



Mary Taylor, CPA
Auditor of State

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Mahoning County High School
Mahoning County
100 DeBartolo Place, Suite 220
Youngstown, Ohio 44512

To the Governing Board:

We have audited the accompanying financial statements of Mahoning County High School, Mahoning County, Ohio (the "School"), as of and for the year ended June 30, 2009, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School'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 Mahoning County High School, Mahoning County, Ohio, as of June 30, 2009, and the respective changes in financial position and cash flows, 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 August 16, 2010, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

Mary Taylor, CPA
Auditor of State

August 16, 2010

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

The discussion and analysis of Mahoning County High School's (the "School") financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School's financial performance.

Certain comparative information between the current fiscal year and the prior fiscal year is required to be presented in the management's discussion and analysis. However, because this is the first fiscal year of financial reporting for the School comparative prior fiscal year information does not exist. Subsequent reports will include the comparative information.

Financial Highlights

Key financial highlights for 2009 are as follows:

- In total, net assets were \$162,244 at June 30 2009.
- The School had operating revenues of \$296,938 and operating expenses of \$296,999 for fiscal year 2009. The School also received \$161,977 in federal and state grants and \$328 in interest income during fiscal year 2009. Total change in net assets for the fiscal year was an increase of \$162,244.

Using these Basic Financial Statements

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 School's financial activities. The *Statement of Net Assets* and *Statement of Revenues, Expenses and Changes in Net Assets* provide information about the activities of the School, including all short-term and long-term financial resources and obligations.

Reporting the School Financial Activities

Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets and the Statement of Cash Flows

These documents look at all financial transactions and asks the question, How did we do financially during 2009? The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets 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 takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the School as a whole, the *financial position* of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 7 and 8 of this report.

The Statement of Cash Flows provides information about how the School finances and is meeting the cash flow needs of its operations. The Statement of Cash Flows can be found on page 9 of this report.

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

The table below provides a summary of the School's net assets for the fiscal year ended June 30, 2009. This is the School's first year of operation, comparative information is not available.

Net Assets	
	<u>2009</u>
<u>Assets</u>	
Current assets	\$ 151,971
Capital assets, net	<u>22,628</u>
Total assets	<u>174,599</u>
<u>Liabilities</u>	
Current liabilities	<u>12,355</u>
Total liabilities	<u>12,355</u>
<u>Net Assets</u>	
Invested in capital assets	22,628
Restricted	40,258
Unrestricted	<u>99,358</u>
Total net assets	<u>\$ 162,244</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the School's net assets totaled \$162,244.

At year-end, capital assets represented 12.96% of total assets. Capital assets consisted of furniture and equipment. There is no debt related to these capital assets. Capital assets are used to provide services to the students and are not available for future spending.

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

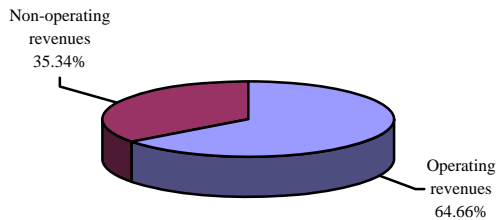
The table below shows the changes in net assets for fiscal year 2009. This is the School's first year of operation, comparative information is not available.

Change in Net Assets

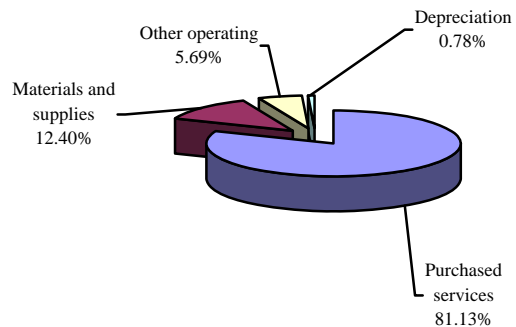
	2009
<u>Operating Revenues:</u>	
State foundation	\$ 296,938
Total operating revenue	296,938
<u>Operating Expenses:</u>	
Purchased services	240,956
Materials and supplies	36,840
Other	16,895
Depreciation	2,308
Total operating expenses	296,999
<u>Non-operating revenues:</u>	
Federal and state grants	161,977
Interest income	328
Total non-operating revenues	162,305
Change in net assets	162,244
Net assets at beginning of year	-
Net assets at end of year	\$ 162,244

The charts below illustrate the revenues and expenses for the School during fiscal 2009.

2009 Revenues



2009 Expenses



**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

Capital Assets

At June 30, 2009, the School had \$22,628 invested in furniture and equipment. See Note 4 to the basic financial statements for more detail on capital assets.

Current Financial Related Activities

The School relies on the State Foundation Funds as well as State and Federal Sub-Grants to provide the monies necessary to operate the school.

In conclusion, the School has committed itself to providing educational opportunities to students. Management will aggressively pursue adequate funding to secure the financial stability of the School.

Contacting the School's Financial Management

This financial report is designed to provide our clients and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Cynthia Lengyel, Treasurer, Mahoning County High School, 100 DeBartolo Place, Suite 220, Youngstown, Ohio 44512-7019.

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2009

Assets:	
Current assets:	
Cash and cash equivalents.	\$ 110,414
Receivable:	
Intergovernmental.	40,725
Prepayments.	832
Total current assets	<u>151,971</u>
Non-current assets:	
Capital assets, net	<u>22,628</u>
Total assets	<u>174,599</u>
Liabilities:	
Current liabilities:	
Accounts payable	8,793
Intergovernmental payable	<u>3,562</u>
Total liabilities	<u>12,355</u>
Net Assets:	
Invested in capital assets	22,628
Restricted for:	
Federally funded programs.	40,258
Unrestricted	<u>99,358</u>
Total net assets	<u>\$ 162,244</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Operating revenues:	
State foundation	\$ 296,938
Total operating revenues	<u>296,938</u>
Operating expenses:	
Purchased services	240,956
Materials and supplies	36,840
Other operating expenses	16,895
Depreciation	<u>2,308</u>
Total operating expenses	<u>296,999</u>
Operating loss	<u>(61)</u>
Non-operating revenues:	
Federal and state grants	161,977
Interest income	<u>328</u>
Total non-operating revenues	<u>162,305</u>
Change in net assets	162,244
Net assets at beginning of year	<u>-</u>
Net assets at end of year	<u><u>\$ 162,244</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Cash flows from operating activities:	
Cash received from State foundation	\$ 296,938
Cash payments to suppliers for goods and services. . .	(238,172)
Cash payments for materials and supplies	(28,101)
Cash payments for other expenses	<u>(16,895)</u>
Net cash provided by operating activities	<u>13,770</u>
Cash flows from noncapital financing activities:	
Federal grants	<u>121,252</u>
Net cash provided by noncapital financing activities	<u>121,252</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(24,936)</u>
Net cash used in capital and related financing activities.	<u>(24,936)</u>
Cash flows from investing activities:	
Interest received	<u>328</u>
Net cash provided by investing activities	<u>328</u>
Net increase in cash and cash equivalents.	110,414
Cash and cash equivalents at beginning of year . . .	<u>-</u>
Cash and cash equivalents at end of year.	<u><u>\$ 110,414</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (61)
Adjustments:	
Depreciation	2,308
Changes in assets and liabilities:	
Increase in prepayments	(832)
Increase in accounts payable.	8,793
Increase in intergovernmental payable	<u>3,562</u>
Net cash provided by operating activities	<u><u>\$ 13,770</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 1 - DESCRIPTION OF THE SCHOOL

Mahoning County High School (the "School") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School's objective is to meet the individual learning needs of at-risk students and/or students who are likely to drop out. The School targets students at risk of severe academic failure, primarily as a result of legal proceedings in the Mahoning County Juvenile Justice system. The School, which is part of the State's education program, is nonsectarian in its programs, admissions policies, employment practices and all other operations. The School may acquire facilities as needed and contract for any services necessary for the operation of the School.

The School is a legally separate, start-up community school, served by a five person Board of Directors. The Board of Directors shall be responsible for helping create, approve, and monitor the annual budget of the School, developing policies to guide the operation of the School, secure funding for the School, and maintaining a commitment to the vision, mission and belief statements of the School and the children it serves. The Treasurer of the Mahoning County Educational Service Center (the "Mahoning County ESC") acts as fiscal officer for the School.

The Mahoning County ESC sponsored the School during fiscal year 2009 (see Note 7). The term of the sponsorship agreement is for two years commencing on April 1, 2008.

The Area Cooperative Computerized Educational Service System (ACCESS), under a purchased services contract with the School, provides internet, e-mail and other services to the School (see Note 7). Personnel providing services to the School on behalf of the Mahoning County ESC are considered employees of the ESC and the ESC shall be solely responsible for all payroll functions. The School provides services to 31 students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the School 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 School also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, provided those pronouncements do not conflict or contradict GASB pronouncements. The School does not apply FASB Statements and Interpretations issued after November 30, 1989. The School's significant accounting policies are described below.

A. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been 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.

Operating revenues are those revenues that are generated directly from the primary activity of the School. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the School. All revenues and expenses not meeting this definition are reported as non-operating.

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

B. Measurement Focus and Basis of Accounting

Enterprise fund accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is used for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Section 5705, unless specifically provided in the School's contract with its Sponsor. The contract between the School and its Sponsor requires the School to submit a financial plan detailing an estimated school budget for each fiscal year of the contract, or five years, whichever is less.

D. Cash

The School maintains an interest bearing depository account. All funds of the School are maintained in this account. This interest bearing depository account is presented on the Statement of Net Assets as "cash and cash equivalents".

E. Capital Assets and Depreciation

Capital assets are capitalized at cost or estimated historical cost and updated for additions and deletions during the year. The School maintains a capitalization threshold of \$1,000. The School does not have any infrastructure. 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 capitalized.

All capital assets are depreciated. Depreciation is computed using the straight-line method. Equipment is depreciated over five to fifteen years.

F. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

G. Intergovernmental Revenues

The School currently participates in the State Foundation Program and the State Special Education Program. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. Other grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the School. These reviews are conducted to ensure the School is reporting accurate enrollment data to the State, upon which State Foundation funding is calculated. This review resulted in an overpayment to the School in the amount of \$39,095.

The School also participates in the Federal Charter School Grant Program through the Ohio Department of Education. Money received under this program is recognized as non-operating revenue in the accompanying financial statements, unless it is restricted for capital acquisitions in which case it is recognized as a capital contribution. The remaining grants and entitlements received by the School are recognized as non-operating revenues in the accounting period in which eligibility requirements have been met.

H. Estimates

The preparation of 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.

NOTE 3 - DEPOSITS

At June 30, 2009, the carrying amount of all School deposits was \$110,414. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2009, the School's entire bank balance of \$131,537 was covered by the Federal Deposit Insurance Corporation.

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	<u>Balance at July 1, 2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2009</u>
Furniture and equipment	\$ -	\$ 24,936	\$ -	\$ 24,936
Less: accumulated depreciation	<u>-</u>	<u>(2,308)</u>	<u>-</u>	<u>(2,308)</u>
Capital assets, net	<u>\$ -</u>	<u>\$ 22,628</u>	<u>\$ -</u>	<u>\$ 22,628</u>

NOTE 5 - RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted personnel; and natural disasters. For fiscal year 2009, the School contracted with Argonaut Insurance Company for general liability insurance with a \$1,000,000 limit for each occurrence and a \$2,000,000 annual aggregate limit. The School contracted with Argonaut Insurance Company for commercial property insurance with a coverage limit of \$25,000, subject to a \$1,000 deductible.

NOTE 6 - PURCHASED SERVICES

For fiscal year ended June 30, 2009, purchased service expenses were as follows:

Professional and technical services	\$ 189,985
Property services	38,028
Travel expenses	2,561
Communications	55
Contracted services	4,566
Pupil transportation services	<u>5,761</u>
Total	<u>\$ 240,956</u>

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 7 - CONTRACTS

A. Mahoning County ESC

The School entered into a sponsorship contract valid for two years with Mahoning County ESC (the "ESC") effective April 1, 2008. Under the terms of the agreement, the ESC shall carry out the responsibilities established by law, including the following:

- Monitor and evaluate the academic and fiscal performance and the organization and operation of the School on at least a semi-annual basis;
- Report on an annual basis the results of the evaluation conducted to the Department of Education and to the parents/guardians of students enrolled in the School.
- Provide technical assistance and monitor the School's compliance with all laws applicable to the School and with the terms of the contract.
- Take steps to intervene in the School's operation to correct problems in the School's overall performance, declare the School to be on probationary status under Ohio Revised Code Section 3314.073, suspend operation of the School pursuant to Ohio Revised Code Section 3314.072, or terminate or non-renew this contract pursuant to Ohio Revised Code Section 3314.07, as determined necessary by the ESC;
- Establish a plan of action to be undertaken if the School experiences financial difficulties or closes before the end of the school year;
- Act as fiscal agent of the School and provide the services of a qualified individual who shall, as an employee or contractor of the ESC, serve as the School's fiscal officer; and
- Support the School's establishment and operation, as determined to be appropriate by the ESC in the ESC's sole discretion.

The School also entered into a service agreement with the ESC, valid for one year, that commenced on September 11, 2008 and thereafter shall be automatically renewed for successive one year terms until the agreement is terminated. This contract outlined the services that would be provided to the School, which include fiscal, payroll, administrative, and teaching services. The School made payments of \$198,561 to the ESC during fiscal year 2009 for these services.

B. Area Cooperative Computerized Educational Service System (ACCESS)

The School entered into a one-year agreement commencing on July 1, 2008 and ending June 30, 2009, with ACCESS for internet access, electronic mail, Ohio Uniform School Accounting System (USAS), the Uniform Staff Payroll System (USPS), Educational Management Information System (EMIS), Student Information System (SIS/POISE) to include student grade reporting, attendance and scheduling and INFOhio Automated library services. Separate and apart from this agreement, the School agrees to obtain at its own expense, the additional computer and electronic equipment necessary for receipt of these services at the School's facilities. The School paid ACCESS \$583.33 per month for services during fiscal year 2009.

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 8 - OPERATING LEASE

The School entered into a lease agreement on November 17, 2008, with the Youngstown City School District (the "District") to lease land and a building for the School. The lease shall continue through June 30, 2011, unless sooner terminated by either party upon giving at least sixty days written notice. The School shall pay the District one dollar for the term.

Except for natural gas, as described below, the School shall pay for the cost of utilities and services in the following percentages:

Telephone	100%
Electricity	95%
Natural gas	100%
Refuse collection	100%
Snow removal	100%
Water and sewage charge	100%
Security system	100%

The cost and delivery of natural gas which is above \$1,000 per month for the months of November through April during the term of the lease shall be paid by the District. The District's liability for natural gas usage and delivery to the building shall not exceed \$6,000 per school year.

The District shall pay the first \$2,000 for each occurrence of an item of maintenance or repair of any nature. For each maintenance or repair item that exceeds \$2,000, the District shall pay two-thirds of the excess and the School shall pay the remaining one-third. However, if any item of maintenance or repair is estimated to cost more than \$5,000, the District may determine that the maintenance or repair shall not be made, and the District may instead terminate the lease upon sixty days written notice.

NOTE 9 - CONTINGENCIES

A. Grants

The School received financial assistance from federal and state agencies in the form of grants. The expenditure 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. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2009.

NOTE 10 - FEDERAL TAX STATUS

The School is in the process of obtaining their tax exempt status.

**MAHONING COUNTY HIGH SCHOOL
MAHONING COUNTY, OHIO**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 11 - ACCOUNTABILITY AND COMPLIANCE

For fiscal year 2009, the School has implemented GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards".

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the School.

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the School.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the School.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the School.

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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*

Mahoning County High School
Mahoning County
100 DeBartolo Place, Suite 220
Youngstown, Ohio 44512

To the Governing Board:

We have audited the financial statements of Mahoning County High School, Mahoning County, Ohio (the "School"), as of and for the year ended June 30, 2009, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 16, 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 School's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the School's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School's internal control over financial reporting.

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

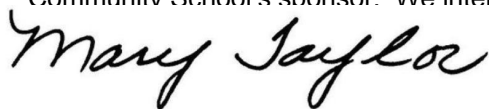
A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the School's internal control will not prevent or detect a material financial statement misstatement.

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

Compliance and Other Matters

As part of reasonably assuring whether the School'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 intend this report solely for the information and use of management, the Governing Board, and the Community School's sponsor. 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

August 16, 2010



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mahoning County High School
Mahoning County
100 DeBartolo Place, Suite 220
Youngstown, Ohio 44515

To the Governing Board:

Ohio Revised Code Section 117.53 states "the Auditor of State shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Ohio Revised Code. This determination shall be recorded in the audit report. The Auditor of State shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Mahoning County High School (the "School") has adopted an anti-harassment policy in accordance with Ohio Revised Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on October 9, 2008.
2. We read the policy, noting it included the following requirements from Ohio Revised Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Revised Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and School's sponsor, and is not intended to be and should not be used by anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

August 16, 2010



Mary Taylor, CPA
Auditor of State

MAHONING COUNTY HIGH SCHOOL

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
SEPTEMBER 23, 2010**