31,311</u>	<u>29,057</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	21,053	13,785
Special	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	86,028	5,224
Instructional staff	-	-	-	43,059
Administration	-	344,972	-	-
Fiscal	-	-	-	-
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Food service operations	1,744,407	-	-	-
Other non-instructional services	-	-	-	-
Extracurricular activities	-	-	-	-
Total expenditures	<u>1,744,407</u>	<u>344,972</u>	<u>107,081</u>	<u>62,068</u>
Excess (deficiency) of revenues over (under) expenditures	<u>269,870</u>	<u>(46,547)</u>	<u>(75,770)</u>	<u>(33,011)</u>
Other financing sources (uses):				
Transfers in	-	-	35,264	4,352
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>35,264</u>	<u>4,352</u>
Net change in fund balances	269,870	(46,547)	(40,506)	(28,659)
Fund balances (deficits)				
at beginning of year	497,064	220,368	127,347	61,980
Decrease in reserve for inventory	(2,542)	-	-	-
Fund balances (deficits) at end of year . . .	<u>\$ 764,392</u>	<u>\$ 173,821</u>	<u>\$ 86,841</u>	<u>\$ 33,321</u>

<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Education Management Information Systems</u>	<u>Entry Year Grant</u>	<u>OneNet Subsidy</u>	<u>Alternative School Grant</u>
\$ 382	\$ 299	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
301,476	-	-	-	-	-
955	-	-	-	-	-
28,460	-	-	35	-	-
-	-	-	-	-	-
-	165,963	9,332	-	18,291	40,755
-	-	-	-	-	-
<u>331,273</u>	<u>166,262</u>	<u>9,332</u>	<u>35</u>	<u>18,291</u>	<u>40,755</u>
184	-	-	-	-	29,450
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,613
807	-	-	-	18,291	-
-	-	83,123	-	-	10,242
-	-	-	-	-	-
-	-	-	-	-	-
-	254,090	-	-	-	-
-	-	-	-	-	-
<u>399,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>400,254</u>	<u>254,090</u>	<u>83,123</u>	<u>-</u>	<u>18,291</u>	<u>42,305</u>
<u>(68,981)</u>	<u>(87,828)</u>	<u>(73,791)</u>	<u>35</u>	<u>-</u>	<u>(1,550)</u>
80,000	-	71,551	-	-	-
-	-	-	-	-	-
<u>80,000</u>	<u>-</u>	<u>71,551</u>	<u>-</u>	<u>-</u>	<u>-</u>
11,019	(87,828)	(2,240)	35	-	(1,550)
76,766	104,965	(410)	(35)	-	1,270
-	-	-	-	-	-
<u>\$ 87,785</u>	<u>\$ 17,137</u>	<u>\$ (2,650)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (280)</u>

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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, 2010

	<u>Poverty Aid</u>	<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>	<u>Education Stabilization</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees	-	-	-	-
Other local revenues	646	-	-	-
Intergovernmental - Intermediate	-	-	-	-
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	-	-	1,601,084	1,190,701
Total revenues	<u>646</u>	<u>-</u>	<u>1,601,084</u>	<u>1,190,701</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	1,292,079	-
Other	-	-	-	58,040
Support services:				
Pupil	-	1,083	-	-
Instructional staff	-	-	458,415	-
Administration	-	-	94,667	1,175,913
Fiscal	-	-	-	14,774
Pupil transportation	-	-	9,234	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	-	-	43,034	-
Extracurricular activities	-	-	-	-
Total expenditures	<u>-</u>	<u>1,083</u>	<u>1,897,429</u>	<u>1,248,727</u>
Excess (deficiency) of revenues over (under) expenditures	<u>646</u>	<u>(1,083)</u>	<u>(296,345)</u>	<u>(58,026)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	646	(1,083)	(296,345)	(58,026)
Fund balances (deficits)				
at beginning of year	(646)	1,083	57,814	-
Increase in reserve for inventory	-	-	-	-
Fund balances (deficits) at end of year . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (238,531)</u>	<u>\$ (58,026)</u>

<u>Title II-D</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug-Free School Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,760	862,779	-	13,866	187,856	223,716
<u>5,760</u>	<u>862,779</u>	<u>-</u>	<u>13,866</u>	<u>187,856</u>	<u>223,716</u>
5,532	-	2,500	6,684	35,184	16,949
-	849,989	-	-	-	-
-	-	-	-	-	-
-	10,380	-	-	-	64,745
-	61,539	1,180	6,164	159,866	121
-	3,600	-	-	-	32,838
-	1,312	-	-	-	-
-	-	-	-	-	1,927
-	-	-	-	-	-
228	30,726	268	1,275	1,171	1,734
-	-	-	-	-	-
<u>5,760</u>	<u>957,546</u>	<u>3,948</u>	<u>14,123</u>	<u>196,221</u>	<u>118,314</u>
-	(94,767)	(3,948)	(257)	(8,365)	105,402
-	-	-	-	-	-
-	-	-	-	-	(35,264)
-	-	-	-	-	(35,264)
-	(94,767)	(3,948)	(257)	(8,365)	70,138
-	(33,353)	3,948	414	(231)	105,198
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ (128,120)</u>	<u>\$ -</u>	<u>\$ 157</u>	<u>\$ (8,596)</u>	<u>\$ 175,336</u>

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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, 2010

	Total Nonmajor Special Revenue Funds
Revenues:	
From local sources:	
Earnings on investments	\$ 9,696
Charges for services	851,382
Extracurricular	582,699
Classroom materials and fees	955
Other local revenues	125,111
Intergovernmental - Intermediate	23,255
Intergovernmental - State	256,087
Intergovernmental - Federal	5,176,241
	7,025,426
Total revenues	7,025,426
Expenditures:	
Current:	
Instruction:	
Regular	131,321
Special	2,142,068
Other	58,040
Support services:	
Pupil	170,073
Instructional staff	749,442
Administration	1,745,355
Fiscal	16,086
Pupil transportation	11,161
Operation of non-instructional services:	
Food service operations	1,744,407
Other non-instructional services	332,526
Extracurricular activities	399,263
	7,499,742
Total expenditures	7,499,742
Excess (deficiency) of revenues over (under) expenditures	(474,316)
Other financing sources (uses):	
Transfers in	191,167
Transfers (out)	(35,264)
	155,903
Total other financing sources (uses)	155,903
Net change in fund balances	(318,413)
Fund balances (deficits)	
at beginning of year	1,223,542
Increase in reserve for inventory	(2,542)
	902,587
Fund balances (deficits) at end of year	\$ 902,587

**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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Food Service				
Total revenues and other sources	\$ 1,749,873	\$ 1,809,618	\$ 1,812,741	\$ 3,123
Total expenditures and other uses	<u>1,648,086</u>	<u>1,625,003</u>	<u>1,644,522</u>	<u>(19,519)</u>
Net change in fund balance	101,787	184,615	168,219	(16,396)
Fund balance at beginning of year.	<u>616,811</u>	<u>616,811</u>	<u>616,811</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 718,598</u></u>	<u><u>\$ 801,426</u></u>	<u><u>\$ 785,030</u></u>	<u><u>\$ (16,396)</u></u>
Public School Support				
Total revenues and other sources	\$ 252,000	\$ 296,186	\$ 297,885	\$ 1,699
Total expenditures and other uses	<u>274,669</u>	<u>265,553</u>	<u>353,414</u>	<u>(87,861)</u>
Net change in fund balance	(22,669)	30,633	(55,529)	(86,162)
Fund balance at beginning of year.	212,853	212,853	212,853	-
Prior year encumbrances appropriated.	<u>7,582</u>	<u>7,582</u>	<u>7,582</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 197,766</u></u>	<u><u>\$ 251,068</u></u>	<u><u>\$ 164,906</u></u>	<u><u>\$ (86,162)</u></u>
Other Grants				
Total revenues and other sources	\$ 11,000	\$ 65,569	\$ 65,575	\$ 6
Total expenditures and other uses	<u>83,278</u>	<u>118,078</u>	<u>107,999</u>	<u>10,079</u>
Net change in fund balance	(72,278)	(52,509)	(42,424)	10,085
Fund balance at beginning of year.	132,354	132,354	132,354	-
Prior year encumbrances appropriated.	<u>611</u>	<u>611</u>	<u>611</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 60,687</u></u>	<u><u>\$ 80,456</u></u>	<u><u>\$ 90,541</u></u>	<u><u>\$ 10,085</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, 2010

	<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	\$ 28,000	\$ 31,862	\$ 33,570	\$ 1,708
Total expenditures and other uses	<u>47,963</u>	<u>48,020</u>	<u>67,850</u>	<u>(19,830)</u>
Net change in fund balance	(19,963)	(16,158)	(34,280)	(18,122)
Fund balance at beginning of year.	46,995	46,995	46,995	-
Prior year encumbrances appropriated.	<u>22,781</u>	<u>22,781</u>	<u>22,781</u>	<u>-</u>
Fund balance at end of year	<u>\$ 49,813</u>	<u>\$ 53,618</u>	<u>\$ 35,496</u>	<u>\$ (18,122)</u>
District Managed Student Activity				
Total revenues and other sources	\$ 390,934	\$ 408,895	\$ 410,932	\$ 2,037
Total expenditures and other uses	<u>384,625</u>	<u>402,907</u>	<u>400,827</u>	<u>2,080</u>
Net change in fund balance	6,309	5,988	10,105	4,117
Fund balance at beginning of year.	74,936	74,936	74,936	-
Prior year encumbrances appropriated.	<u>1,896</u>	<u>1,896</u>	<u>1,896</u>	<u>-</u>
Fund balance at end of year	<u>\$ 83,141</u>	<u>\$ 82,820</u>	<u>\$ 86,937</u>	<u>\$ 4,117</u>
Auxiliary Services				
Total revenues and other sources	\$ 153,557	\$ 153,557	\$ 151,834	\$ (1,723)
Total expenditures and other uses	<u>260,473</u>	<u>250,816</u>	<u>250,844</u>	<u>(28)</u>
Net change in fund balance	(106,916)	(97,259)	(99,010)	(1,751)
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>106,916</u>	<u>106,916</u>	<u>106,916</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 9,657</u>	<u>\$ 7,906</u>	<u>\$ (1,751)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Education Management Information Systems				
Total revenues and other sources	\$ -	\$ 80,883	\$ 80,883	\$ -
Total expenditures and other uses	<u>-</u>	<u>80,883</u>	<u>80,883</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
OneNet Subsidy				
Total revenues and other sources	\$ -	\$ 18,291	\$ 18,291	\$ -
Total expenditures and other uses	<u>-</u>	<u>18,291</u>	<u>18,291</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Alternative School Grant				
Total revenues and other sources	\$ 40,531	\$ 40,755	\$ 40,755	\$ -
Total expenditures and other uses	<u>40,531</u>	<u>42,618</u>	<u>42,618</u>	<u>-</u>
Net change in fund balance	-	(1,863)	(1,863)	-
Fund balance at beginning of year.	<u>1,863</u>	<u>1,863</u>	<u>1,863</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,863</u></u>	<u><u>\$ -</u></u>	<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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Poverty Aid				
Total revenues and other sources	\$ 11,482	\$ 11,482	\$ -	\$ (11,482)
Net change in fund balance	11,482	11,482	-	(11,482)
Fund balance at beginning of year.	-	-	-	-
Fund balance at end of year	<u>\$ 11,482</u>	<u>\$ 11,482</u>	<u>\$ -</u>	<u>\$ (11,482)</u>
Miscellaneous State Grants				
Total expenditures and other uses	\$ 1,114	\$ 1,114	\$ 1,114	\$ -
Net change in fund balance	(1,114)	(1,114)	(1,114)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	1,114	1,114	1,114	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Title VI-B				
Total revenues and other sources	\$ 2,134,874	\$ 2,134,874	\$ 1,765,261	\$ (369,613)
Total expenditures and other uses	<u>2,295,019</u>	<u>2,299,855</u>	<u>1,774,740</u>	<u>525,115</u>
Net change in fund balance	(160,145)	(164,981)	(9,479)	155,502
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>160,145</u>	<u>160,145</u>	<u>160,145</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (4,836)</u>	<u>\$ 150,666</u>	<u>\$ 155,502</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Education Stabilization				
Total revenues and other sources	\$ 1,199,870	\$ 1,190,701	\$ 1,190,701	\$ -
Total expenditures and other uses	<u>553,786</u>	<u>1,190,701</u>	<u>1,190,701</u>	<u>-</u>
Net change in fund balance	646,084	-	-	-
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 646,084</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Title II-D Technology				
Total revenues and other sources	\$ -	\$ 5,786	\$ 5,760	\$ (26)
Total expenditures and other uses	<u>-</u>	<u>5,760</u>	<u>5,760</u>	<u>-</u>
Net change in fund balance	-	26	-	(26)
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 26</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (26)</u></u>
Title I				
Total revenues and other sources	\$ 1,037,979	\$ 1,037,921	\$ 1,020,004	\$ (17,917)
Total expenditures and other uses	<u>1,090,602</u>	<u>1,045,841</u>	<u>952,954</u>	<u>92,887</u>
Net change in fund balance	(52,623)	(7,920)	67,050	74,970
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>52,623</u>	<u>52,623</u>	<u>52,623</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 44,703</u></u>	<u><u>\$ 119,673</u></u>	<u><u>\$ 74,970</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Title VI				
Total expenditures and other uses	\$ 3,948	\$ 3,948	\$ 3,948	\$ -
Net change in fund balance	(3,948)	(3,948)	(3,948)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	3,948	3,948	3,948	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Drug-Free School Grant				
Total revenues and other sources	\$ 13,866	\$ 13,866	\$ 13,866	\$ -
Total expenditures and other uses	14,372	14,372	14,372	-
Net change in fund balance	(506)	(506)	(506)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	506	506	506	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Improving Teacher Quality				
Total revenues and other sources	\$ 194,178	\$ 193,739	\$ 176,809	\$ (16,930)
Total expenditures and other uses	194,633	193,967	193,967	-
Net change in fund balance	(455)	(228)	(17,158)	(16,930)
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	455	455	455	-
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ 227</u>	<u>\$ (16,703)</u>	<u>\$ (16,930)</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, 2010

	<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	\$ 35,786	\$ 269,900	\$ 227,215	\$ (42,685)
Total expenditures and other uses	<u>74,462</u>	<u>197,304</u>	<u>166,788</u>	<u>30,516</u>
Net change in fund balance	(38,676)	72,596	60,427	(12,169)
Fund balance at beginning of year.	105,833	105,833	105,833	-
Prior year encumbrances appropriated.	<u>35,255</u>	<u>35,255</u>	<u>35,255</u>	<u>-</u>
Fund balance at end of year	<u>\$ 102,412</u>	<u>\$ 213,684</u>	<u>\$ 201,515</u>	<u>\$ (12,169)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Bond Retirement				
Total revenues and other sources	\$ 1,814,378	\$ 1,921,633	\$ 1,921,914	\$ 281
Total expenditures and other uses	<u>1,690,127</u>	<u>1,690,127</u>	<u>1,716,854</u>	<u>(26,727)</u>
Net change in fund balance	124,251	231,506	205,060	(26,446)
Fund balance at beginning of year.	<u>944,762</u>	<u>944,762</u>	<u>944,762</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,069,013</u></u>	<u><u>\$ 1,176,268</u></u>	<u><u>\$ 1,149,822</u></u>	<u><u>\$ (26,446)</u></u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Capital Projects- H.B. 426</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 260,000	\$ 5,345	\$ 112,379	\$ 377,724
Total assets	<u>\$ 260,000</u>	<u>\$ 5,345</u>	<u>\$ 112,379</u>	<u>\$ 377,724</u>
Liabilities:				
Deposits payable	\$ 260,000	\$ -	\$ -	\$ 260,000
Total liabilities	<u>260,000</u>	<u>-</u>	<u>-</u>	<u>260,000</u>
Fund balances:				
Reserved for encumbrances	-	840	-	840
Unreserved, undesignated, reported in:				
Capital projects	-	4,505	112,379	116,884
Total fund balances	<u>-</u>	<u>5,345</u>	<u>112,379</u>	<u>117,724</u>
Total liabilities and fund balances	<u>\$ 260,000</u>	<u>\$ 5,345</u>	<u>\$ 112,379</u>	<u>\$ 377,724</u>

**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, 2010

	Building	Capital Projects- H.B. 426	Total Nonmajor Capital Projects Funds
Expenditures:			
Facilities acquisition and construction.	\$ 234	\$ 158,309	\$ 158,543
Total expenditures	234	158,309	158,543
Net change in fund balances	(234)	(158,309)	(158,543)
Fund balances			
at beginning of year.	5,579	270,688	276,267
Fund balances at end of year	\$ 5,345	\$ 112,379	\$ 117,724

**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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Total expenditures and other uses	\$ 260,000	\$ 260,000	\$ -	\$ 260,000
Net change in fund balance	(260,000)	(260,000)	-	260,000
Fund balance at beginning of year.	260,000	260,000	260,000	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,000</u>	<u>\$ 260,000</u>
Building				
Total expenditures and other uses	\$ 5,579	\$ 1,134	\$ 1,074	\$ 60
Net change in fund balance	(5,579)	(1,134)	(1,074)	60
Fund balance at beginning of year.	4,461	4,461	4,461	-
Prior year encumbrances appropriated.	1,118	1,118	1,118	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 4,445</u>	<u>\$ 4,505</u>	<u>\$ 60</u>
Capital Projects H.B. 426				
Total expenditures and other uses	\$ 289,424	\$ 177,045	\$ 177,045	\$ -
Net change in fund balance	(289,424)	(177,045)	(177,045)	-
Fund balance at beginning of year.	145,373	145,373	145,373	-
Prior year encumbrances appropriated.	144,051	144,051	144,051	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 112,379</u>	<u>\$ 112,379</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Special Enterprise				
Total revenues	\$ 67,560	\$ 70,546	\$ 69,111	\$ (1,435)
Total expenses	<u>80,675</u>	<u>80,300</u>	<u>88,669</u>	<u>(8,369)</u>
Net change in fund balance	(13,115)	(9,754)	(19,558)	(9,804)
Fund balance at beginning of year.	69,431	69,431	69,431	-
Prior year encumbrances appropriated.	<u>247</u>	<u>247</u>	<u>247</u>	<u>-</u>
Fund balance at end of year	<u>\$ 56,563</u>	<u>\$ 59,924</u>	<u>\$ 50,120</u>	<u>\$ (9,804)</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 Fund

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 CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Student Managed Activity	Beginning Balance July 1, 2009	Additions	Deletions	Ending Balance June 30, 2010
Assets:				
Equity in pooled cash and cash equivalents	\$ 41,891	\$ 137,012	\$ 137,311	\$ 41,592
Receivables				
Accounts	66	-	66	-
Total assets	<u>\$ 41,957</u>	<u>\$ 137,012</u>	<u>\$ 137,377</u>	<u>\$ 41,592</u>
Liabilities:				
Accounts payable	\$ -	\$ 1,080	\$ -	\$ 1,080
Due to students	41,957	135,932	137,377	40,512
Total liabilities.	<u>\$ 41,957</u>	<u>\$ 137,012</u>	<u>\$ 137,377</u>	<u>\$ 41,592</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Scholarship Trust				
Total revenues	\$ 9,426	\$ 13,103	\$ 13,052	\$ (51)
Total expenses	<u>14,350</u>	<u>13,350</u>	<u>18,998</u>	<u>(5,648)</u>
Net change in fund balance	(4,924)	(247)	(5,946)	(5,699)
Fund balance at beginning of year.	59,246	59,246	59,246	-
Prior year encumbrances appropriated.	<u>6,500</u>	<u>6,500</u>	<u>6,500</u>	<u>-</u>
Fund balance at end of year	<u>\$ 60,822</u>	<u>\$ 65,499</u>	<u>\$ 59,800</u>	<u>\$ (5,699)</u>

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.	118-123
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.	124-127
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.	128-129
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.	130-139

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 EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities:				
Invested in capital assets, net of related debt	\$ 10,941,252	\$ 11,806,994	\$ 11,282,275	\$ 8,932,483
Restricted	2,710,737	2,557,821	3,813,377	5,207,218
Unrestricted (deficit)	(1,162,831)	(2,970,216)	(2,054,471)	(921,311)
Total governmental activities net assets	<u>12,489,158</u>	<u>11,394,599</u>	<u>13,041,181</u>	<u>13,218,390</u>
Business-type activities:				
Invested in capital assets, net of related debt	23,388	29,338	35,288	41,238
Unrestricted	43,559	67,232	44,718	45,743
Total governmental activities net assets	<u>66,947</u>	<u>96,570</u>	<u>80,006</u>	<u>86,981</u>
Primary government:				
Invested in capital assets, net of related debt	10,964,640	11,836,332	11,317,563	8,973,721
Restricted	2,710,737	2,557,821	3,813,377	5,207,218
Unrestricted (deficit)	(1,119,272)	(2,902,984)	(2,009,753)	(875,568)
Total net assets - primary government	<u>\$ 12,556,105</u>	<u>\$ 11,491,169</u>	<u>\$ 13,121,187</u>	<u>\$ 13,305,371</u>

Source: District financial records.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 5,585,792	\$ 5,710,633	\$ 6,086,260	\$ 6,071,299
3,190,536	2,290,794	1,650,834	1,414,949
(2,444,751)	(3,368,533)	(4,331,546)	(2,143,202)
<u>6,331,577</u>	<u>4,632,894</u>	<u>3,405,548</u>	<u>5,343,046</u>
45,878	21,436	14,163	16,342
73,944	96,700	90,601	95,671
<u>119,822</u>	<u>118,136</u>	<u>104,764</u>	<u>112,013</u>
5,631,670	5,732,069	6,100,423	6,087,641
3,190,536	2,290,794	1,650,834	1,414,949
(2,370,807)	(3,271,833)	(4,240,945)	(2,047,531)
<u>\$ 6,451,399</u>	<u>\$ 4,751,030</u>	<u>\$ 3,510,312</u>	<u>\$ 5,455,059</u>

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

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

Expenses	2010	2009	2008	2007
Governmental activities:				
Instruction:				
Regular	\$ 19,689,324	\$ 19,736,189	\$ 19,882,816	\$ 19,786,687
Special	5,945,781	5,370,879	5,098,781	5,086,712
Vocational	255,143	246,183	276,817	297,227
Adult/continuing	-	-	-	-
Other	1,851,855	1,589,751	1,504,870	1,772,787
Support services:				
Pupil	2,767,898	2,777,257	2,689,774	2,727,291
Instructional staff	1,963,838	1,531,181	1,729,794	1,366,564
Board of education	51,886	46,498	58,681	65,160
Administration	3,703,502	3,642,006	3,822,071	3,417,313
Fiscal	837,264	891,394	876,977	856,985
Business	3,772	6,214	56,189	54,720
Operations and maintenance	4,130,588	4,246,874	4,201,380	4,231,309
Pupil transportation	2,543,253	2,413,659	2,681,786	2,277,807
Central	337	557	47,782	-
Operation of non-instructional services:				
Food service operations	1,851,766	1,894,552	1,848,182	1,464,605
Other non-instructional services	337,536	216,103	400,251	386,883
Extracurricular activities	1,096,890	1,063,997	1,041,810	1,045,737
Interest and fiscal charges	1,218,649	1,245,703	1,234,668	1,246,393
Total governmental activities expenses	<u>48,249,282</u>	<u>46,918,997</u>	<u>47,452,629</u>	<u>46,084,180</u>
Business-type activities:				
Adult education	-	-	-	-
Special enterprise	98,683	55,044	67,122	82,973
Total business-type activities expenses	<u>98,683</u>	<u>55,044</u>	<u>67,122</u>	<u>82,973</u>
Total primary government expenses	<u>48,347,965</u>	<u>46,974,041</u>	<u>47,519,751</u>	<u>46,167,153</u>

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	20,211,422	\$ 20,398,344	\$ 20,229,285	\$ 20,013,091
	4,677,768	4,628,169	4,280,083	3,427,735
	231,132	294,317	273,806	274,729
	31,691	-	-	-
	1,220,107	939,960	772,412	30,668
	2,541,249	2,551,070	2,597,157	2,507,098
	1,123,499	1,256,735	1,231,504	1,212,462
	52,807	55,047	49,234	30,302
	3,492,015	3,254,773	3,171,693	3,086,963
	846,012	876,394	867,719	829,807
	4,519	2,856	5,350	5,375
	4,044,331	3,845,458	3,758,630	4,354,610
	2,319,760	2,429,465	2,368,397	2,118,437
	2,282	1,599	1,335	231,582
	1,727,412	1,452,914	1,678,327	1,609,800
	300,405	326,313	299,133	299,304
	996,301	1,013,794	1,013,635	1,027,243
	1,258,858	1,285,299	370,444	11,640
	<u>45,081,570</u>	<u>44,612,507</u>	<u>42,968,144</u>	<u>41,070,846</u>
	-	11,463	13,543	9,589
	<u>51,381</u>	<u>39,904</u>	<u>50,231</u>	<u>40,677</u>
	<u>51,381</u>	<u>51,367</u>	<u>63,774</u>	<u>50,266</u>
	<u>45,132,951</u>	<u>44,663,874</u>	<u>43,031,918</u>	<u>41,121,112</u>

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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Program revenues				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 1,279,150	\$ 159,310	\$ 123,064	\$ 139,332
Special	25,908	34,454	16,122	-
Vocational	-	24,322	22,030	24,504
Support services:				
Pupil	7,956	9,816	7,748	7,814
Instructional staff	23,668	21,135	17,587	6,879
Administration	295,431	279,776	257,842	276,649
Fiscal	-	-	-	-
Operations and maintenance	28,586	26,827	34,563	17,928
Pupil transportation	4,483	-	-	-
Operation of non-instructional services:				
Food service operations	851,382	902,214	988,824	964,502
Other non-instructional services	1,035	530	614	933
Extracurricular activities	306,552	329,550	331,723	368,827
Operating grants and contributions:				
Instruction:				
Regular	133,344	379,489	465,826	525,126
Special	1,813,715	2,834,232	2,680,428	2,911,901
Vocational	68,799	68,664	68,065	50,065
Adult/continuing	-	-	-	-
Other	58,040	-	80,364	161,527
Support services:				
Pupil	147,497	100,687	354,554	360,394
Instructional staff	614,738	363,313	473,835	214,488
Administration	1,299,518	152,470	162,611	189,092
Fiscal	15,926	-	-	-
Operations and maintenance	-	63,698	29,050	-
Pupil transportation	97,938	133,787	175,092	141,853
Operation of non-instructional services:				
Food service operations	1,162,895	936,765	812,129	697,680
Other non-instructional services	234,751	245,050	284,842	306,630
Extracurricular activities	873	823	1,711	12,510
Capital grants and contributions:				
Instruction:				
Regular	-	-	58,108	32,800
Support services:				
Pupil transportation	-	71,261	35,490	113,950
Extracurricular activities	-	36,353	-	-
Total governmental program revenues	<u>8,472,185</u>	<u>7,174,526</u>	<u>7,482,222</u>	<u>7,525,384</u>
Business-type activities:				
Charges for services:				
Adult education	-	-	-	-
Special enterprise	67,514	71,608	60,032	63,674
Operating grants and contributions:				
Special enterprise	1,546	-	-	-
Total business-type activities program revenues	<u>69,060</u>	<u>71,608</u>	<u>60,032</u>	<u>63,674</u>
Total primary government program revenues	<u>8,541,245</u>	<u>7,246,134</u>	<u>7,542,254</u>	<u>7,589,058</u>

2006	2005	2004	2003
\$ 97,459	\$ 95,995	\$ 129,647	\$ 144,423
-	-	-	-
-	-	-	-
5,903	-	14,331	10,685
-	53	17,163	25,345
268,504	-	232,733	-
3,333	263,988	1,800	-
-	-	-	-
-	-	523	-
963,959	973,855	918,988	911,225
11,326	10,732	11,981	-
351,400	386,473	433,225	663,527
522,623	630,071	542,902	451,325
1,470,398	1,375,614	1,118,151	780,766
-	-	2,343	-
31,367	-	-	-
-	30,616	30,169	-
100,508	86,954	82,218	21,955
211,625	215,307	177,031	146,660
202,945	205,357	137,220	237,619
-	-	-	-
-	1,084	739	2,000
29,435	6,648	997	118
762,747	698,152	661,440	610,627
326,661	352,749	317,357	299,050
2,575	-	-	-
-	40,004	-	-
-	-	-	-
-	-	-	-
<u>5,362,768</u>	<u>5,373,652</u>	<u>4,830,958</u>	<u>4,305,325</u>
-	10,271	13,679	9,525
53,067	54,468	42,846	36,636
-	-	-	-
<u>53,067</u>	<u>64,739</u>	<u>56,525</u>	<u>46,161</u>
<u>5,415,835</u>	<u>5,438,391</u>	<u>4,887,483</u>	<u>4,351,486</u>

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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net (expense)/revenue				
Governmental activities	\$ (39,777,097)	\$ (39,744,471)	\$ (39,970,407)	\$ (38,558,796)
Business-type activities	(29,623)	16,564	(7,090)	(19,299)
Total primary government net expense	<u>(39,806,720)</u>	<u>(39,727,907)</u>	<u>(39,977,497)</u>	<u>(38,578,095)</u>
General revenues and other changes in net assets				
Governmental activities:				
Property taxes levied for:				
General purposes	15,932,210	16,417,867	17,600,028	18,967,834
Debt service	1,528,636	1,499,746	1,561,582	1,648,406
Grants and entitlements not restricted to specific programs	23,272,435	19,949,270	20,318,179	19,750,702
Investment earnings	89,584	182,106	224,685	751,807
Decrease in fair market value of investments	-	-	-	-
Miscellaneous	48,791	48,900	88,724	52,001
Special item	-	-	-	1,267,612
Total governmental activities	<u>40,871,656</u>	<u>38,097,889</u>	<u>39,793,198</u>	<u>42,438,362</u>
Business-type activities:				
Investment earnings	-	-	115	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>115</u>	<u>-</u>
Change in net assets				
Governmental activities	1,094,559	(1,646,582)	(177,209)	3,879,566
Business-type activities	(29,623)	16,564	(6,975)	(19,299)
Total primary government	<u>\$ 1,064,936</u>	<u>\$ (1,630,018)</u>	<u>\$ (184,184)</u>	<u>\$ 3,860,267</u>

Source: District financial records.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ (39,718,802)	\$ (39,238,855)	\$ (38,137,186)	\$ (36,765,521)
1,686	13,372	(7,249)	(4,105)
<u>(39,717,116)</u>	<u>(39,225,483)</u>	<u>(38,144,435)</u>	<u>(36,769,626)</u>
17,364,641	17,557,079	16,022,646	15,912,856
1,578,146	1,490,170	890,725	285,421
21,309,943	20,259,894	18,994,521	17,703,889
928,050	718,729	291,886	80,384
-	-	(282,291)	-
236,705	440,329	282,201	657,313
-	-	-	-
<u>41,417,485</u>	<u>40,466,201</u>	<u>36,199,688</u>	<u>34,639,863</u>
-	-	-	-
-	-	-	-
1,698,683	1,227,346	(1,937,498)	(2,125,658)
1,686	13,372	(7,249)	(4,105)
<u>\$ 1,700,369</u>	<u>\$ 1,240,718</u>	<u>\$ (1,944,747)</u>	<u>\$ (2,129,763)</u>

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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General fund:				
Reserved	\$ 186,592	\$ 397,580	\$ 768,693	\$ 340,417
Designated	128,000	224,000	-	-
Unreserved, undesignated (deficit)	<u>87,846</u>	<u>(2,180,785)</u>	<u>(2,071,058)</u>	<u>(57,517)</u>
Total general fund	<u>\$ 402,438</u>	<u>\$ (1,559,205)</u>	<u>\$ (1,302,365)</u>	<u>\$ 282,900</u>
All other governmental funds:				
Reserved	\$ 1,220,171	\$ 1,492,412	\$ 1,595,886	\$ 3,891,211
Unreserved, undesignated, reported in:				
Special revenue funds	833,078	802,325	821,460	454,752
Debt service funds	-	-	-	-
Capital projects funds	<u>116,884</u>	<u>149,834</u>	<u>1,905,931</u>	<u>1,172,347</u>
Total all other governmental funds	<u>\$ 2,170,133</u>	<u>\$ 2,444,571</u>	<u>\$ 4,323,277</u>	<u>\$ 5,518,310</u>

Source: District financial records.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 331,372	\$ 291,366	\$ 431,086	\$ 149,164	\$ 299,185	\$ 396,999
-	-	-	-	-	761,865
<u>(2,307,860)</u>	<u>(4,016,826)</u>	<u>(3,832,366)</u>	<u>(2,885,685)</u>	<u>(493,541)</u>	<u>(671,105)</u>
<u>\$ (1,976,488)</u>	<u>\$ (3,725,460)</u>	<u>\$ (3,401,280)</u>	<u>\$ (2,736,521)</u>	<u>\$ (194,356)</u>	<u>\$ 487,759</u>
\$ 8,304,427	\$ 2,223,173	\$ 2,577,473	\$ 339,036	\$ 86,467	\$ 782,614
534,602	412,172	347,325	312,257	337,937	388,700
-	-	26,835,632	220,000	-	-
<u>5,670,148</u>	<u>23,204,489</u>	<u>23,945,041</u>	<u>761,866</u>	<u>832,208</u>	<u>104,992</u>
<u>\$ 14,509,177</u>	<u>\$ 25,839,834</u>	<u>\$ 53,705,471</u>	<u>\$ 1,633,159</u>	<u>\$ 1,256,612</u>	<u>\$ 1,276,306</u>

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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues					
From local sources:					
Taxes	\$ 17,208,374	\$ 17,941,733	\$ 19,201,073	\$ 19,853,553	\$ 19,851,045
Tuition	1,181,377	85,745	87,513	94,391	9,027
Charges for services	852,417	902,744	967,438	943,435	963,959
Earnings on investments	99,280	198,218	302,440	798,469	979,907
Decrease in fair market value of investments	-	-	-	-	-
Extracurricular	587,519	593,200	582,953	639,472	616,047
Classroom materials and fees	122,782	131,949	69,017	66,709	68,085
Other local revenues	170,847	171,582	262,352	126,158	286,504
Intergovernmental - Intermediate	23,255	49,350	209,947	233,770	9,315
Intergovernmental - State	23,683,691	22,413,011	22,453,385	22,138,528	21,934,592
Intergovernmental - Federal	5,176,241	2,913,014	3,134,312	2,898,614	3,137,053
Total revenues	<u>49,105,783</u>	<u>45,400,546</u>	<u>47,270,430</u>	<u>47,793,099</u>	<u>47,855,534</u>
Expenditures					
Current:					
Instruction:					
Regular	18,935,450	19,009,083	19,268,437	19,605,253	19,854,668
Special	5,855,395	5,244,421	5,031,897	5,007,673	4,698,465
Vocational	251,216	243,095	271,692	278,107	254,223
Adult/continuing	-	-	-	-	31,691
Other	1,851,855	1,589,751	1,504,870	1,772,787	1,220,107
Support services:					
Pupil	2,796,078	2,755,992	2,698,174	2,699,948	2,567,320
Instructional staff	1,797,980	1,385,185	1,651,888	1,353,971	1,108,648
Board of education	51,886	46,498	58,681	65,160	52,807
Administration	3,680,843	3,546,945	3,790,223	3,446,104	3,346,153
Fiscal	881,289	844,500	871,834	852,861	852,175
Business	3,772	6,214	58,496	52,413	4,519
Operations and maintenance	4,091,115	4,108,072	4,246,777	4,192,060	4,002,233
Pupil transportation	2,291,795	2,288,762	2,490,288	2,205,944	2,303,187
Central	337	557	47,782	-	2,282
Operation of non-instructional services:					
Food service operations	1,744,407	1,770,589	1,712,849	1,521,322	1,710,817
Other non-instructional services	337,797	215,813	400,220	386,806	300,345
Extracurricular activities	989,059	956,250	1,009,395	1,010,955	999,258
Facilities acquisitions and construction	169,283	1,857,459	3,313,074	10,105,357	12,538,541
Debt service:					
Principal retirement	570,552	511,194	493,561	480,780	415,123
Interest and fiscal charges	1,117,785	1,135,753	1,148,464	1,150,169	1,178,030
Bond issuance expenses	-	-	-	-	-
Total expenditures	<u>47,417,894</u>	<u>47,516,133</u>	<u>50,068,602</u>	<u>56,187,670</u>	<u>57,440,592</u>
Excess of revenues over (under) expenditures	1,687,889	(2,115,587)	(2,798,172)	(8,394,571)	(9,585,058)
Other financing sources (uses)					
Transfers in	251,934	213,425	1,493,005	159,038	84,007
Transfers (out)	(251,934)	(213,425)	(1,493,005)	(159,038)	(84,007)
Sale of assets	1,858	582	16,989	461	1,594
Loan issuance	-	-	-	380,320	-
Sale of bonds	-	-	-	-	-
Sale of notes	-	-	-	-	-
Premium on bonds	-	-	-	-	-
Premium on notes	-	-	-	-	-
Total other financing sources (uses)	<u>1,858</u>	<u>582</u>	<u>16,989</u>	<u>380,781</u>	<u>1,594</u>
Special item:					
Consortium refund	-	-	-	1,267,612	-
Net change in fund balances	<u>\$ 1,689,747</u>	<u>\$ (2,115,005)</u>	<u>\$ (2,781,183)</u>	<u>\$ (6,746,178)</u>	<u>\$ (9,583,464)</u>
Debt service as a percentage of noncapital expenditures	3.55%	3.61%	3.52%	3.55%	3.58%

Source: District financial records.

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$	18,979,253	\$ 18,361,775	\$ 15,993,174	\$ 17,313,456	\$ 17,924,738
	27,129	55,658	78,800	70,991	55,174
	951,855	919,935	879,360	-	-
	719,689	219,403	80,384	145,786	301,718
	-	(282,291)	-	-	-
	649,433	642,552	644,548	606,131	548,297
	64,947	68,508	63,351	48,877	41,897
	478,061	304,051	735,743	433,153	273,365
	11,472	4,657	18,961	21,135	10,665
	20,968,734	19,783,828	18,342,029	17,213,812	15,935,794
	2,893,140	2,223,947	1,747,933	1,131,748	1,059,923
	<u>45,743,713</u>	<u>42,302,023</u>	<u>38,584,283</u>	<u>36,985,089</u>	<u>36,151,571</u>
	20,334,464	20,107,813	19,566,743	18,773,257	17,149,045
	4,645,599	4,235,247	3,399,942	2,585,719	2,828,518
	288,105	266,546	285,829	303,112	302,695
	-	-	-	-	-
	939,960	772,412	30,668	39,823	83,359
	2,524,345	2,558,943	2,464,305	2,147,254	2,032,654
	1,254,019	1,211,735	1,186,781	1,160,530	1,128,965
	55,047	49,234	30,302	38,473	15,406
	3,340,826	3,151,122	3,021,759	4,068,341	2,964,054
	875,032	858,479	819,137	763,580	811,992
	2,856	5,350	5,375	3,947	4,191
	3,803,221	3,697,985	4,306,601	3,849,408	3,469,462
	2,262,641	2,405,709	2,229,604	2,000,885	1,977,728
	1,599	1,335	231,582	194,032	1,993
	1,445,400	1,631,812	1,465,748	-	-
	310,853	296,393	284,812	289,463	314,695
	987,353	987,001	1,000,609	826,835	813,438
	2,321,274	461,280	11,043	27,104	1,087,810
	26,670,123	245,123	65,123	587,948	247,948
	1,485,314	15,292	13,546	28,437	45,041
	-	372,211	-	-	-
	<u>73,548,031</u>	<u>43,331,022</u>	<u>40,419,509</u>	<u>37,688,148</u>	<u>35,278,994</u>
	(27,804,318)	(1,028,999)	(1,835,226)	(703,059)	872,577
	119,686	25,000	312,978	761,866	61,691
	(119,686)	(25,000)	(312,978)	(761,866)	(61,691)
	-	-	467	1,250	6,929
	-	-	-	-	-
	-	26,000,000	-	-	-
	-	26,000,000	-	-	600,000
	-	390,974	-	-	-
	-	44,400	-	-	-
	-	<u>52,435,374</u>	<u>467</u>	<u>1,250</u>	<u>606,929</u>
	-	-	-	-	-
\$	<u>(27,804,318)</u>	<u>\$ 51,406,375</u>	<u>\$ (1,834,759)</u>	<u>\$ (701,809)</u>	<u>\$ 1,479,506</u>
	39.55%	1.48%	0.20%	1.66%	0.88%

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

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

Collection Year	Real Property (a)	Tangible Personal Property (b)		
	Assessed Value	Tangible Assessed Value	Public Utility (b) Assessed Value	Total
2010	\$ 595,856,810	\$ 526,550	\$ 11,376,920	\$ 11,903,470
2009	598,068,280	1,058,233	10,757,860	11,816,093
2008	593,213,210	12,350,634	10,717,170	23,067,804
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

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	%	Total Direct Tax Rate
\$ 607,760,280	\$ 1,750,061,909	34.73%	\$ 57.50
609,884,373	1,756,030,886	34.73%	57.50
616,281,014	1,787,166,102	34.48%	57.50
621,335,658	1,819,286,849	34.15%	57.50
623,758,870	1,840,051,126	33.90%	57.50
565,527,910	1,686,903,103	33.52%	57.50
558,770,470	1,667,877,103	33.50%	54.60
558,193,430	1,674,120,703	33.34%	54.60
557,984,240	1,678,399,623	33.25%	54.60
554,690,920	1,672,426,320	33.17%	54.60

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

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

Tax Year/ Collection Year	Overlapping Rates				Direct Rates			
	County	Township	Park District	Career Center	Voted		Unvoted	Total
					General	Bond		
2009/2010	\$ 11.90	\$ 18.10	\$ 1.75	\$ 2.10	\$ 48.20	\$ 2.90	\$ 6.40	\$ 57.50
2008/2009	11.90	18.10	1.75	2.10	48.20	2.90	6.40	57.50
2007/2008	11.90	18.10	1.75	2.10	48.20	2.90	6.40	57.50
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

Source: Mahoning County Auditor's Office

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

PRINCIPAL REAL ESTATE PROPERTY TAX PAYERS
DECEMBER 31, 2009 AND DECEMBER 31, 2001

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
P&S Equities	\$ 3,966,450	1	0.66%
Wal-Mart Real Estate	3,369,380	2	0.56%
Hillbrook Apartments	2,504,530	3	0.42%
Westminster Associates	2,372,480	4	0.40%
35th Strouss Associates	2,351,960	5	0.39%
West View Village Co.	2,139,380	6	0.36%
Austintown Realty Co.	2,094,720	7	0.35%
Austintown Properties Ltd.	1,813,770	8	0.30%
Austintown Associates	1,715,740	9	0.29%
55 West LLC	1,708,150	10	0.29%
Total	\$ 24,036,560		4.02%

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%
Speedwaay 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**

**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
2009	\$ 19,780,329	\$ 2,571,092	\$ 22,351,421	\$ 18,997,922	96.04%
2008	20,570,272	2,474,778	23,045,050	19,564,836	95.11%
2007	21,285,244	2,472,362	23,757,606	20,302,467	95.38%
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%

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
\$ 767,602	\$ 19,765,524	88.43%
837,096	20,401,932	88.53%
969,511	21,271,978	89.54%
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%

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

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

Fiscal Year	Governmental Activities					(a)	(b)	(b)	(b)
	General Obligation Bonds	Asbestos Abatement Loan	H.B. 264 Loan	Bond Anticipation Notes	Energy Conservation Notes	Total Primary Government	Percentage of Personal Income	Per Capita	Per ADM
2010	\$23,639,958	\$ 37,686	\$ 304,727	\$ -	\$ -	\$23,982,371	3.01%	\$ 687	\$ 4,672
2009	24,062,305	62,810	325,155	-	-	24,450,270	3.14%	689	4,935
2008	24,415,507	87,934	346,225	-	-	24,849,666	3.60%	688	5,019
2007	24,777,884	113,057	364,663	-	-	25,255,604	3.66%	699	5,260
2006	25,122,060	138,180	-	-	-	25,260,240	3.63%	693	5,231
2005	25,430,483	163,303	-	-	-	25,593,786	3.65%	696	5,287
2004	26,000,000	188,426	-	26,000,000	-	52,188,426	7.39%	1,410	10,756
2003	-	213,549	-	-	220,000	433,549	0.06%	12	84
2002	-	238,672	-	-	260,000	498,672	0.07%	13	99
2001	-	263,795	-	-	822,825	1,086,620	0.15%	29	215

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 SEVEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2010	\$ 23,639,958	\$ 23,639,958	1.35%	\$ 677
2009	24,062,305	24,062,305	1.37%	678
2008	24,415,507	24,415,507	1.37%	676
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

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Note: 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, 2010

<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	\$ 23,639,958	100.00%	\$ 23,639,958
	<u>23,639,958</u>		<u>23,639,958</u>
Overlapping:			
Mahoning County	34,959,043	14.90%	5,208,897
Total overlapping	<u>34,959,043</u>		<u>5,208,897</u>
Total direct and overlapping debt	<u>\$ 58,599,001</u>		<u>\$ 28,848,855</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
2010	\$ 54,651,036	\$ 23,085,000	\$ 1,149,822	\$ 21,935,178	\$ 32,715,858	40.14%
2009	54,792,918	23,610,000	944,762	22,665,238	32,127,680	41.37%
2008	54,351,455	24,075,000	951,567	23,123,433	31,228,022	42.54%
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%

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

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income (5)</u>	<u>Median Family Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates (4)</u>		
						<u>Mahoning County</u>	<u>Ohio</u>	<u>United States</u>
2010	34,902	\$ 22,810	\$ 796,114,620	\$ 38,337	5,133	11.5%	10.5%	9.5%
2009	35,479	21,948	778,693,092	29,959	4,954	13.8%	11.2%	9.7%
2008	36,137	19,087	689,746,919	30,273	4,951	7.1%	6.6%	5.5%
2007	36,137	19,087	689,746,919	29,420	4,801	6.1%	6.1%	4.5%
2006	36,451	19,087	695,740,237	29,775	4,829	8.9%	5.9%	5.1%
2005	36,766	19,087	701,752,642	28,993	4,841	7.7%	5.9%	5.1%
2004	37,004	19,087	706,295,348	29,375	4,852	7.1%	6.2%	5.5%
2003	37,250	19,087	710,990,750	29,087	5,162	7.9%	6.2%	6.0%
2002	37,631	19,087	718,262,897	30,270	5,021	7.0%	5.7%	5.8%
2001	37,929	19,087	723,950,823	28,494	5,054	5.5%	4.4%	4.7%

Sources:

(1 & 2) U. S. Census Bureau

(3) District records

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

(5) Per capita personal income multiplied by population

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

PRINCIPAL EMPLOYERS IN MAHONING COUNTY
DECEMBER 31, 2009 AND DECEMBER 31, 2003

December 31, 2009			
Employer	Employees	Rank	Percentage of Total County Employment
HM Health Services	4,218	1	4.29%
Youngstown State University	2,155	2	2.19%
Mahoning County	1,957	3	1.99%
Forum Health	1,700	4	1.73%
Youngstown City Schools	1,664	5	1.69%
Infocision Management	1,038	6	1.06%
City of Youngstown	828	7	0.84%
U.S. Postal Service	750	8	0.76%
Boardman Local Schools	652	9	0.66%
Austintown Local Schools	581	10	0.59%
Total	15,543		15.82%
Total County Employment	98,250		

December 31, 2003			
Employer	Employees	Rank	Percentage of Total County Employment
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	20,238		18.46%
Total County Employment	109,800		

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
LAST FOUR FISCAL YEARS

<u>Type</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Administration:	22.00	23.33	24.50	20.47
Certificated staff:				
Regular	256.00	246.42	229.87	228.00
Special	31.00	24.05	45.06	35.85
Vocational	2.00	2.00	3.00	3.00
Educational service personnel	22.00	23.93	22.00	22.00
Remedial specialist	-	-	1.00	9.00
Counseling	12.00	12.00	12.00	12.00
Library media	2.00	2.00	2.00	2.00
Audio visual	-	0.47	0.47	0.47
Curriculum specialist	11.00	2.00	2.00	-
Tutor	29.70	4.00	9.00	-
Professional staff:				
Nursing	4.00	4.00	4.00	4.00
Speech therapist	5.00	5.00	3.00	5.00
Technology:				
Library technician	-	-	1.00	1.00
Library aide	5.49	5.46	5.96	5.97
Instructional paraprofessional	-	-	11.12	12.49
Other technical	2.47	2.41	0.41	-
Office/clerical:				
Office clerical	37.97	28.04	36.16	36.27
Instructional paraprofessional	21.46	-	-	1.23
Other clerical	1.00	4.17	1.00	1.76
Other operations:				
Maintenance	5.00	11.00	10.00	9.00
Custodial/grounds	21.17	37.06	38.23	41.11
Transportation/drivers	47.75	43.75	39.00	39.00
Food service	28.52	27.88	28.19	25.43
Other	3.22	23.13	10.10	6.10
Total	<u>570.75</u>	<u>532.10</u>	<u>539.07</u>	<u>521.15</u>

Source: District records

Note: Information prior to 2007 is unavailable.

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

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

Function	2010	2009	2008	2007	2006	2005
Instruction:						
Regular and special						
Enrollment (students)	5,133	4,954	4,951	4,801	4,829	4,841
Graduates	390	362	351	400	372	370
Graduation rate	99.20%	98.90%	98.00%	97.10%	97.10%	98.40%
Support services:						
Board of education						
Regular meetings per year	13	13	13	12	12	12
Special meetings per year	11	14	18	10	17	13
Fiscal						
Nonpayroll checks issued	4,344	3,963	4,490	5,300	4,508	5,304
Operations and maintenance						
Square footage maintained	843,247	843,247	843,247	665,047	665,047	665,047
Pupil transportation						
Avg. students transported daily	3,486	4,132	4,354	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 EIGHT FISCAL YEARS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities:					
Land	\$ 672,477	\$ 672,477	\$ 672,477	\$ 672,477	\$ 502,026
Construction in progress	-	-	-	26,648,963	15,268,495
Land improvements	3,032,849	3,200,073	3,395,671	1,100,565	103,598
Buildings/improvements	28,936,714	29,739,145	28,906,503	3,479,073	4,075,607
Furniture/equipment	1,324,543	1,503,318	1,670,808	769,156	204,511
Vehicles	297,952	411,990	414,195	557,930	726,184
Textbooks	366,200	552,862	739,524	414,550	-
Total governmental activities capital assets, net	<u>\$ 34,630,735</u>	<u>\$ 36,079,865</u>	<u>\$ 35,799,178</u>	<u>\$ 33,642,714</u>	<u>\$ 20,880,421</u>
Business-type activities:					
Furniture/equipment	\$ 23,388	\$ 29,338	\$ 35,288	\$ 41,238	\$ 45,878
Total business-type activities capital assets, net	<u>\$ 23,388</u>	<u>\$ 29,338</u>	<u>\$ 35,288</u>	<u>\$ 41,238</u>	<u>\$ 45,878</u>
Primary government:					
Land	\$ 672,477	\$ 672,477	\$ 672,477	\$ 672,477	\$ 502,026
Construction in progress	-	-	-	26,648,963	15,268,495
Land improvements	3,032,849	3,200,073	3,395,671	1,100,565	103,598
Buildings/improvements	28,936,714	29,739,145	28,906,503	3,479,073	4,075,607
Furniture/equipment	1,347,931	1,532,656	1,706,096	810,394	250,389
Vehicles	297,952	411,990	414,195	557,930	726,184
Textbooks	366,200	552,862	739,524	414,550	-
Total primary government capital assets, net	<u>\$ 34,654,123</u>	<u>\$ 36,109,203</u>	<u>\$ 35,834,466</u>	<u>\$ 33,683,952</u>	<u>\$ 20,926,299</u>

Source: District financial records.

Notes: Amounts above are presented net of accumulated depreciation.
The District implemented GASB 34 in fiscal year 2003; therefore, capital assets are not presented prior to 2003.

2005	2004	2003
\$ 502,026	\$ 502,026	\$ 502,026
2,732,638	434,000	-
89,327	103,714	104,859
4,378,638	4,683,650	5,020,949
151,014	116,824	107,182
667,523	835,018	769,832
-	-	-
<u>\$ 8,521,166</u>	<u>\$ 6,675,232</u>	<u>\$ 6,504,848</u>
<u>\$ 21,436</u>	<u>\$ 14,163</u>	<u>\$ 16,342</u>
<u>\$ 21,436</u>	<u>\$ 14,163</u>	<u>\$ 16,342</u>
\$ 502,026	\$ 502,026	\$ 502,026
2,732,638	434,000	-
89,327	103,714	104,859
4,378,638	4,683,650	5,020,949
172,450	130,987	123,524
667,523	835,018	769,832
-	-	-
<u>\$ 8,542,602</u>	<u>\$ 6,689,395</u>	<u>\$ 6,521,190</u>

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

SCHOOL BUILDING INFORMATION
LAST SIX FISCAL YEARS

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Fitch High School (1968/'78/2000/2007)						
Square feet	262,048	262,048	262,048	262,048	262,048	262,048
Enrollment	1,615	1,615	1,584	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	102,600	102,600	102,600
Enrollment	-	-	-	866	842	850
Austintown Middle School (2008) (Racoon Road Building)						
Square feet	174,688	174,688	174,688	-	-	-
Enrollment	1,220	1,135	1,175	-	-	-
Frank Ohl Intermediate School (1960/'61/'92/2007)						
Square feet	89,485	89,485	89,485	89,485	89,485	89,485
Enrollment	801	725	768	666	687	726
Davis Elementary (1954/'57/2002)						
Square feet	32,958	32,958	32,958	32,958	32,958	32,958
Enrollment	-	-	229	295	262	253
Lloyd Elementary (1954/'57/'92)						
Square feet	33,013	33,013	33,013	33,013	33,013	33,013
Enrollment	369	373	392	407	422	423
Lynn Kirk Elementary (1958/'60)						
Square feet	35,136	35,136	35,136	35,136	35,136	35,136
Enrollment	299	268	319	371	341	342
Watson Elementary (1961)						
Square feet	61,435	61,435	61,435	61,435	61,435	61,435
Enrollment	462	458	419	440	453	442
Woodside Elementary (1948/'57)						
Square feet	33,372	33,372	33,372	33,372	33,372	33,372
Enrollment	344	350	322	312	360	332
District Board Office (2008)						
Square feet	3,512	3,512	3,512	-	-	-
Community Fitness Center (1999/2001)						
Square feet	15,000	15,000	15,000	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.

Davis Elementary was permanently closed on August 1, 2008.

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	Percent Change	Teaching Staff
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil			
2010	\$ 45,729,557	\$ 8,909	\$ 47,030,633	\$ 9,162	5,133	3.61%	328
2009	45,869,186	9,259	45,673,294	9,219	4,954	0.06%	326
2008	48,426,577	9,781	46,217,961	9,335	4,951	3.12%	326
2007	54,556,721	11,364	44,837,787	9,339	4,801	-0.58%	326
2006	55,847,439	11,565	43,822,712	9,075	4,829	-0.25%	329
2005	45,392,594	9,377	43,327,208	8,950	4,841	-0.23%	333
2004	43,070,607	8,877	42,597,700	8,779	4,852	-6.01%	331
2003	40,340,840	7,815	41,059,206	7,954	5,162	2.81%	333
2002	37,071,763	7,383	N/A	N/A	5,021	-0.65%	328
2001	34,986,005	6,922	N/A	N/A	5,054	0.76%	327

Source: District records

(1) Debt service totals have been excluded.

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

Note: N/A indicates the information is unavailable.

Pupil/Teacher Ratio	Student Attendance Percentage
15.65	94.70%
15.20	94.80%
15.19	94.80%
14.73	94.70%
14.68	94.30%
14.54	94.80%
14.66	94.50%
15.50	94.00%
15.31	94.20%
15.46	93.60%

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

TEACHER EDUCATION AND EXPERIENCE
AS OF JUNE 30, 2010 AND JUNE 30, 2002

<u>Degree</u>	<u>June 30, 2010</u>		<u>June 30, 2002</u>	
	Number of Teachers	Percentage of Total	Number of Teachers	Percentage of Total
Non-Degree	0	0.00%	1	0.30%
Bachelor's Degree	51	15.55%	58	17.68%
Bachelor's Degree + 15	52	15.85%	58	17.68%
Master's Degree	84	25.61%	68	20.73%
Master's Degree + 15	30	9.15%	20	6.10%
Master's Degree + 30	109	33.23%	121	36.90%
Ph.D.	2	0.61%	2	0.61%
	<u>328</u>	<u>100.00%</u>	<u>328</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>June 30, 2010</u>		<u>June 30, 2002</u>	
	Number of Teachers	Percentage of Total	Number of Teachers	Percentage of Total
0 - 5 Years	87	26.52%	96	29.27%
6 - 10 Years	61	18.60%	52	15.85%
11 - 15 Years	72	21.95%	38	11.58%
16 - 20 Years	24	7.32%	34	10.37%
21 - 25 Years	26	7.93%	41	12.50%
26 - 42 Years	58	17.68%	67	20.43%
	<u>328</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

Teacher Salaries					
Year	Austintown			State	
	BA Min.	MA Max.	Average	Average	
2010	\$ 29,443	\$ 68,336	\$ 49,632	\$ 55,958	
2009	29,443	67,276	50,763	54,656	
2008	29,443	67,276	49,798	53,410	
2007	29,151	65,619	50,555	53,534	
2006	28,440	64,018	49,811	50,771	
2005	27,883	62,765	48,823	49,436	
2004	27,883	62,765	48,612	47,658	
2003	26,940	60,642	46,240	45,645	
2002	26,029	58,591	44,903	43,755	
2001	25,271	56,885	43,512	42,995	

Sources: District records and Ohio Department of Education

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Dave Yost • 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
JULY 5, 2011