

AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO



Austintown Elementary School

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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Dave Yost • Auditor of State

Board of Education
Austintown Local School District
700 South Raccoon Road
Austintown, Ohio 44515

We have reviewed the *Independent Auditor's Report* of the Austintown Local School District, Mahoning County, prepared by Julian & Grube, Inc., for the audit period July 1, 2015 through June 30, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

March 27, 2017

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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**AUSTINTOWN LOCAL
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2016

**PREPARED BY
TREASURER'S DEPARTMENT
MARY ANN HERSCHEL, TREASURER/CFO**

700 S. RACCOON ROAD

AUSTINTOWN, OHIO 44515

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**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

TITLE PAGE

TABLE OF CONTENTS i-iv

I. INTRODUCTORY SECTION

Letter of Transmittal 1-5
 List of Principal Officers 6
 Organizational Chart - Operational..... 7
 Organizational Chart - Instructional 8
 Government Finance Officers Association Certificate of Achievement for
 Excellence in Financial Reporting 9

II. FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT 11-12

MANAGEMENT’S DISCUSSION AND ANALYSIS 13-26

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Position 27
 Statement of Activities 28-29

Fund Financial Statements:

Balance Sheet - Governmental Funds..... 30

Reconciliation of Total Governmental Fund Balances to Net Position
 of Governmental Activities..... 31

Statement of Revenues, Expenditures and Changes in Fund
 Balances - Governmental Funds 32

Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities 33

Statement of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual (Non GAAP Budgetary Basis) - General Fund..... 34

Statement of Net Position - Proprietary Fund..... 35

Statement of Revenues, Expenses and Changes in
 Net Position - Proprietary Fund..... 36

BASIC FINANCIAL STATEMENTS - (Continued):

Statement of Cash Flows - Proprietary Fund.....	37
Statement of Fiduciary Net Position - Fiduciary Funds.....	38
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	39
Notes to the Basic Financial Statements	40-78

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of District’s Proportionate Share of the Net Pension Liability:	
School Employees Retirement System (SERS) of Ohio.....	80
State Teachers Retirement System (STRS) of Ohio.....	81
Schedule of District Contributions:	
School Employees Retirement System (SERS) of Ohio.....	82-83
State Teachers Retirement System (STRS) of Ohio.....	84-85
Notes to the Required Supplementary Information.....	86

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements - Major Governmental Funds:

Fund Descriptions - Major Governmental Funds	88
--	----

Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Public School Support	89
CCIP	89
Miscellaneous General Fund.....	89
BWC Rebate	90
Bond Retirement.....	91
Capital Projects.....	92

Combining Statements - Nonmajor Governmental Funds:

Nonmajor Governmental Fund Descriptions.....	93-94
Combining Balance Sheet - Nonmajor Governmental Funds.....	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	97
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	98-99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	100-102

Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Food Service	103
Other Grants.....	103
Miscellaneous Grants.....	103
Classroom Facilities Maintenance	104
District Managed Student Activity	104
OneNet Subsidy	104
Alternative School Grant	105

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES - (Continued):

Title VI-B.....	105
Title I	105
Improving Teacher Quality.....	106
Miscellaneous Federal Grants.....	106
Combining Balance Sheet - Nonmajor Capital Projects Funds	107
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	108
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent Improvement.....	109
Building	109
Classroom Facilities.....	109
Combining Statements - Proprietary Funds:	
Proprietary Fund Descriptions.....	110
Individual Fund Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Special Enterprise	111
Combining Statements - Fiduciary Funds:	
Fiduciary Fund Descriptions	112
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	113
Individual Fund Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Scholarship Trust	114
III. STATISTICAL SECTION	
Contents	115
Net Position by Component - Last Ten Fiscal Years	116-117
Changes in Net Position - Last Ten Fiscal Years	118-123
Fund Balances, Governmental Funds - Last Ten Fiscal Years	124-125
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	126-129
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Collection Years	130-131
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	132
Principal Property Tax Payers - December 31, 2015 and December 31, 2006	133
Property Tax Levies and Collections - Last Ten Calendar Years	134-135

III. STATISTICAL SECTION - (Continued)

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	136
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years.....	137
Direct and Overlapping Governmental Activities Debt - As of June 30, 2016.....	138
Legal Debt Margin Information - Last Ten Fiscal Years	139
Demographic and Economic Statistics - Last Ten Fiscal Years	140
Principal Employers in Mahoning County - December 31, 2015 and December 31, 2006	141
Staffing Statistics, Full Time Equivalents (FTE) by Function/Program - Last Ten Fiscal Years	142-143
Operating Indicators by Function - Last Ten Fiscal Years	144-145
Capital Asset Statistics - Last Ten Fiscal Years	146-147
School Building Information - Last Ten Fiscal Years	148-149
Operating Statistics - Last Ten Fiscal Years.....	150-151
Teacher Education and Experience - June 30, 2016 and June 30, 2007	152
Teacher Salaries - Last Ten Fiscal Years	153

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

www.austintownschoools.org

December 28, 2016

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, 2016 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 is accurate in all material respects and is 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 is 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 firm of Julian & Grube, Inc. conducted the audit for fiscal year 2016. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and includes a review of internal controls and test of compliance with Federal and State laws and regulations. The Independent Auditor'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, 2016, 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 complement 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 Auditor's Report.

Profile of Austintown Local School District

The District ranks as the 62th largest in the State of Ohio among 612 public school districts 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 (2015-2016), 4,947 students were enrolled in the District's four schools (one elementary, one intermediate, one middle and one high school). Approximately 110 District residents attend the Mahoning County Career and Technical Center.

The District employs 225 non-certified staff members and 334 certificated staff members. The certified staff members include 20 administrators and 314 full-time and part-time teachers. Of the 314 member teaching staff, 67% have master's degrees. The District faculty has an average 11 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 Common Core Standards, offers a wide range of electives and comprehensive courses of study in college preparatory, vocational and alternative programs. The District has begun a Science, Technology, Engineering & Math (STEM) program at both the middle school and high school level. Our College in High School program continues to grow, giving students the opportunity to earn college credit along with their high school credit. The District has a rich history and tradition in music and the arts along with a high caliber athletic program. Students are offered a large range of extracurricular programs, beginning in the elementary grades with the after-school enrichment program. All District schools have media centers, lunch programs and multipurpose rooms or gyms for student activities. The District is very fortunate to have a supportive Parent Teacher Association (PTA) program at each building and a PTA council at the District level. The District is working on several areas to encourage parent involvement at all building levels.

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 (14.84%)
2. Mill Creek Park District (14.84%)
3. Austintown Township (98.72%)
4. Mahoning County Career and Technical Center (16.74%)
5. City of Youngstown (0.08%)

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 Chase, Citizens Bank, Farmers National Bank, First National Bank, Home Savings and Loan, Huntington Bank, Key Bank, Talmer Bank and Trust, Woodforest National; along with Associated School Employees Credit Union, Edison Financial Credit Union and Seven Seventeen Credit Union.

Two daily newspapers, The Vindicator and Warren Tribune Chronicle, 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, Eastern Gateway Community College 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, Easy Street Productions and the Youngstown Symphony Center. Youngstown State 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, including such acts as Elton John, Carrie Underwood, and Disney-on-Ice. The Mahoning Scrappers, a minor league baseball team, is located in nearby Niles, Ohio and has many family activities during their summer season. The Canfield Fair (Mahoning County's fair) is the largest county fair in Ohio and offers many activities for the youth and families in the area. 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.

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 the Ohio Administrative 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 has recently completed Strategic Planning through a program developed by the Ohio School Boards Association. District staff and community members met multiple times during the year to develop goals for the District for coming years. The Strategic Planning Committee developed a new vision for the District. “The Austintown Local School District is a united community with a proud legacy and a progressive approach to education.” A new mission statement was also developed. “We provide an inspiring education that strengthens and prepares our students for unlimited future opportunities.”

The District developed four goals:

1. *Academic* - Employ research-based strategies leading to all students achieving at or above grade-level state expectations.
2. *Communication* - Communicate effectively in a timely manner with a clear and concise message.
3. *Customer Service* - Establish positive relationships with students, staff and community.
4. *Finances* - Demonstrate fiscal responsibility to the Austintown community.

Capital Improvements - As our building project has been completed, we are working on improving the look of the campus. We are working to make it safer for the community for use throughout the day and evenings.

We have sold stadium naming rights to a local car dealership. Our stadium is now “The Greenwood Chevrolet Austintown Falcon Stadium.” Thanks to this partnership, we have been able to make some stadium upgrades that will benefit our community for years to come.

Community - The Austintown Racino has opened and is operating in our community. There is much excitement as businesses are seeing an increase in activity in our community. We are continuing to hope for growth and development in our community from the location of the Racino in our community.

Austintown Township has land available for additional growth near the Racino as well as other areas. A new YMCA has been discussed. We are hopeful that this will come to fruition.

Austintown Township voters recently passed a levy for a senior center. It has been very successful and makes the community a better place to live.

Major Initiatives for the Future

The District has purchased one-on-one devices for all students in grades 6-12. The District spent capital projects money to accomplish this goal. The District feels this is an investment in the academic success of our students. Professional development opportunities are available to staff to help them integrate this technology in their classroom. The District believes this is necessary for student success on state assessments.

The District has discussed building plans with the OFCC for a new high school building on the District’s campus. A bond issue was defeated on its initial attempt. The District will determine an appropriate time to revisit this issue.

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.

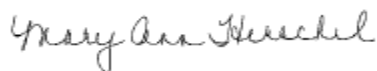
Award

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, 2015. 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 Julian & Grube, Inc., 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, 2016**

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>
Mrs. Kathy Mock*	2010	2017	Educator
Mr. Harold Porter	2012	2019	Business Owner
Dr. David Ritchie	1968	2019	Retired Podiatrist
Mr. Lou Chine	2014	2017	Retired Plumber
Mr. Ken Jakubec**	2014	2017	Restaurant Manager

* President

** Vice President

Mr. Lou Chine resigned from the Board of Education on September 28, 2016.

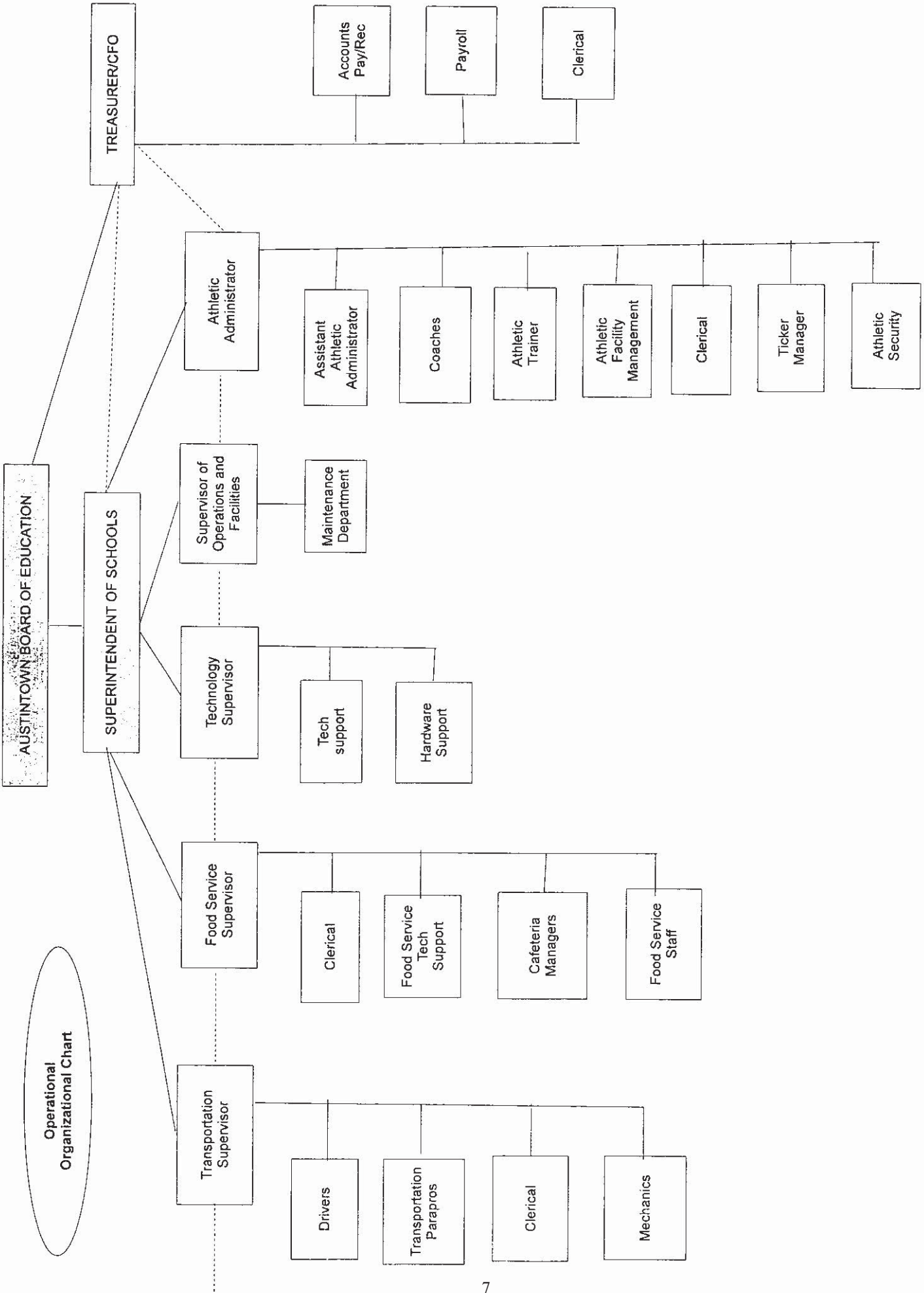
Mr. Alex Benyo was appointed to the Board of Education on October 25, 2016.

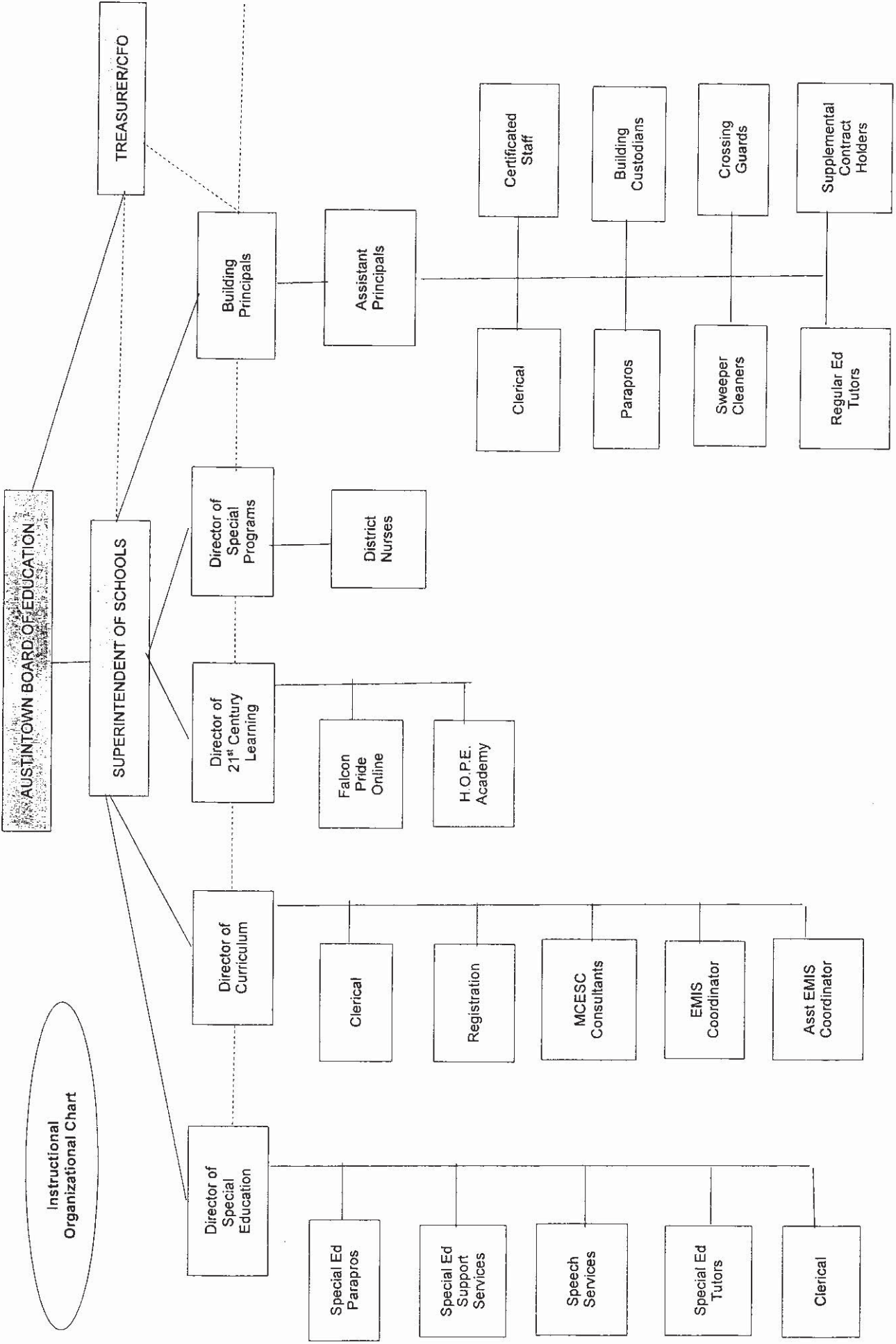
Central Office Administrative Staff

Superintendent	Mr. Vincent Colaluca
Assistant Superintendent	Mr. Jeremy Batchelor
Treasurer	Ms. Mary Ann Herschel

District Administrative Staff

Director of Special Education	Mrs. Becky Morris
Supervisor of Operations and Facilities	Mr. Mal Culp
Transportation Supervisor	Mr. Colleen Murphy-Penk
Technology Coordinator	Mr. Thomas Ventresco
Athletic Administrator	Mr. Lewis VanHoose
Director of 21 st Century Learning	Ms. Mariel Sallee
Director of Special Programs	Ms. Janet Polish
EMIS Coordinator	Ms. Cheryl Almy





Instructional Organizational Chart



Government Finance Officers Association

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, 2015

Executive Director/CEO

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FINANCIAL SECTION

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Austintown Local School District, Mahoning County, Ohio, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Austintown Local School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Austintown Local School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Austintown Local School District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Austintown Local School District, Mahoning County, Ohio, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Austintown Local School 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 present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2016, on our consideration of the Austintown Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Austintown Local School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 28, 2016

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016. 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 2016 are as follows:

- In total, net position increased \$4,605,338. Net position of governmental activities increased \$4,607,301, which represents a 21.47% increase from 2015's net position. Net position of business-type activities decreased \$1,963 or 1.93% from 2015.
- General revenues accounted for \$42,783,152 in revenue or 77.15% of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$12,673,382 or 22.85% of total governmental activities revenues.
- The District had \$50,824,233 in expenses related to governmental activities; only \$12,673,382 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$42,783,152 were adequate to provide for these programs.
- The District's major governmental funds are the general fund, bond retirement fund and capital projects fund. The general fund had \$45,378,325 in revenues and \$43,771,556 in expenditures and other financing uses. The general fund's fund balance increased \$1,606,769 from \$1,526,301 to \$3,133,070.
- The bond retirement fund had \$3,849,954 in revenues and other financing sources and \$3,119,776 in expenditures. This fund accounts for the District's accumulation of resources for and payment of long-term debt obligations. The fund balance of the bond retirement fund increased \$730,178 from \$2,537,605 to a balance of \$3,267,783.
- The capital projects fund had \$2,000,000 in other financing sources and \$199,966 in expenditures. This fund accounts for various capital projects. The fund balance of the capital projects fund increased \$1,800,034 from \$4,043,537 to \$5,843,571.
- Net position for the business-type activities decreased in 2016 by \$1,963. This decrease in net position was mainly due to operating expenses exceeding tuition and fees revenue.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Reporting the District as a Whole

Statement of Net Position 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 2016?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, 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 position and changes in that position. This change in net position 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 position 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 position 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 and the District's nonmajor enterprise fund begins on page 22. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, bond retirement fund and capital projects fund.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 position 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 position and changes in fiduciary net position 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 40-78 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability. The required supplementary information can be found on pages 79-86 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2016 and June 30, 2015.

	Net Position					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>						
Current assets	\$ 43,144,657	\$ 38,228,742	\$ 84,914	\$ 92,551	\$ 43,229,571	\$ 38,321,293
Capital assets, net	<u>73,340,659</u>	<u>74,629,029</u>	<u>24,176</u>	<u>20,857</u>	<u>73,364,835</u>	<u>74,649,886</u>
Total assets	<u>116,485,316</u>	<u>112,857,771</u>	<u>109,090</u>	<u>113,408</u>	<u>116,594,406</u>	<u>112,971,179</u>
<u>Deferred outflows of resources</u>						
Unamortized deferred charges	1,918,184	2,051,237	-	-	1,918,184	2,051,237
Pension	<u>5,924,778</u>	<u>4,015,796</u>	<u>-</u>	<u>-</u>	<u>5,924,778</u>	<u>4,015,796</u>
Total deferred outflows of resources	<u>7,842,962</u>	<u>6,067,033</u>	<u>-</u>	<u>-</u>	<u>7,842,962</u>	<u>6,067,033</u>
<u>Liabilities</u>						
Current liabilities	6,011,356	5,795,566	9,374	11,729	6,020,730	5,807,295
Long-term liabilities:						
Due within one year	1,530,635	1,502,096	-	-	1,530,635	1,502,096
Net pension liability	62,577,386	55,391,092	-	-	62,577,386	55,391,092
Other amounts	<u>47,852,240</u>	<u>49,043,723</u>	<u>-</u>	<u>-</u>	<u>47,852,240</u>	<u>49,043,723</u>
Total liabilities	<u>117,971,617</u>	<u>111,732,477</u>	<u>9,374</u>	<u>11,729</u>	<u>117,980,991</u>	<u>111,744,206</u>
<u>Deferred inflows of resources</u>						
Property taxes	18,920,000	18,632,500	-	-	18,920,000	18,632,500
Pension	<u>4,287,671</u>	<u>10,018,138</u>	<u>-</u>	<u>-</u>	<u>4,287,671</u>	<u>10,018,138</u>
Total deferred inflows of resources	<u>23,207,671</u>	<u>28,650,638</u>	<u>-</u>	<u>-</u>	<u>23,207,671</u>	<u>28,650,638</u>
<u>Net Position</u>						
Net investment in capital assets	29,045,461	29,351,797	24,176	20,857	29,069,637	29,372,654
Restricted	6,567,781	5,652,682	-	-	6,567,781	5,652,682
Unrestricted (deficit)	<u>(52,464,252)</u>	<u>(56,462,790)</u>	<u>75,540</u>	<u>80,822</u>	<u>(52,388,712)</u>	<u>(56,381,968)</u>
Total net position	<u>\$ (16,851,010)</u>	<u>\$ (21,458,311)</u>	<u>\$ 99,716</u>	<u>\$ 101,679</u>	<u>\$ (16,751,294)</u>	<u>\$ (21,356,632)</u>

During 2015, the District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

At year-end, capital assets represented 62.92% of total assets. Capital assets include, land, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks. The District's net investment in capital assets at June 30, 2016 was \$29,069,637. 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.

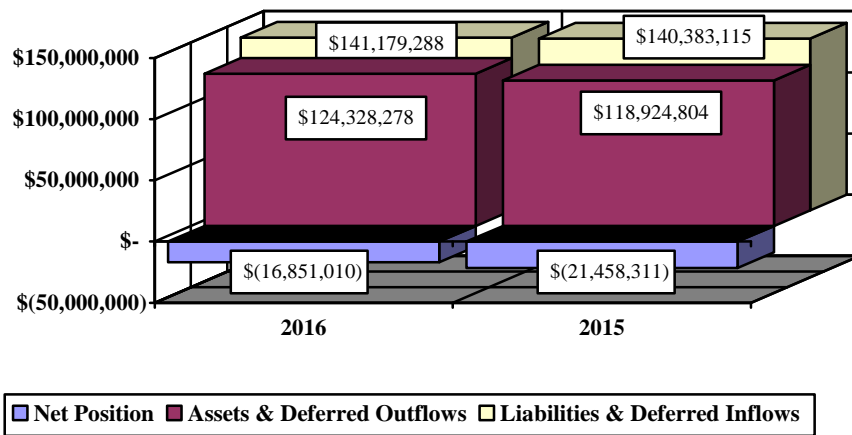
**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

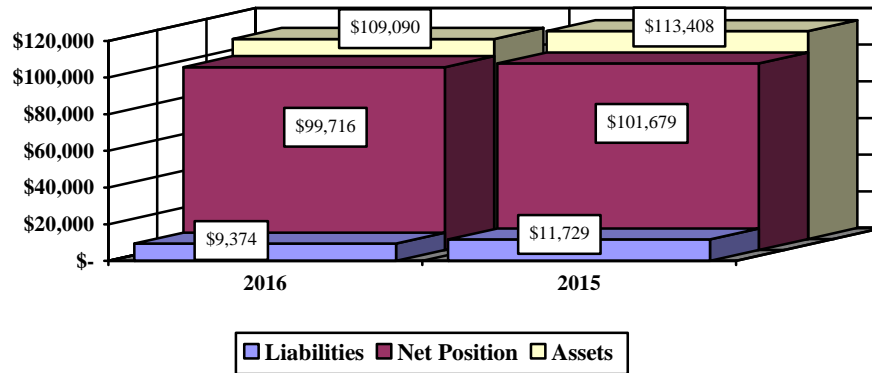
A portion of the District's net position, \$6,567,781, represents resources that are subject to external restriction on how they may be used. \$2,566,938 of the District's net position is restricted for debt service. The remaining balance of governmental activities unrestricted net position is a deficit balance of (\$52,464,252).

The graphs below present the District's governmental and business-type assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2016 and June 30, 2015.

Governmental – Net Position



Business-Type – Net Position



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The table below shows the changes in net position for fiscal year 2016 and 2015.

Change in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 5,949,349	\$ 5,942,195	\$ 41,985	\$ 56,301	\$ 5,991,334	\$ 5,998,496
Operating grants and contributions	6,559,033	6,891,631	-	-	6,559,033	6,891,631
Capital grants and contributions	165,000	1,017,866	-	-	165,000	1,017,866
General revenues:						
Property taxes	19,506,769	19,030,716	-	-	19,506,769	19,030,716
Unrestricted grants and entitlements	22,224,730	22,772,715	-	-	22,224,730	22,772,715
Restricted grants and entitlements	793,118	-	-	-	793,118	-
Investment earnings	8,710	5,633	-	-	8,710	5,633
Other	249,825	186,935	-	-	249,825	186,935
Total revenues	55,456,534	55,847,691	41,985	56,301	55,498,519	55,903,992
Expenses						
Program expenses:						
Instruction:						
Regular	20,527,557	22,210,972	-	-	20,527,557	22,210,972
Special	5,500,588	6,134,578	-	-	5,500,588	6,134,578
Vocational	356,298	385,273	-	-	356,298	385,273
Other	2,925,009	2,441,428	-	-	2,925,009	2,441,428
Support services:						
Pupil	2,793,171	2,837,305	-	-	2,793,171	2,837,305
Instructional staff	945,108	997,171	-	-	945,108	997,171
Board of education	68,733	89,853	-	-	68,733	89,853
Administration	4,380,475	4,398,169	-	-	4,380,475	4,398,169
Fiscal	974,065	1,002,069	-	-	974,065	1,002,069
Business	3,299	2,404	-	-	3,299	2,404
Operations and maintenance	4,615,957	4,272,007	-	-	4,615,957	4,272,007
Pupil transportation	2,026,410	2,125,452	-	-	2,026,410	2,125,452
Central	38,939	22,194	-	-	38,939	22,194
Operation of non-instructional services:						
Food service operations	2,208,041	2,578,874	-	-	2,208,041	2,578,874
Other non-instructional services	678	2,939	-	-	678	2,939
Extracurricular activities	1,224,315	1,129,455	-	-	1,224,315	1,129,455
Interest and fiscal charges	2,235,590	2,254,351	-	-	2,235,590	2,254,351
Special enterprise	-	-	68,948	65,559	68,948	65,559
Total expenses	50,824,233	52,884,494	68,948	65,559	50,893,181	52,950,053
Transfers	(25,000)	-	25,000	-	-	-
Changes in net position	4,607,301	2,963,197	(1,963)	(9,258)	4,605,338	2,953,939
Net position at beginning of year	(21,458,311)	(24,421,508)	101,679	110,937	(21,356,632)	(24,310,571)
Net position at end of year	\$ (16,851,010)	\$ (21,458,311)	\$ 99,716	\$ 101,679	\$ (16,751,294)	\$ (21,356,632)

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Governmental Activities

For fiscal year 2016, the net position of the District's governmental activities increased \$4,607,301. Total governmental expenses of \$50,824,233 were offset by program revenues of \$12,673,382 and general revenues of \$42,783,152. Program revenues supported 24.94% of the total governmental expenses.

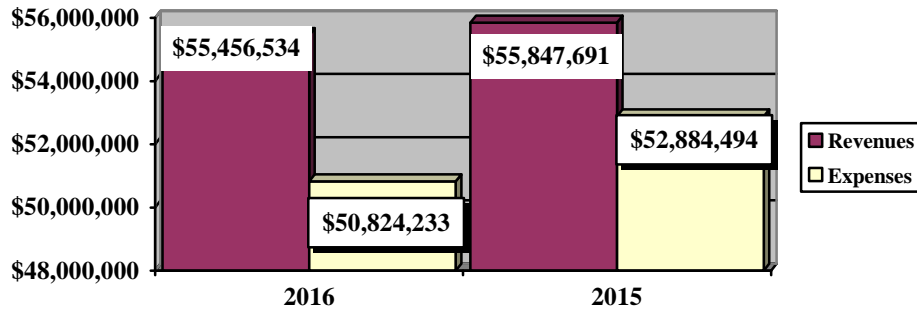
The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These two revenue sources represent 75.25% of total governmental revenue. Real estate property is reappraised every six years.

In 2015, the District purchased significant amounts of technology from the regular instruction function. This technology was not capitalized as the individual components were less than the District's capitalization threshold of \$4,000. This accounts for the decrease in regular instruction expenses in 2016.

Capital grants and contributions decreased because the District received a one-time grant from the Ohio Department of Transportation in 2015 to replace fourteen diesel school buses with propane-fueled buses. The District saw an increase in general revenue restricted grants because of amounts reimbursed from the Ohio Facilities Construction Commission to pay for construction and demolition management expenses incurred in prior years.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2016 and 2015.

Governmental Activities - Revenues and Expenses



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 2016 and 2015. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>	Total Cost of Services <u>2015</u>	Net Cost of Services <u>2015</u>
Governmental Activities				
Program expenses:				
Instruction:				
Regular	\$ 20,527,557	\$ 15,786,041	\$ 22,210,972	\$ 17,853,606
Special	5,500,588	1,369,286	6,134,578	1,672,282
Vocational	356,298	311,484	385,273	358,130
Other	2,925,009	2,925,009	2,441,428	2,441,428
Support services:				
Pupil	2,793,171	2,719,529	2,837,305	2,693,092
Instructional staff	945,108	702,370	997,171	727,703
Board of education	68,733	68,733	89,853	89,853
Administration	4,380,475	3,636,297	4,398,169	3,614,943
Fiscal	974,065	973,923	1,002,069	1,000,808
Business	3,299	3,299	2,404	2,404
Operations and maintenance	4,615,957	4,609,161	4,272,007	4,260,923
Pupil transportation	2,026,410	1,957,362	2,125,452	980,541
Central	38,939	31,739	22,194	14,994
Operation of non-instructional services:				
Food service operations	2,208,041	146,449	2,578,874	362,980
Other non-instructional services	678	(309)	2,939	(1,988)
Extracurricular activities	1,224,315	674,888	1,129,455	706,752
Interest and fiscal charges	<u>2,235,590</u>	<u>2,235,590</u>	<u>2,254,351</u>	<u>2,254,351</u>
Total expenses	<u>\$ 50,824,233</u>	<u>\$ 38,150,851</u>	<u>\$ 52,884,494</u>	<u>\$ 39,032,802</u>

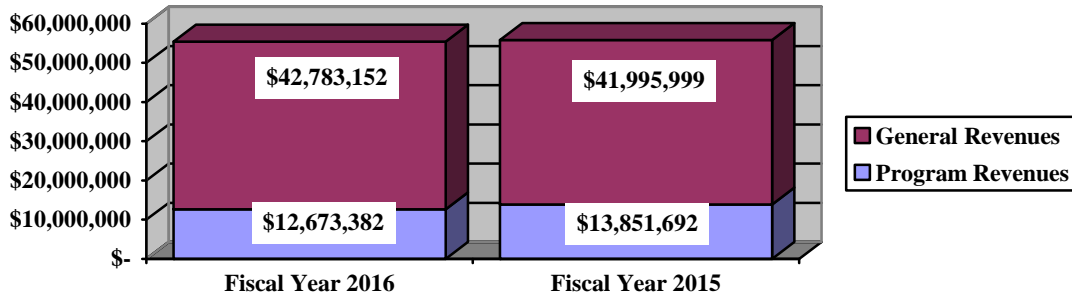
The dependence upon tax revenues during fiscal year 2016 for governmental activities is apparent, as 69.57% of 2016 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 75.06%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, are the primary support for District's students.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The graph below presents the District's governmental activities revenue for fiscal years 2016 and 2015.

Governmental Activities - General and Program Revenues



Business-type Activities

Business-type activities include special enterprise operations. These programs had revenues of \$41,985, expenses of \$68,948 and transfers in of \$25,000 for fiscal year 2016. The District's business-type activities receive no support from tax revenues.

The District's Funds

The District's governmental funds reported a combined fund balance of \$15,890,766, which is greater than last year fund's total of \$11,302,041.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2016 and 2015.

	Fund Balance <u>June 30, 2016</u>	Fund Balance <u>June 30, 2015</u>	<u>Increase</u>
General	\$ 3,133,070	\$ 1,526,301	\$ 1,606,769
Bond retirement	3,267,783	2,537,605	730,178
Capital projects	5,843,571	4,043,537	1,800,034
Other governmental	<u>3,646,342</u>	<u>3,194,598</u>	<u>451,744</u>
Total	<u>\$ 15,890,766</u>	<u>\$ 11,302,041</u>	<u>\$ 4,588,725</u>

General Fund

The District's general fund balance increased \$1,606,769, which is primarily due to an increase in revenues during the fiscal year. The table that follows assists in illustrating the revenues of the general fund.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>2016</u> <u>Amount</u>	<u>2015</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 16,569,459	\$ 16,241,405	\$ 328,054	2.02 %
Intergovernmental	23,715,117	24,186,889	(471,772)	(1.95) %
Other revenues	<u>5,093,749</u>	<u>4,635,810</u>	<u>457,939</u>	9.88 %
Total	<u>\$ 45,378,325</u>	<u>\$ 45,064,104</u>	<u>\$ 314,221</u>	0.70 %

Taxes revenue had a 2.02% increase in fiscal year 2016. Intergovernmental revenue decreased mainly due to changes to the State Foundation funding formula. Other revenues increased \$457,939 or 9.88%. The increase in other revenues is mainly due to an increase in open enrollment tuition revenue.

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

	<u>2016</u> <u>Amount</u>	<u>2015</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
Instruction	\$ 26,428,842	\$ 27,247,853	\$ (819,011)	(3.01) %
Support services	14,307,409	14,355,878	(48,469)	(0.34) %
Operation of non-instructional services	743	1,268	(525)	(41.40) %
Extracurricular activities	647,141	574,371	72,770	12.67 %
Facilities acquisition and construction	<u>5,176</u>	<u>-</u>	<u>5,176</u>	100.00 %
Total	<u>\$ 41,389,311</u>	<u>\$ 42,179,370</u>	<u>\$ (790,059)</u>	(1.87) %

The most significant decrease in expenditures during fiscal year 2016 was for instructional services. This was mainly the result of the retirement of teachers at the end of 2015, which were replaced with less experienced, and therefore less expensive, new staff. Other expenditures remained consistent with the prior fiscal year.

Bond Retirement Fund

The bond retirement fund had \$3,849,954 in revenues and other financing sources and \$3,119,776 in expenditures. This fund accounts for the District's accumulation of resources for and payment of long-term debt obligations. During fiscal year 2016, the fund balance of the bond retirement fund increased \$730,178 from \$2,537,605 to \$3,267,783.

Capital Projects Fund

The capital projects fund had \$2,000,000 in other financing sources and \$199,966 in expenditures. This fund is used to account for various capital projects. During fiscal year 2016, the primary expenditures were for tennis court renovations. During fiscal year 2016, the fund balance of the capital projects fund increased \$1,800,034, from \$4,043,537 to \$5,843,571.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

During the course of fiscal 2016, 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 \$45,095,271, which was increased from the original budgeted revenues and other financing sources estimate of \$40,324,525. This increase was due to changes in the State Foundation formula which resulted in an estimated increase in intergovernmental revenue and conservative budgeting. Actual revenues and other financing sources for fiscal 2016 were \$45,257,949. This represents a \$162,678 increase from final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$44,297,608 were increased to \$45,695,249 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2016 totaled \$43,900,625, which was \$1,794,624 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2016, the District had \$73,364,835 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks. Of this total, \$73,340,659 was reported in governmental activities and \$24,176 was reported in business-type activities.

The following table shows fiscal 2016 balances compared to 2015:

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 885,690	\$ 885,690	\$ -	\$ -	\$ 885,690	\$ 885,690
Land improvements	2,084,530	2,089,247	-	-	2,084,530	2,089,247
Building and improvements	68,062,564	69,107,469	-	-	68,062,564	69,107,469
Furniture and equipment	931,331	1,032,281	24,176	20,857	955,507	1,053,138
Vehicles	<u>1,376,544</u>	<u>1,514,342</u>	<u>-</u>	<u>-</u>	<u>1,376,544</u>	<u>1,514,342</u>
Total	<u>\$ 73,340,659</u>	<u>\$ 74,629,029</u>	<u>\$ 24,176</u>	<u>\$ 20,857</u>	<u>\$ 73,364,835</u>	<u>\$ 74,649,886</u>

Capital assets of the governmental activities decreased \$1,288,370, which is due to capital outlays of \$1,288,713 being less than depreciation expense of \$2,577,083. Capital assets of the business-type activities increased \$3,319 which is due to capital outlays of \$6,750 being greater than depreciation expense of \$3,431 in the current year.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Debt Administration

At June 30, 2016 the District had \$44,163,898 in a House Bill 264 loan and general obligation bonds outstanding. Of this total, \$1,008,596 is due within one year and \$43,155,302 is due in greater than one year. The following table summarizes the bonds and loans outstanding.

Outstanding Debt, at Year End		
	<u>Governmental Activities 2016</u>	<u>Governmental Activities 2015</u>
House Bill 264 loan	\$ 159,280	\$ 186,512
General obligation bonds	<u>44,004,618</u>	<u>44,774,330</u>
 Total	 <u>\$ 44,163,898</u>	 <u>\$ 44,960,842</u>

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. These bonds were refunded during fiscal year 2012.

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.

During fiscal year 2011, the District issued 26,680,000 in general obligation bonds. The bonds bear interest rates ranging from 2% to 6% and mature on November 1, 2047.

At June 30, 2016 the District's overall legal debt margin was \$14,487,280 with an unvoted debt margin of \$607,439.

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

Current Financial Related Activities

The District has completed two building projects. Austintown Middle School for grades 6-8 opened in 2007. This replaced an original high school that was converted into a middle school, and realigned the District to include an intermediate school. There is a current sale in process for this property which will include the demolition of the building.

Austintown Elementary and Austintown Intermediate Schools for grades K-2 and 3-5 opened in 2013. These two buildings replaced the intermediate school and four elementary schools. All District schools are now on one campus property. All of the replaced building have been demolished except for the former Lynn Kirk Elementary. It is still being used for District offices (Food Service, Registration, EMIS, and Special Education) and Mahoning County ESC programs (preschool and special education).

For both building projects, the community passed bond issues. The Elementary/Intermediate schools project was in a partnership with the Ohio Facilities Construction Commission (OFCC) with the state paying 47% of the cost.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The current high school was built in the late 1960's. This building has served the District well, however, it is in need of upgrades and repairs. The Board of Education is conducting studies as to the best way to handle this issue for the long-term success of the District.

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, Austintown, Ohio 44515.

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

STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents. . . .	\$ 19,942,328	\$ 84,799	\$ 20,027,127
Receivables:			
Property taxes	21,239,318	-	21,239,318
Accounts	12,853	115	12,968
Intergovernmental	541,887	-	541,887
Prepayments	13,271	-	13,271
Inventory held for resale.	30,000	-	30,000
Restricted assets:			
Cash with escrow agent	1,365,000	-	1,365,000
Capital assets:			
Nondepreciable capital assets	885,690	-	885,690
Depreciable capital assets, net.	72,454,969	24,176	72,479,145
Capital assets, net	<u>73,340,659</u>	<u>24,176</u>	<u>73,364,835</u>
Total assets.	<u>116,485,316</u>	<u>109,090</u>	<u>116,594,406</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	1,918,184	-	1,918,184
Pension - STRS	4,922,055	-	4,922,055
Pension - SERS	1,002,723	-	1,002,723
Total deferred outflows of resources	<u>7,842,962</u>	<u>-</u>	<u>7,842,962</u>
Liabilities:			
Accounts payable.	115,672	-	115,672
Accrued wages and benefits	4,599,629	9,374	4,609,003
Intergovernmental payable	302,785	-	302,785
Pension and postemployment benefits payable.	604,560	-	604,560
Accrued interest payable	388,710	-	388,710
Long-term liabilities:			
Due within one year.	1,530,635	-	1,530,635
Due in more than one year:			
Net pension liability	62,577,386	-	62,577,386
Other amounts due in more than one year .	47,852,240	-	47,852,240
Total liabilities	<u>117,971,617</u>	<u>9,374</u>	<u>117,980,991</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year. . . .	18,920,000	-	18,920,000
Pension - STRS	3,747,542	-	3,747,542
Pension - SERS	540,129	-	540,129
Total deferred inflows of resources	<u>23,207,671</u>	<u>-</u>	<u>23,207,671</u>
Net position:			
Net investment in capital assets	29,045,461	24,176	29,069,637
Restricted for:			
Capital projects	848,815	-	848,815
Classroom facilities maintenance	1,928,354	-	1,928,354
Debt service.	2,566,938	-	2,566,938
Locally funded programs	185,351	-	185,351
State funded programs.	808	-	808
Federally funded programs	876,166	-	876,166
Student activities	161,349	-	161,349
Unrestricted (deficit)	<u>(52,464,252)</u>	<u>75,540</u>	<u>(52,388,712)</u>
Total net position.	<u>\$ (16,851,010)</u>	<u>\$ 99,716</u>	<u>\$ (16,751,294)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Instruction:				
Regular	\$ 20,527,557	\$ 4,637,764	\$ 103,752	\$ -
Special	5,500,588	9,141	4,122,161	-
Vocational	356,298	-	44,814	-
Other	2,925,009	-	-	-
Support services:				
Pupil	2,793,171	3,360	70,282	-
Instructional staff	945,108	20,932	221,806	-
Board of education	68,733	-	-	-
Administration	4,380,475	227,544	516,634	-
Fiscal	974,065	-	142	-
Business	3,299	-	-	-
Operations and maintenance	4,615,957	6,796	-	-
Pupil transportation	2,026,410	-	69,048	-
Central	38,939	-	7,200	-
Operation of non-instructional services:				
Food service operations	2,208,041	660,331	1,401,261	-
Other non-instructional services	678	987	-	-
Extracurricular activities	1,224,315	382,494	1,933	165,000
Interest and fiscal charges	2,235,590	-	-	-
Total governmental activities	<u>50,824,233</u>	<u>5,949,349</u>	<u>6,559,033</u>	<u>165,000</u>
Business-type activities:				
Special enterprise	<u>68,948</u>	<u>41,985</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 50,893,181</u>	<u>\$ 5,991,334</u>	<u>\$ 6,559,033</u>	<u>\$ 165,000</u>

General revenues:

Property taxes levied for:

- General purposes
- Debt service
- Classroom facilities maintenance
- Grants and entitlements not restricted to specific programs
- Grants and entitlements restricted for Ohio Facilities Construction Commission
- Investment earnings
- Miscellaneous
- Total general revenues

Transfers

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Governmental Activities	Business-Type Activities	Total
\$ (15,786,041)	\$ -	\$ (15,786,041)
(1,369,286)	-	(1,369,286)
(311,484)	-	(311,484)
(2,925,009)	-	(2,925,009)
(2,719,529)	-	(2,719,529)
(702,370)	-	(702,370)
(68,733)	-	(68,733)
(3,636,297)	-	(3,636,297)
(973,923)	-	(973,923)
(3,299)	-	(3,299)
(4,609,161)	-	(4,609,161)
(1,957,362)	-	(1,957,362)
(31,739)	-	(31,739)
(146,449)	-	(146,449)
309	-	309
(674,888)	-	(674,888)
(2,235,590)	-	(2,235,590)
<u>(38,150,851)</u>	<u>-</u>	<u>(38,150,851)</u>
-	(26,963)	(26,963)
<u>(38,150,851)</u>	<u>(26,963)</u>	<u>(38,177,814)</u>
16,518,175	-	16,518,175
2,728,615	-	2,728,615
259,979	-	259,979
22,224,730	-	22,224,730
793,118	-	793,118
8,710	-	8,710
249,825	-	249,825
<u>42,783,152</u>	<u>-</u>	<u>42,783,152</u>
(25,000)	25,000	-
4,607,301	(1,963)	4,605,338
<u>(21,458,311)</u>	<u>101,679</u>	<u>(21,356,632)</u>
<u>\$ (16,851,010)</u>	<u>\$ 99,716</u>	<u>\$ (16,751,294)</u>

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>General</u>	<u>Bond Retirement</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents.	\$ 8,193,436	\$ 1,876,537	\$ 5,843,571	\$ 4,028,784	\$ 19,942,328
Receivables:					
Property taxes.	17,994,539	2,967,483	-	277,296	21,239,318
Accounts	12,203	-	-	650	12,853
Intergovernmental.	192,171	-	-	349,716	541,887
Prepayments.	13,271	-	-	-	13,271
Inventory held for resale.	-	-	-	30,000	30,000
Restricted assets:					
Cash with escrow agent.	-	1,365,000	-	-	1,365,000
Total assets	<u>\$ 26,405,620</u>	<u>\$ 6,209,020</u>	<u>\$ 5,843,571</u>	<u>\$ 4,686,446</u>	<u>\$ 43,144,657</u>
Liabilities:					
Accounts payable	\$ 110,883	\$ -	\$ -	\$ 4,789	\$ 115,672
Accrued wages and benefits	4,223,793	-	-	375,836	4,599,629
Compensated absences payable	46,346	-	-	-	46,346
Intergovernmental payable	298,247	-	-	4,538	302,785
Pension and postemployment benefits payable.	561,879	-	-	42,681	604,560
Total liabilities.	<u>5,241,148</u>	<u>-</u>	<u>-</u>	<u>427,844</u>	<u>5,668,992</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year.	15,969,692	2,698,754	-	251,554	18,920,000
Delinquent property tax revenue not available.	1,869,539	242,483	-	23,296	2,135,318
Intergovernmental revenue not available.	192,171	-	-	337,410	529,581
Total deferred inflows of resources	<u>18,031,402</u>	<u>2,941,237</u>	<u>-</u>	<u>612,260</u>	<u>21,584,899</u>
Fund balances:					
Nonspendable:					
Prepays.	13,271	-	-	-	13,271
Restricted:					
Debt service	-	3,267,783	-	-	3,267,783
Capital improvements	-	-	-	848,815	848,815
Classroom facilities maintenance	-	-	-	1,905,058	1,905,058
Extracurricular activities.	-	-	-	161,349	161,349
Other purposes.	-	-	-	957,403	957,403
Committed:					
Capital improvements	-	-	5,843,571	-	5,843,571
Extracurricular.	-	-	-	45,509	45,509
Assigned:					
Student instruction	45,669	-	-	-	45,669
Student and staff support.	281,091	-	-	-	281,091
Subsequent year's appropriations	2,524,721	-	-	-	2,524,721
Other purposes.	268,318	-	-	-	268,318
Unassigned (deficit).	-	-	-	(271,792)	(271,792)
Total fund balances	<u>3,133,070</u>	<u>3,267,783</u>	<u>5,843,571</u>	<u>3,646,342</u>	<u>15,890,766</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 26,405,620</u>	<u>\$ 6,209,020</u>	<u>\$ 5,843,571</u>	<u>\$ 4,686,446</u>	<u>\$ 43,144,657</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2016

Total governmental fund balances		\$	15,890,766
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			73,340,659
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	2,135,318	
Intergovernmental receivable		529,581	
Total		<u>2,664,900</u>	2,664,899
Unamortized premiums on bonds issued are not recognized in the funds.			(2,604,102)
Unamortized amounts on refundings are not recognized in the funds.			1,918,184
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(388,710)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.			
Deferred outflows - pension		5,924,778	
Deferred inflows - pension		(4,287,671)	
Net pension liability		<u>(62,577,386)</u>	
Total			(60,940,279)
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		(44,004,618)	
Compensated absences		(2,568,529)	
House Bill 264 loan		<u>(159,280)</u>	
Total			<u>(46,732,427)</u>
Net position of governmental activities		<u>\$</u>	<u>(16,851,010)</u>

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, 2016

	<u>General</u>	<u>Bond Retirement</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
From local sources:					
Taxes	\$ 16,569,459	\$ 2,722,732	\$ -	\$ 258,970	\$ 19,551,161
Tuition	4,437,048	-	-	-	4,437,048
Earnings on investments	8,296	-	-	475	8,771
Charges for services	987	-	-	660,331	661,318
Extracurricular	225,817	-	-	360,632	586,449
Classroom materials and fees	204,194	-	-	221	204,415
Other local revenues	217,407	-	-	234,159	451,566
Intergovernmental - intermediate	-	-	-	27,069	27,069
Intergovernmental - state	23,715,117	421,640	-	935,969	25,072,726
Intergovernmental - federal	-	633,582	-	3,779,663	4,413,245
Total revenues	<u>45,378,325</u>	<u>3,777,954</u>	<u>-</u>	<u>6,257,489</u>	<u>55,413,768</u>
Expenditures:					
Current:					
Instruction:					
Regular	19,391,300	-	-	98,543	19,489,843
Special	3,757,911	-	-	1,593,863	5,351,774
Vocational	354,622	-	-	-	354,622
Other	2,925,009	-	-	-	2,925,009
Support services:					
Pupil	2,679,997	-	-	47,770	2,727,767
Instructional staff	588,062	-	-	284,887	872,949
Board of education	68,733	-	-	-	68,733
Administration	3,998,628	-	-	320,225	4,318,853
Fiscal	887,071	54,357	-	5,421	946,849
Business	3,299	-	-	-	3,299
Operations and maintenance	4,291,691	-	-	32,396	4,324,087
Pupil transportation	1,758,189	-	-	45,257	1,803,446
Central	31,739	-	-	7,200	38,939
Operation of non-instructional services:					
Food service operations	-	-	-	2,053,105	2,053,105
Other non-instructional services	743	-	-	-	743
Extracurricular activities	647,141	-	-	462,231	1,109,372
Facilities acquisition and construction	5,176	-	199,966	1,140,092	1,345,234
Debt service:					
Principal retirement	-	952,232	-	-	952,232
Interest and fiscal charges	-	2,113,187	-	-	2,113,187
Total expenditures	<u>41,389,311</u>	<u>3,119,776</u>	<u>199,966</u>	<u>6,090,990</u>	<u>50,800,043</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,989,014</u>	<u>658,178</u>	<u>(199,966)</u>	<u>166,499</u>	<u>4,613,725</u>
Other financing sources (uses):					
Transfers in	-	72,000	2,000,000	285,245	2,357,245
Transfers (out)	(2,382,245)	-	-	-	(2,382,245)
Total other financing sources (uses)	<u>(2,382,245)</u>	<u>72,000</u>	<u>2,000,000</u>	<u>285,245</u>	<u>(25,000)</u>
Net change in fund balances	1,606,769	730,178	1,800,034	451,744	4,588,725
Fund balances at beginning of year	<u>1,526,301</u>	<u>2,537,605</u>	<u>4,043,537</u>	<u>3,194,598</u>	<u>11,302,041</u>
Fund balances at end of year	<u>\$ 3,133,070</u>	<u>\$ 3,267,783</u>	<u>\$ 5,843,571</u>	<u>\$ 3,646,342</u>	<u>\$ 15,890,766</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, 2016

Net change in fund balances - total governmental funds	\$	4,588,725
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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.		
Capital asset additions	\$ 1,288,713	
Current year depreciation	(2,577,083)	
Total		(1,288,370)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(44,392)	
Intergovernmental	87,158	
Total		42,766
Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		952,232
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 additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	3,083	
Accreted interest on capital appreciation bonds	(155,288)	
Amortization of bond premiums	162,855	
Amortization of deferred charges	(133,053)	
Total		(122,403)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		3,399,814
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(2,946,659)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(18,804)
Change in net position of governmental activities	\$	4,607,301

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 14,677,655	\$ 16,414,151	\$ 16,414,151	\$ -
Tuition.	3,967,717	4,437,133	4,436,768	(365)
Earnings on investments	6,259	7,000	8,263	1,263
Charges for services	883	987	987	-
Extracurricular.	4,918	5,500	5,450	(50)
Classroom materials and fees	70,106	78,400	76,704	(1,696)
Other local revenues	40,895	45,733	47,676	1,943
Intergovernmental - state	21,287,830	23,806,367	23,963,475	157,108
Total revenues	<u>40,056,263</u>	<u>44,795,271</u>	<u>44,953,474</u>	<u>158,203</u>
Expenditures:				
Current:				
Instruction:				
Regular	18,932,032	19,529,360	19,497,938	31,422
Special.	3,629,795	3,744,319	3,763,919	(19,600)
Vocational.	338,227	348,898	358,720	(9,822)
Other.	2,326,593	2,400,000	2,925,009	(525,009)
Support services:				
Pupil.	3,004,395	3,099,187	2,679,147	420,040
Instructional staff	690,978	712,779	621,114	91,665
Board of education	97,398	100,471	80,497	19,974
Administration.	3,839,850	3,961,002	3,765,042	195,960
Fiscal	1,020,707	1,052,912	852,993	199,919
Business	4,290	4,425	3,739	686
Operations and maintenance.	4,887,459	5,041,664	4,505,576	536,088
Pupil transportation	2,033,602	2,097,764	1,738,475	359,289
Central.	53,181	54,859	31,739	23,120
Other non-instructional services	1,958	2,020	642	1,378
Extracurricular activities	669,720	690,850	641,630	49,220
Facilities acquisition and construction	457,563	472,000	22,000	450,000
Total expenditures	<u>41,987,748</u>	<u>43,312,510</u>	<u>41,488,180</u>	<u>1,824,330</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(1,931,485)</u>	<u>1,482,761</u>	<u>3,465,294</u>	<u>1,982,533</u>
Other financing sources (uses):				
Refund of prior year's expenditures	268,262	300,000	301,607	1,607
Transfers (out).	(2,309,860)	(2,382,739)	(2,412,445)	(29,706)
Sale of capital assets	-	-	2,868	2,868
Total other financing sources (uses)	<u>(2,041,598)</u>	<u>(2,082,739)</u>	<u>(2,107,970)</u>	<u>(25,231)</u>
Net change in fund balance	(3,973,083)	(599,978)	1,357,324	1,957,302
Fund balance at beginning of year	5,465,004	5,465,004	5,465,004	-
Prior year encumbrances appropriated	770,286	770,286	770,286	-
Fund balance at end of year	<u>\$ 2,262,207</u>	<u>\$ 5,635,312</u>	<u>\$ 7,592,614</u>	<u>\$ 1,957,302</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2016

	Business-type Activities	Nonmajor Enterprise Fund
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents	\$	84,799
Receivables:		
Accounts		115
Total current assets		84,914
Noncurrent assets:		
Depreciable capital assets, net		24,176
Total assets.		109,090
Liabilities:		
Current liabilities:		
Accrued wages and benefits		9,374
Total liabilities		9,374
Net position:		
Investment in capital assets		24,176
Unrestricted.		75,540
Total net position.	\$	99,716

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-type Activities
	Nonmajor Enterprise Fund
Operating revenues:	
Tuition and fees.	\$ 41,985
Operating expenses:	
Personal services.	40,416
Contractual services.	3,091
Materials and supplies	22,010
Depreciation	3,431
Total operating expenses.	68,948
Operating loss	(26,963)
Transfer in	25,000
Change in net position	(1,963)
Net position at beginning of year.	101,679
Net position at end of year	\$ 99,716

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, 2016

	Business-type Activities
	Nonmajor Enterprise Fund
Cash flows from operating activities:	
Cash received from tuition and fees	\$ 42,045
Cash payments for personal services.	(42,139)
Cash payments for contractual services	(3,091)
Cash payments for materials and supplies	(22,642)
Net cash used in operating activities	(25,827)
Cash flows from noncapital financing activities:	
Cash received from transfers in	25,000
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(6,750)
Net decrease in cash and cash equivalents	(7,577)
Cash and cash equivalents at beginning of year . . .	92,376
Cash and cash equivalents at end of year	\$ 84,799
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (26,963)
Adjustments:	
Depreciation.	3,431
Changes in assets and liabilities:	
Decrease in accounts receivable.	60
(Decrease) in accounts payable	(632)
(Decrease) in accrued wages and benefits	(1,616)
(Decrease) in intergovernmental payable	(107)
Net cash used in operating activities.	\$ (25,827)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>Private Purpose Trust</u>	
	<u>Scholarship</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 82,557	\$ 33,751
Total assets.	<u>82,557</u>	<u>\$ 33,751</u>
Liabilities:		
Due to students.	-	\$ 33,751
Total liabilities	<u>-</u>	<u>\$ 33,751</u>
Net position:		
Held in trust for scholarships	<u>82,557</u>	
Total net position.	<u>\$ 82,557</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Private Purpose Trust
	Scholarship
Additions:	
Interest	\$ 63
Gifts and contributions	22,108
Total additions	22,171
Deductions:	
Scholarships awarded	16,977
Change in net position	5,194
Net position at beginning of year	77,363
Net position at end of year	\$ 82,557

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 staffed by 225 non-certified and 334 certified personnel to provide services to approximately 4,947 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'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” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34”. 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, 2016**

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 24 districts within Mahoning and Columbiana counties. ACCESS is governed by an assembly consisting of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the assembly. Members of ACCESS are assessed annual user fees and periodic capital improvement fees based on their average daily membership. The members have an ongoing financial interest in ACCESS, however, they do not have an equity interest. Financial information can be obtained from the Treasurer for the Mahoning County Educational Service Center, who serves as fiscal agent, at 7300 North Palmyra Road, Canfield, Ohio 44406.

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

The Stark County Schools Council of Governments (Council) is a shared risk pool created pursuant to State statute for the purpose of administering health care and dental 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. Financial information can be obtained from the Treasurer for the Stark County Educational Service Center, who serves as fiscal agent, at 2100 38th Street N.W., Canton, Ohio 44709-2300.

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, 2016**

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 deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported 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.

Bond retirement fund - The bond retirement fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources when the government is obligated in some manner for payment.

Capital projects fund - The capital projects fund is used to accumulate money for one or more capital projects. In fiscal year 2016, the District used this fund primarily to account for the construction of two new tennis courts.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

PROPRIETARY FUNDS

Proprietary fund reporting focuses on changes in net position, 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. 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 funds account for student managed activities and Ohio High School Athletic Association (OHSAA) tournament monies.

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net position 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, deferred outflows of resources, current liabilities and deferred inflows of resources, 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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 position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. 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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Note 12 for deferred outflows of resources related the District's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Note 12 for deferred inflows of resources related to the District's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

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 the fiscal year is as follows:

1. The Mahoning County Budget Commission voted to waive the requirement that school districts adopt a tax budget as required by Section 5705.28 of the Ohio Revised Code, by January 15th and the filing by January 20th. The Budget Commission now requires an alternate tax budget be submitted by January 20th, which no longer requires specific Board approval.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

2. 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 certificated 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.
3. 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 total.
4. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
5. 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.
6. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2016. 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.
7. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Expenditures 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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 2016, investments were limited to a repurchase agreements and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2016.

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 2016 amounted to \$8,296, which includes \$4,813 assigned from other District funds.

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

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

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 on the fund statements and using the consumption method on the government-wide statements.

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 fund. 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 position, 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 position and in the respective fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>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. 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, 2016, 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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.

J. 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, net pension liability 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.

K. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Education has by resolution authorized the treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments general only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

L. Net Position

Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

M. 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

N. 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.

O. Unamortized Bond Premium and Deferred Charges on Refunding

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. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 9.D.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources on the statement of net position.

P. 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 enterprise fund did not receive any capital contributions from governmental funds during fiscal year 2016.

Q. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. See Note 9.B. for further detail on restricted assets related to the bond sinking fund deposits with fiscal agent.

R. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

S. 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 2016.

T. Interfund Balances

Short-term interfund loans used to cover negative cash balances in funds are classified as “due to/from other funds”. These amounts are eliminated in the governmental activities column of the statement of net position.

U. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

V. Fair Market Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2016, the District has implemented GASB Statement No. 72, “Fair Value Measurement and Application”, GASB Statement No. 73 “Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68”, GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”, and GASB Statement No. 79, “Certain External Investment Pools and Pool Participants”.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the District.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the District.

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2016 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Food service	\$ 114,004
Title VI-B	98,281
Title I	38,871
Improving teacher quality	20,636

The general fund is liable for 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.

C. Compliance

The District did not timely certify certain expenditures, contrary to Ohio Revised Code Section 5705.41(D).

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair 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.

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash with Fiscal Agent

At fiscal year-end, \$1,365,000 was on deposit with a fiscal agent for required sinking fund deposits relating to the District's general obligation bonds. These funds are not included in "deposits with financial institutions" below.

B. Deposits with Financial Institutions

At June 30, 2016, the carrying amount of all District deposits was \$705,274 exclusive of the repurchase agreement reported in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2016, \$1,250,000 of the District's bank balance of \$1,500,000 was exposed to custodial risk as discussed below, while \$250,000 was covered by the FDIC.

C. Investments

As of June 30, 2016, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment maturities</u> 6 months or less
STAR Ohio	\$ 101,886	\$ 101,886
Repurchase agreement	<u>19,336,275</u>	<u>19,336,275</u>
	<u>\$ 19,438,161</u>	<u>\$ 19,438,161</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: STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investments in the federal agency securities that underlie the repurchase agreement, were rated AA+ 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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2016:

<u>Investment type</u>	<u>Fair value</u>	<u>% of total</u>
STAR Ohio	\$ 101,886	0.52
Repurchase agreement	<u>19,336,275</u>	<u>99.48</u>
Total investments	<u>\$ 19,438,161</u>	<u>100.00</u>

D. Reconciliation of Cash and Cash Equivalents to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2016:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 705,274
Investments	19,438,161
Cash with escrow agent	<u>1,365,000</u>
Total	<u>\$ 21,508,435</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 21,307,328
Business type activities	84,799
Private-purpose trust fund	82,557
Agency funds	<u>33,751</u>
Total	<u>\$ 21,508,435</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2016, consisted of the following, as reported on the fund financial statements:

<u>Transfers from the general fund to:</u>	<u>Amount</u>
Bond retirement	\$ 72,000
Capital projects	2,000,000
Nonmajor proprietary fund	25,000
Nonmajor governmental funds	<u>285,245</u>
	<u>\$ 2,382,245</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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 and public utility property. Real property tax revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed values as of January 1, 2015, 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 2016 represent the collection of calendar year 2015 taxes. Public utility real and personal property taxes received in calendar year 2016 became a lien on December 31, 2014, were levied after April 1, 2015, 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.

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, 2016, are available to finance fiscal year 2016 operations. The amount available as an advance at June 30, 2016 was \$155,308 in the general fund, \$26,246 in the bond retirement fund and \$2,466 in the classroom facilities maintenance fund, a nonmajor governmental fund. This amount is recorded as revenue. There were no amounts available for advance at June 30, 2015. 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 delinquent tangible personal property taxes which are measurable as of June 30, 2016 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 deferred inflows.

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 reported as a deferred inflow.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2016 taxes were collected are:

	2015 Second Half Collections		2016 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 571,626,360	97.19	\$ 590,722,110	97.25
Public utility personal	<u>16,499,530</u>	<u>2.81</u>	<u>16,716,740</u>	<u>2.75</u>
Total	<u>\$ 588,125,890</u>	<u>100.00</u>	<u>\$ 607,438,850</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation				
Operations	\$ 54.60		\$ 54.60	
Debt service	5.30		5.20	
Classroom facilities maintenance	0.50		0.50	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2016 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 position follows:

Governmental activities:

Taxes	\$ 21,239,318
Accounts	12,853
Intergovernmental	<u>541,887</u>
Total governmental activities	<u>21,794,058</u>

Business-type activities:

Accounts	<u>115</u>
Total receivables	<u>\$ 21,794,173</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, 2016

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Balance</u> <u>6/30/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/16</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 885,690	\$ -	\$ -	\$ 885,690
Total capital assets, not being depreciated	<u>885,690</u>	<u>-</u>	<u>-</u>	<u>885,690</u>
Capital assets, being depreciated:				
Land improvements	3,856,045	204,658	-	4,060,703
Building/improvements	86,407,552	960,687	-	87,368,239
Furniture/equipment	3,006,489	42,368	-	3,048,857
Vehicles	3,356,820	81,000	-	3,437,820
Textbooks	3,763,697	-	-	3,763,697
Total capital assets, being depreciated	<u>100,390,603</u>	<u>1,288,713</u>	<u>-</u>	<u>101,679,316</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(1,766,798)	(209,375)	-	(1,976,173)
Building/improvements	(17,300,083)	(2,005,592)	-	(19,305,675)
Furniture/equipment	(1,974,208)	(143,318)	-	(2,117,526)
Vehicles	(1,842,478)	(218,798)	-	(2,061,276)
Textbooks	(3,763,697)	-	-	(3,763,697)
Total accumulated depreciation	<u>(26,647,264)</u>	<u>(2,577,083)</u>	<u>-</u>	<u>(29,224,347)</u>
Governmental activities capital assets, net	<u>\$ 74,629,029</u>	<u>\$ (1,288,370)</u>	<u>\$ -</u>	<u>\$ 73,340,659</u>
Business-type activities:				
Capital assets, being depreciated:				
Furniture/equipment	\$ 79,565	\$ 6,750	\$ -	\$ 86,315
Less: accumulated depreciation	<u>(58,708)</u>	<u>(3,431)</u>	<u>-</u>	<u>(62,139)</u>
Total	<u>\$ 20,857</u>	<u>\$ 3,319</u>	<u>\$ -</u>	<u>\$ 24,176</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged as follows:

Governmental activities:	<u>Amount</u>
<u>Instruction:</u>	
Regular	\$ 1,297,962
Special	197,237
Vocational	3,940
<u>Support services:</u>	
Pupil	79,606
Instructional staff	70,515
Administration	127,783
Fiscal	25,876
Operations and maintenance	143,879
Pupil transportation	320,236
Food service operations	145,582
Extracurricular activities	<u>164,467</u>
Total governmental activities	<u>2,577,083</u>
 Business-type activities:	
Community center	<u>3,431</u>
Total depreciation expense	<u><u>\$ 2,580,514</u></u>

NOTE 9 - LONG-TERM OBLIGATIONS

A. 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. The loan was issued on October 5, 2006 and matures on October 1, 2021. The loan bears an interest rate of 4.75%. Payments of principal and interest relating to these liabilities are recorded as expenditures in the bond retirement fund.

The following is a description of the District's House Bill 264 loan outstanding as of June 30, 2016:

	<u>Balance</u>		<u>Issued</u>		<u>Retired</u>		<u>Balance</u>
	<u>6/30/15</u>		<u>in 2016</u>		<u>in 2016</u>		<u>6/30/16</u>
House Bill 264 Loan	\$ 186,512	\$	-	\$	(27,232)	\$	159,280

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Fiscal Year Ending</u>	<u>Principal on Loan</u>	<u>Interest on Loan</u>	<u>Total</u>
2017	\$ 28,596	\$ 7,048	\$ 35,644
2018	30,004	5,640	35,644
2019	31,481	4,163	35,644
2020	33,024	2,620	35,644
2021	34,657	987	35,644
2022	<u>1,518</u>	<u>6</u>	<u>1,524</u>
Total	<u>\$ 159,280</u>	<u>\$ 20,464</u>	<u>\$ 179,744</u>

- B.** On September 1, 2010, the District issued general obligation classroom facilities improvement bonds, in the amount of \$26,680,000, for constructing, adding to, renovating, remodeling, furnishing, equipping, and improving District buildings. The bond issue included tax exempt current interest serial bonds, tax exempt capital appreciation bonds, term Build America Bonds (BABs) and Qualified School Construction Bonds (QSCBs) in the amount of \$2,625,000, \$140,000, \$12,655,000 and \$11,260,000, respectively. The bonds were issued for a thirty-eight year period, with final maturity during fiscal year 2048. The bonds will be retired through the bond retirement fund.

The interest rate on the tax exempt current interest bonds is 2.00%. The tax exempt capital appreciation bonds mature on November 1, 2028 (approximate initial offering yield to maturity 4.75%), November 1, 2029 (approximate initial offering yield to maturity 4.85%), and November 1, 2030 (approximate initial offering yield to maturity 4.95%), 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 \$1,605,000. A total of \$148,613 in accreted interest on the capital appreciation bonds has been included on the statement of net position at June 30, 2016.

The term BABs maturing on November 1, 2040 (interest rate 6.006%), and November 1, 2047 (interest rate 6.306%), are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the District. The mandatory redemption of the 2040 term BABs is to occur on November 1 in each of the years 2031 through 2039 (with the balance of \$760,000 to be paid at stated maturity on November 1, 2040) and of the 2047 term BABs is to occur on November 1 in each of the years 2041 through 2046 (with the balance of \$1,000,000 to be paid at stated maturity on November 1, 2047), at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

2040 term BABs		2047 term BABs	
Year	Amount	Year	Amount
2031	\$ 535,000	2041	\$ 785,000
2032	560,000	2042	820,000
2033	580,000	2043	855,000
2034	600,000	2044	890,000
2035	625,000	2045	925,000
2036	650,000	2046	965,000
2037	675,000		
2038	700,000		
2039	730,000		

Term BABs redeemed by other than mandatory redemption, or purchased for cancellation may be credited against the applicable mandatory redemption requirement.

The District receives a reimbursement from the United States Treasury of 35% of the corresponding interest payable on the term BABs. The District records this reimbursement as federal intergovernmental revenue in the bond retirement fund.

The QSCBs bear an interest rate of 5.327% and mature September 1, 2027. The District is required to make mandatory sinking fund deposits (consisting of cash and/or U.S. Treasury obligations) on September 1, in the following years and in the following amounts (in each case equal to the value of any cash deposits, plus the stated principal value at maturity of any U.S. Treasury obligations plus any interest to be paid thereon through and including the maturity date) except the final principal payment date shall be the maturity date:

September 1 of year	Amounts Due	Amounts Deposited
2014	\$ 670,000	\$ 670,000
2015	695,000	695,000
2016	705,000	-
2017	715,000	-
2018	765,000	-
2019	775,000	-
2020	785,000	-
2021	815,000	-
2022	830,000	-
2023	840,000	-
2024	895,000	-
2025	905,000	-
2026	915,000	-
	<u>\$ 10,310,000</u>	<u>\$ 1,365,000</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The amount deposited is recorded as “restricted cash with escrow agent” on the basic financial statements.

The District receives a reimbursement from the United States Treasury equal to 100% of the lesser of the interest payments on the QSCBs or the federal tax credits that would have otherwise been available to the holders of the QSCBs. The District records this reimbursement as federal intergovernmental revenue in the bond retirement fund.

The following is a schedule of activity for fiscal year 2016 on the 2010 general obligation bonds:

<u>Series 2010</u>	<u>Balance 6/30/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/16</u>
Capital appreciation bonds	\$ 140,000	\$ -	\$ -	\$ 140,000
Accreted interest	114,038	34,575	-	148,613
BABs	12,655,000	-	-	12,655,000
QSCBs	<u>11,260,000</u>	<u>-</u>	<u>-</u>	<u>11,260,000</u>
Total series 2010	<u>\$ 24,169,038</u>	<u>\$ 34,575</u>	<u>\$ -</u>	<u>\$ 24,203,613</u>

The following is a summary of the future debt service requirements to maturity for the 2010 general obligation bonds:

Fiscal Year Ended	Current Interest Bonds, BABs and QSCBs			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ -	\$ 1,378,600	\$ 1,378,600	\$ -	\$ -	\$ -
2018	-	1,378,600	1,378,600	-	-	-
2019	-	1,378,600	1,378,600	-	-	-
2020	-	1,378,600	1,378,600	-	-	-
2021	-	1,378,600	1,378,600	-	-	-
2022 - 2026	-	6,892,995	6,892,995	-	-	-
2027 - 2031	11,260,000	4,793,629	16,053,629	140,000	1,465,000	1,605,000
2032 - 2036	2,900,000	3,471,675	6,371,675	-	-	-
2037 - 2041	3,515,000	2,511,765	6,026,765	-	-	-
2042 - 2046	4,275,000	1,315,587	5,590,587	-	-	-
2047 - 2048	<u>1,965,000</u>	<u>125,017</u>	<u>2,090,017</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 23,915,000</u>	<u>\$ 26,003,668</u>	<u>\$ 49,918,668</u>	<u>\$ 140,000</u>	<u>\$ 1,465,000</u>	<u>\$ 1,605,000</u>

- C. On June 13, 2012, the District issued general obligation bonds (series 2012 refunding bonds) to advance refund the callable portion of the series 2004 current interest general obligation bonds. The issuance proceeds of \$23,431,421 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The principal balance outstanding of the defeased bonds was \$20,270,000 at June 30, 2016.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

The 2012 refunding issue is comprised of both current interest bonds, par value \$20,290,000, and capital appreciation bonds, par value \$685,000. The interest rate on the current interest bonds ranges from 2.00-5.00%. The capital appreciation bonds mature on December 1, 2024 (approximate initial offering yield to maturity 3.5%), and December 1, 2025 (approximate initial offering yield to maturity 3.6%) 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 \$3,130,000. A total of \$406,005 in accreted interest on the capital appreciation bonds has been included on the statement of net position at June 30, 2016. The bonds will be retired through the bond retirement fund.

The following is a schedule of activity for fiscal year 2016 on the 2012 series refunding bonds:

	Balance 6/30/15	Additions	Reductions	Balance 6/30/16
Refunding bonds - series 2012:				
Current interest bonds	\$ 19,635,000	\$ -	\$ (925,000)	\$ 18,710,000
Capital appreciation bonds	685,000	-	-	685,000
Accreted interest	285,292	120,713	-	406,005
Total refunding bonds - series 2012	\$ 20,605,292	\$ 120,713	\$ (925,000)	\$ 19,801,005

The reacquisition price exceeded the net carrying amount of the old debt by \$2,450,398. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

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

The following is a summary of the future debt service requirements to maturity for the 2012 series refunding bonds:

Fiscal Year Ended	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 980,000	\$ 692,975	\$ 1,672,975	\$ -	\$ -	\$ -
2018	1,020,000	657,875	1,677,875	-	-	-
2019	1,120,000	615,075	1,735,075	-	-	-
2020	1,180,000	569,075	1,749,075	-	-	-
2021	1,240,000	533,075	1,773,075	-	-	-
2022 - 2026	4,115,000	2,171,845	6,286,845	685,000	2,445,000	3,130,000
2027 - 2031	9,055,000	1,058,831	10,113,831	-	-	-
Total	\$ 18,710,000	\$ 6,298,751	\$ 25,008,751	\$ 685,000	\$ 2,445,000	\$ 3,130,000

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

	<u>Balance</u> 6/30/15	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> 6/30/16	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental activities:					
Compensated absences payable	\$ 2,818,020	\$ 402,519	\$ (605,664)	\$ 2,614,875	\$ 522,039
Net pension liability	55,391,092	7,186,294	-	62,577,386	-
Loans payable	186,512	-	(27,232)	159,280	28,596
G.O. bonds payable	<u>44,774,330</u>	<u>155,288</u>	<u>(925,000)</u>	<u>44,004,618</u>	<u>980,000</u>
Total governmental activities long-term liabilities	<u>\$ 103,169,954</u>	<u>\$ 7,744,101</u>	<u>\$ (1,557,896)</u>	109,356,159	<u>\$ 1,530,635</u>
Add: Unamortized premium on bond issues				<u>2,604,102</u>	
Total on statement of net position				<u>\$ 111,960,261</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, Title VI-B fund and Title I fund.

The District's net pension liability is discussed in Note 12.

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, 2016, are a voted debt margin of \$14,487,280 (including available funds of \$3,267,783) and an unvoted debt margin of \$607,439.

NOTE 10 - COMPENSATED ABSENCES

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 10 - COMPENSATED ABSENCES - (Continued)

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

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 2016, the District contracted with Ohio Casualty for property, automobile, liability and umbrella insurance.

	<u>Per Occurrence</u>	<u>Deductibles</u>	<u>Annual Aggregate</u>
Property:			
Building and contents - replacement cost	\$ -	\$ 5,000	\$ -
Computers	-	500	-
Equipment	-	500	-
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
Employee benefits	-	1,000	1,000,000
Sexual misconduct	1,000,000	-	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 for the past three years 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 11 - RISK MANAGEMENT - (Continued)

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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *pension and postemployment benefits payable* on both the accrual and modified accrual bases of accounting.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

Plan Description –District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the entire 14 percent was allocated to pension, death benefits, and Medicare B and no portion of the employer contribution rate was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$821,307 for fiscal year 2016. Of this amount, \$70,208 is reported as pension and postemployment benefits payable.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description –District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS 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. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. 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 DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member’s defined contribution account or the defined contribution portion of a member’s Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The District’s contractually required contribution to STRS was \$2,578,507 for fiscal year 2016. Of this amount, \$438,864 is reported as pension and postemployment benefits payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 11,177,028	\$ 51,400,358	\$ 62,577,386
Proportion of the net pension liability	0.19587870%	0.18598335%	
Pension expense	\$ 652,340	\$ 2,294,319	\$ 2,946,659

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 181,416	\$ 2,343,548	\$ 2,524,964
District contributions subsequent to the measurement date	<u>821,307</u>	<u>2,578,507</u>	<u>3,399,814</u>
Total deferred outflows of resources	<u>\$ 1,002,723</u>	<u>\$ 4,922,055</u>	<u>\$ 5,924,778</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 393,830	\$ 3,703,201	\$ 4,097,031
Changes in proportionate share	<u>146,299</u>	<u>44,341</u>	<u>190,640</u>
Total deferred inflows of resources	<u>\$ 540,129</u>	<u>\$ 3,747,542</u>	<u>\$ 4,287,671</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

\$3,399,814 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2017	\$ (188,862)	\$ (847,365)	\$ (1,036,227)
2018	(188,862)	(847,365)	(1,036,227)
2019	(188,863)	(847,366)	(1,036,229)
2020	207,874	1,138,102	1,345,976
Total	\$ (358,713)	\$ (1,403,994)	\$ (1,762,707)

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22.00 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	<u>100.00 %</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 15,498,522	\$ 11,177,028	\$ 7,537,975

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 71,398,974	\$ 51,400,358	\$ 34,488,545

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) 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 as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, number of qualified years of service, Medicare eligibility and retirement status.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, none of the employer contribution was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the District's surcharge obligation was \$95,488.

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$95,488, \$147,614, and \$101,901, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

B. State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS 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. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal years 2016 and 2015, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$194,278, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (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 and actual (non-GAAP budgetary basis) 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 and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 1,357,324
Net adjustment for revenue accruals	67,148
Net adjustment for expenditure accruals	343,444
Net adjustment for other sources/uses	(303,275)
Funds budgeted elsewhere	(30,781)
Adjustment for encumbrances	172,909
GAAP basis	<u>\$ 1,606,769</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the CCIP fund, miscellaneous general funds fund, BWC fund and the public school support fund.

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 general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District at June 30, 2016.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 15 - CONTINGENCIES - (Continued)

C. Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

NOTE 16 - SET ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2015	\$ -
Current year set-aside requirement	904,499
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	(280,966)
Excess qualified expenditures from prior years	-
Current year offsets	(350,069)
Waiver granted by ODE	-
Prior year offset from bond proceeds	<u>(273,464)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2017	<u>\$ -</u>
Set-aside balance June 30, 2016	<u>\$ -</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 16 - SET ASIDES - (Continued)

During fiscal year 2011, the District issued \$26,680,000 in capital related school improvement bonds. These proceeds may be used to reduce the capital improvements set-aside amount to below zero for future years. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the capital improvements set-aside balance to \$0. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was \$25,110,211 at June 30, 2016.

NOTE 17 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 202,011
Other governmental	<u>26,123</u>
Total	<u>\$ 228,134</u>

NOTE 18 - SUBSEQUENT EVENT

On December 21, 2016, the District issued \$8,690,000 of general obligation classroom facilities improvement refunding bonds. This issue is comprised of serial and term bonds. The serial bonds bear an interest rate of 4.00% and the term bonds bear an interest rate of 4.25%. The bonds mature on November 1, 2043. The purpose of this bond issue is to fully refund the 2040 term BABs and partially refund the 2047 term BABs. See Note 9.B. for detail on the BABs.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST THREE FISCAL YEARS (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability	0.19587870%	0.19969300%	0.19969300%
District's proportionate share of the net pension liability	\$ 11,177,028	\$ 10,106,349	\$ 11,875,102
District's covered-employee payroll	\$ 5,896,973	\$ 5,802,677	\$ 5,446,647
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.54%	174.17%	218.03%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

(1) Information prior to fiscal year 2013 was unavailable.

Note: Amounts presented as of the District's measurement date which is the prior fiscal year end.

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST THREE FISCAL YEARS (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability	0.18598335%	0.18617722%	0.18617722%
District's proportionate share of the net pension liability	\$ 51,400,358	\$ 45,284,743	\$ 53,942,890
District's covered-employee payroll	\$ 19,404,250	\$ 19,022,169	\$ 19,473,131
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.89%	238.06%	277.01%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

(1) Information prior to fiscal year 2013 was unavailable.

Note: Amounts presented as of the District's measurement date which is the prior fiscal year end.

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 821,307	\$ 777,221	\$ 804,251	\$ 753,816
Contributions in relation to the contractually required contribution	<u>(821,307)</u>	<u>(777,221)</u>	<u>(804,251)</u>	<u>(753,816)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,866,479	\$ 5,896,973	\$ 5,802,677	\$ 5,446,647
Contributions as a percentage of covered-employee payroll	14.00%	13.18%	13.86%	13.84%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 744,324	\$ 703,667	\$ 770,347	\$ 554,019	\$ 580,453	\$ 607,909
<u>(744,324)</u>	<u>(703,667)</u>	<u>(770,347)</u>	<u>(554,019)</u>	<u>(580,453)</u>	<u>(607,909)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,534,007	\$ 5,597,987	\$ 5,689,417	\$ 5,630,274	\$ 5,910,927	\$ 5,692,032
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

	LAST TEN FISCAL YEARS			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 2,578,507	\$ 2,716,595	\$ 2,472,882	\$ 2,531,507
Contributions in relation to the contractually required contribution	<u>(2,578,507)</u>	<u>(2,716,595)</u>	<u>(2,472,882)</u>	<u>(2,531,507)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 18,417,907	\$ 19,404,250	\$ 19,022,169	\$ 19,473,131
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.00%	13.00%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 2,610,544	\$ 2,596,057	\$ 2,619,986	\$ 2,559,627	\$ 2,620,012	\$ 2,622,392
<u>(2,610,544)</u>	<u>(2,596,057)</u>	<u>(2,619,986)</u>	<u>(2,559,627)</u>	<u>(2,620,012)</u>	<u>(2,622,392)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 20,081,108	\$ 19,969,669	\$ 20,153,738	\$ 19,689,438	\$ 20,153,938	\$ 20,172,246
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal years 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal years 2014-2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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

MAJOR GOVERNMENTAL FUND

General Fund

The general fund is used to account for and report all financial resources not accounted for and reported 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. A budgetary statement for the general fund is presented as part of the basic financial statements. The level of detail presented in that statement is greater than the legal level of budgetary control; therefore, a separate additional schedule is not presented.

Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

Public School Support

Section 5705.12, Revised Code

To account for specific local revenue sources (other than taxes) generated by individual school buildings (e.g. sale of pictures, profits from vending machines, etc.) Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

CCIP

Section 5705.09, Revised Code

A fund used to account for the District's activities relating to the Comprehensive Continuous Improvement Plan and grant administration. The sole revenue source of this fund is transfers from the general fund.

Miscellaneous General Fund

Section 5705.12, Revised Code

A fund used to account for miscellaneous programs, such as independent study and various other instructional programs funded by fees.

BWC Rebate

Section 5705.13, Revised Code

A fund to account for rebates received from the Ohio Bureau of Workers' Compensation.

OTHER MAJOR GOVERNMENTAL FUNDS

Bond Retirement

Section 5705.09, Revised Code

The bond retirement debt service fund is used to account for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations for governmental resources when the District is obligated in some manner for the payment.

Capital Projects

Section 5705.13, Revised Code

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

**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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public School Support				
Total revenues and other sources	\$ 303,726	\$ 356,282	\$ 359,217	\$ 2,935
Total expenditures and other uses	<u>-</u>	<u>395,525</u>	<u>387,306</u>	<u>8,219</u>
Net change in fund balance	303,726	(39,243)	(28,089)	11,154
Fund balance at beginning of year.	162,981	162,981	162,981	-
Prior year encumbrances appropriated.	<u>12,172</u>	<u>12,172</u>	<u>12,172</u>	<u>-</u>
Fund balance at end of year	<u>\$ 478,879</u>	<u>\$ 135,910</u>	<u>\$ 147,064</u>	<u>\$ 11,154</u>
CCIP				
Total revenues and other sources	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
Total expenditures and other uses	<u>45,500</u>	<u>45,500</u>	<u>33,013</u>	<u>12,487</u>
Net change in fund balance	(42,500)	(42,500)	(30,013)	12,487
Fund balance at beginning of year.	<u>33,598</u>	<u>33,598</u>	<u>33,598</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (8,902)</u>	<u>\$ (8,902)</u>	<u>\$ 3,585</u>	<u>\$ 12,487</u>
Miscellaneous General Fund				
Total revenues and other sources	\$ 23,612	\$ 22,734	\$ 22,874	\$ 140
Total expenditures and other uses	<u>28,000</u>	<u>27,993</u>	<u>22,993</u>	<u>5,000</u>
Net change in fund balance	(4,388)	(5,259)	(119)	5,140
Fund balance at beginning of year.	<u>4,624</u>	<u>4,624</u>	<u>4,624</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 236</u>	<u>\$ (635)</u>	<u>\$ 4,505</u>	<u>\$ 5,140</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
BWC Rebate				
Fund balance at beginning of year	\$ 242,543	\$ 242,543	\$ 242,543	\$ -
Fund balance at end of year	<u>\$ 242,543</u>	<u>\$ 242,543</u>	<u>\$ 242,543</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Bond Retirement				
Total revenues and other sources	\$ 3,155,644	\$ 3,190,126	\$ 3,190,126	\$ -
Total expenditures and other uses	<u>3,020,419</u>	<u>3,181,194</u>	<u>3,181,194</u>	<u>-</u>
Net change in fund balance	135,225	8,932	8,932	-
Fund balance at beginning of year.	<u>1,867,605</u>	<u>1,867,605</u>	<u>1,867,605</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 2,002,830</u></u>	<u><u>\$ 1,876,537</u></u>	<u><u>\$ 1,876,537</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Capital Projects				
Total revenues and other sources	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	\$ -
Total expenditures and other uses	<u>-</u>	<u>200,566</u>	<u>199,966</u>	<u>600</u>
Net change in fund balance	1,000,000	1,799,434	1,800,034	600
Fund balance at beginning of year.	4,036,037	4,036,037	4,036,037	-
Prior year encumbrances appropriated.	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,043,537</u>	<u>\$ 5,842,971</u>	<u>\$ 5,843,571</u>	<u>\$ 600</u>

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

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. 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.

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.

Classroom Facilities Maintenance Section 3318.06, Revised Code

A fund used to account for the proceeds of a levy for the maintenance of facilities.

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.

OneNet Subsidy Current Budget Bill appropriation line item 200-426

A fund provided to account for money appropriated for Ohio Educational Computer Network (OECN) 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.

Title VI-B Catalog of Federal Domestic Assistance #84.027

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

Title I Catalog of Federal Domestic Assistance #84.010

To provide financial assistance to state and local educational agencies to meet the special needs of educationally deprived children. Included are the Even Start and Comprehensive School Reform programs.

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.

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

Nonmajor Special Revenue Funds - (Continued)

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 Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or trust funds. During fiscal year 2016, the District had three nonmajor 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.

Classroom Facilities

Sections 3318.080 and 3318.15, Revised Code

The classroom facilities capital projects fund is used to account for monies received and expended in connection with contracts entered into by the District and the Ohio School Facilities Commission (OSFC) for the building and equipping of classroom facilities.

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents.	\$ 3,179,969	\$ 848,815	\$ 4,028,784
Receivables:			
Taxes	277,296	-	277,296
Accounts	650	-	650
Intergovernmental	349,716	-	349,716
Inventory held for resale.	30,000	-	30,000
Total assets.	<u>\$ 3,837,631</u>	<u>\$ 848,815</u>	<u>\$ 4,686,446</u>
Liabilities:			
Accounts payable.	\$ 4,789	\$ -	\$ 4,789
Accrued wages and benefits	375,836	-	375,836
Pension and postemployment obligation payable.	42,681	-	42,681
Intergovernmental payable	4,538	-	4,538
Total liabilities.	<u>427,844</u>	<u>-</u>	<u>427,844</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	251,554	-	251,554
Delinquent property tax revenue not available	23,296	-	23,296
Intergovernmental revenue not available	337,410	-	337,410
Total deferred inflows of resources	<u>612,260</u>	<u>-</u>	<u>612,260</u>
Fund balances:			
Restricted:			
Capital improvements.	-	848,815	848,815
Classroom facilities maintenance	1,905,058	-	1,905,058
Extracurricular	161,349	-	161,349
Other purposes	957,403	-	957,403
Committed:			
Extracurricular	45,509	-	45,509
Unassigned (deficit).	(271,792)	-	(271,792)
Total fund balances.	<u>2,797,527</u>	<u>848,815</u>	<u>3,646,342</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,837,631</u>	<u>\$ 848,815</u>	<u>\$ 4,686,446</u>

**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, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Taxes	\$ 258,970	\$ -	\$ 258,970
Earnings on investments	28	447	475
Charges for services	660,331	-	660,331
Extracurricular	360,632	-	360,632
Classroom materials and fees	221	-	221
Other local revenue.	219,959	14,200	234,159
Intergovernmental - Intermediate	27,069	-	27,069
Intergovernmental - State	142,851	793,118	935,969
Intergovernmental - Federal	3,779,663	-	3,779,663
Total revenues	5,449,724	807,765	6,257,489
Expenditures:			
Current:			
Instruction:			
Regular	98,543	-	98,543
Special	1,593,863	-	1,593,863
Support services:			
Pupil	47,770	-	47,770
Instructional staff.	284,887	-	284,887
Administration	320,225	-	320,225
Fiscal	5,421	-	5,421
Operations and maintenance	32,396	-	32,396
Pupil transportation	45,257	-	45,257
Central	7,200	-	7,200
Operation of non-instructional services:			
Food service operations.	2,053,105	-	2,053,105
Extracurricular activities	462,231	-	462,231
Facilities acquisition and construction.	-	1,140,092	1,140,092
Total expenditures	4,950,898	1,140,092	6,090,990
Excess (deficiency) of revenues over (under) expenditures.	498,826	(332,327)	166,499
Other financing sources:			
Transfers in	285,245	-	285,245
Total other financing sources.	285,245	-	285,245
Net change in fund balances	784,071	(332,327)	451,744
Fund balances at beginning of year.	2,013,456	1,181,142	3,194,598
Fund balances at end of year	\$ 2,797,527	\$ 848,815	\$ 3,646,342

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	<u>Food Service</u>	<u>Other Grants</u>	<u>Miscellaneous Grants</u>	<u>Classroom Facilities Maintenance</u>
Assets:				
Equity in pooled cash and cash equivalents. . . .	\$ 50,233	\$ 185,351	\$ 47,637	\$ 1,902,612
Receivables:				
Taxes.	-	-	-	277,296
Accounts.	650	-	-	-
Intergovernmental	12,306	-	-	-
Inventory held for resale.	30,000	-	-	-
Total assets.	<u>\$ 93,189</u>	<u>\$ 185,351</u>	<u>\$ 47,637</u>	<u>\$ 2,179,908</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	165,164	-	2,128	-
Pension and postemployment obligation payable.	40,282	-	-	-
Intergovernmental payable	1,747	-	-	-
Total liabilities.	<u>207,193</u>	<u>-</u>	<u>2,128</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year. . . .	-	-	-	251,554
Delinquent property tax revenue not available. . . .	-	-	-	23,296
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources.	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,850</u>
Fund balances:				
Restricted:				
Classroom facilities maintenance.	-	-	-	1,905,058
Extracurricular.	-	-	-	-
Other purposes.	-	185,351	-	-
Committed:				
Extracurricular.	-	-	45,509	-
Unassigned (deficit).	<u>(114,004)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>(114,004)</u>	<u>185,351</u>	<u>45,509</u>	<u>1,905,058</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 93,189</u>	<u>\$ 185,351</u>	<u>\$ 47,637</u>	<u>\$ 2,179,908</u>

<u>District Managed Student Activity</u>	<u>Alternative School Grant</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 165,849	\$ 808	\$ 3,129	\$ 40,844	\$ 4,959	\$ 778,547	\$ 3,179,969
-	-	-	-	-	-	277,296
-	-	-	-	-	-	650
-	-	133,879	58,319	20,132	125,080	349,716
-	-	-	-	-	-	30,000
<u>\$ 165,849</u>	<u>\$ 808</u>	<u>\$ 137,008</u>	<u>\$ 99,163</u>	<u>\$ 25,091</u>	<u>\$ 903,627</u>	<u>\$ 3,837,631</u>
\$ 4,500	\$ -	\$ -	\$ -	\$ -	\$ 289	\$ 4,789
-	-	100,097	78,581	25,229	4,637	375,836
-	-	59	-	-	2,340	42,681
-	-	1,254	1,134	366	37	4,538
<u>4,500</u>	<u>-</u>	<u>101,410</u>	<u>79,715</u>	<u>25,595</u>	<u>7,303</u>	<u>427,844</u>
-	-	-	-	-	-	251,554
-	-	-	-	-	-	23,296
-	-	133,879	58,319	20,132	125,080	337,410
-	-	133,879	58,319	20,132	125,080	612,260
-	-	-	-	-	-	1,905,058
161,349	-	-	-	-	-	161,349
-	808	-	-	-	771,244	957,403
-	-	-	-	-	-	45,509
-	-	(98,281)	(38,871)	(20,636)	-	(271,792)
<u>161,349</u>	<u>808</u>	<u>(98,281)</u>	<u>(38,871)</u>	<u>(20,636)</u>	<u>771,244</u>	<u>2,797,527</u>
<u>\$ 165,849</u>	<u>\$ 808</u>	<u>\$ 137,008</u>	<u>\$ 99,163</u>	<u>\$ 25,091</u>	<u>\$ 903,627</u>	<u>\$ 3,837,631</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Food Service</u>	<u>Other Grants</u>	<u>Miscellaneous Grants</u>	<u>Classroom Facilities Maintenance</u>
Revenues:				
From local sources:				
Taxes	\$ -	\$ -	\$ -	\$ 258,970
Earnings on investments	-	-	-	-
Charges for services	660,331	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees	-	-	-	-
Other local revenues	-	181,662	22,234	-
Intergovernmental - Intermediate	-	27,069	-	-
Intergovernmental - State	-	-	-	93,545
Intergovernmental - Federal	1,401,261	-	-	-
Total revenues	<u>2,061,592</u>	<u>208,731</u>	<u>22,234</u>	<u>352,515</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	26,401	-	-
Special	-	-	-	-
Support services:				
Pupil	-	309	6,094	-
Instructional staff	-	4,910	66,674	-
Administration	-	2,108	-	-
Fiscal	-	-	-	5,350
Operations and maintenance	32,396	-	-	-
Pupil transportation	-	142	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	2,053,105	-	-	-
Extracurricular activities	-	8,129	59,058	-
Total expenditures	<u>2,085,501</u>	<u>41,999</u>	<u>131,826</u>	<u>5,350</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,909)</u>	<u>166,732</u>	<u>(109,592)</u>	<u>347,165</u>
Other financing sources:				
Transfers in	205,245	-	80,000	-
Total other financing sources	<u>205,245</u>	<u>-</u>	<u>80,000</u>	<u>-</u>
Net change in fund balances	181,336	166,732	(29,592)	347,165
Fund balances (deficits) at beginning of year	<u>(295,340)</u>	<u>18,619</u>	<u>75,101</u>	<u>1,557,893</u>
Fund balances (deficits) at end of year . . .	<u>\$ (114,004)</u>	<u>\$ 185,351</u>	<u>\$ 45,509</u>	<u>\$ 1,905,058</u>

<u>District Managed Student Activity</u>	<u>OneNet Subsidy</u>	<u>Alternative School Grant</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Improving Teacher Quality</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	-	-	-	-	-
-	-	-	-	-	-
360,632	-	-	-	-	-
221	-	-	-	-	-
16,063	-	-	-	-	-
-	-	-	-	-	-
-	7,200	42,106	-	-	-
-	-	-	855,936	891,071	134,748
<u>376,944</u>	<u>7,200</u>	<u>42,106</u>	<u>855,936</u>	<u>891,071</u>	<u>134,748</u>
-	-	24,802	-	-	47,340
-	-	-	691,458	902,405	-
-	-	10,243	2,700	1,050	-
-	-	-	101,423	15,468	96,412
-	-	6,400	110,147	8,326	-
-	-	-	-	-	-
-	-	-	-	-	-
40,803	-	-	4,312	-	-
-	7,200	-	-	-	-
-	-	-	-	-	-
395,044	-	-	-	-	-
<u>435,847</u>	<u>7,200</u>	<u>41,445</u>	<u>910,040</u>	<u>927,249</u>	<u>143,752</u>
<u>(58,903)</u>	<u>-</u>	<u>661</u>	<u>(54,104)</u>	<u>(36,178)</u>	<u>(9,004)</u>
-	-	-	-	-	-
-	-	-	-	-	-
(58,903)	-	661	(54,104)	(36,178)	(9,004)
220,252	-	147	(44,177)	(2,693)	(11,632)
<u>\$ 161,349</u>	<u>\$ -</u>	<u>\$ 808</u>	<u>\$ (98,281)</u>	<u>\$ (38,871)</u>	<u>\$ (20,636)</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, 2016

	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues:		
From local sources:		
Taxes	\$ -	\$ 258,970
Earnings on investments	-	28
Charges for services	-	660,331
Extracurricular	-	360,632
Classroom materials and fees.	-	221
Other local revenues	-	219,959
Intergovernmental - Intermediate	-	27,069
Intergovernmental - State	-	142,851
Intergovernmental - Federal	496,647	3,779,663
Total revenues	496,647	5,449,724
Expenditures:		
Current:		
Instruction:		
Regular	-	98,543
Special	-	1,593,863
Support services:		
Pupil	27,374	47,770
Instructional staff.	-	284,887
Administration	193,244	320,225
Fiscal	71	5,421
Operations and maintenance.	-	32,396
Pupil transportation.	-	45,257
Central.	-	7,200
Operation of non-instructional services:		
Food service operations	-	2,053,105
Extracurricular activities	-	462,231
Total expenditures	220,689	4,950,898
Excess (deficiency) of revenues over (under) expenditures	275,958	498,826
Other financing sources:		
Transfers in	-	285,245
Total other financing sources	-	285,245
Net change in fund balances.	275,958	784,071
Fund balances (deficits)		
at beginning of year.	495,286	2,013,456
Fund balances (deficits) at end of year . . .	\$ 771,244	\$ 2,797,527

**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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Food Service				
Total revenues and other sources	\$ 2,202,023	\$ 2,355,165	\$ 2,162,871	\$ (192,294)
Total expenditures and other uses	<u>2,038,807</u>	<u>2,148,095</u>	<u>2,025,215</u>	<u>122,880</u>
Net change in fund balance	163,216	207,070	137,656	(69,414)
Fund balance (deficit) at beginning of year. . .	(89,589)	(89,589)	(89,589)	-
Prior year encumbrances appropriated.	<u>300</u>	<u>300</u>	<u>300</u>	<u>-</u>
Fund balance at end of year	<u>\$ 73,927</u>	<u>\$ 117,781</u>	<u>\$ 48,367</u>	<u>\$ (69,414)</u>
Other Grants				
Total revenues and other sources	\$ 256,493	\$ 266,513	\$ 267,789	\$ 1,276
Total expenditures and other uses	<u>98,755</u>	<u>107,238</u>	<u>101,057</u>	<u>6,181</u>
Net change in fund balance	157,738	159,275	166,732	7,457
Fund balance at beginning of year.	16,509	16,509	16,509	-
Prior year encumbrances appropriated.	<u>2,110</u>	<u>2,110</u>	<u>2,110</u>	<u>-</u>
Fund balance at end of year	<u>\$ 176,357</u>	<u>\$ 177,894</u>	<u>\$ 185,351</u>	<u>\$ 7,457</u>
Miscellaneous Grants				
Total revenues and other sources	\$ 50,000	\$ 107,085	\$ 102,246	\$ (4,839)
Total expenditures and other uses	<u>49,280</u>	<u>138,543</u>	<u>132,017</u>	<u>6,526</u>
Net change in fund balance	720	(31,458)	(29,771)	1,687
Fund balance at beginning of year.	65,557	65,557	65,557	-
Prior year encumbrances appropriated.	<u>11,851</u>	<u>11,851</u>	<u>11,851</u>	<u>-</u>
Fund balance at end of year	<u>\$ 78,128</u>	<u>\$ 45,950</u>	<u>\$ 47,637</u>	<u>\$ 1,687</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Classroom Facilities Maintenance				
Total revenues and other sources	\$ 340,892	\$ 296,677	\$ 350,069	\$ 53,392
Total expenditures and other uses	<u>-</u>	<u>5,350</u>	<u>5,350</u>	<u>-</u>
Net change in fund balance	340,892	291,327	344,719	53,392
Fund balance at beginning of year.	<u>1,557,893</u>	<u>1,557,893</u>	<u>1,557,893</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,898,785</u>	<u>\$ 1,849,220</u>	<u>\$ 1,902,612</u>	<u>\$ 53,392</u>
District Managed Student Activity				
Total revenues and other sources	\$ 455,894	\$ 370,783	\$ 377,912	\$ 7,129
Total expenditures and other uses	<u>242,049</u>	<u>453,269</u>	<u>451,984</u>	<u>1,285</u>
Net change in fund balance	213,845	(82,486)	(74,072)	8,414
Fund balance at beginning of year.	145,826	145,826	145,826	-
Prior year encumbrances appropriated.	<u>74,483</u>	<u>74,483</u>	<u>74,483</u>	<u>-</u>
Fund balance at end of year	<u>\$ 434,154</u>	<u>\$ 137,823</u>	<u>\$ 146,237</u>	<u>\$ 8,414</u>
OneNet Subsidy				
Total revenues and other sources	\$ -	\$ 7,200	\$ 7,200	\$ -
Total expenditures and other uses	<u>-</u>	<u>7,200</u>	<u>7,200</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>

**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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Alternative School Grant				
Total revenues and other sources	\$ -	\$ 42,106	\$ 42,106	\$ -
Total expenditures and other uses	<u>-</u>	<u>42,253</u>	<u>41,806</u>	<u>447</u>
Net change in fund balance	-	(147)	300	447
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>147</u>	<u>147</u>	<u>147</u>	<u>-</u>
Fund balance at end of year	<u>\$ 147</u>	<u>\$ -</u>	<u>\$ 447</u>	<u>\$ 447</u>
Title VI-B				
Total revenues and other sources	\$ 1,170,458	\$ 1,198,888	\$ 956,496	\$ (242,392)
Total expenditures and other uses	<u>1,149,898</u>	<u>1,178,328</u>	<u>936,506</u>	<u>241,822</u>
Net change in fund balance	20,560	20,560	19,990	(570)
Fund balance (deficit) at beginning of year.	(28,328)	(28,328)	(28,328)	-
Prior year encumbrances appropriated.	<u>7,768</u>	<u>7,768</u>	<u>7,768</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (570)</u>	<u>\$ (570)</u>
Title I				
Total revenues and other sources	\$ 1,159,034	\$ 966,071	\$ 966,071	\$ -
Total expenditures and other uses	<u>1,170,743</u>	<u>975,844</u>	<u>936,936</u>	<u>38,908</u>
Net change in fund balance	(11,709)	(9,773)	29,135	38,908
Fund balance at beginning of year.	9,809	9,809	9,809	-
Prior year encumbrances appropriated.	<u>1,900</u>	<u>1,900</u>	<u>1,900</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,936</u>	<u>\$ 40,844</u>	<u>\$ 38,908</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Improving Teacher Quality				
Total revenues and other sources	\$ 168,513	\$ 168,513	\$ 147,748	\$ (20,765)
Total expenditures and other uses	<u>172,855</u>	<u>172,602</u>	<u>147,131</u>	<u>25,471</u>
Net change in fund balance	(4,342)	(4,089)	617	4,706
Fund balance at beginning of year.	<u>4,342</u>	<u>4,342</u>	<u>4,342</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 253</u></u>	<u><u>\$ 4,959</u></u>	<u><u>\$ 4,706</u></u>
Miscellaneous Federal Grants				
Total revenues and other sources	\$ 200,000	\$ 316,440	\$ 496,647	\$ 180,207
Total expenditures and other uses	<u>105,344</u>	<u>254,600</u>	<u>223,590</u>	<u>31,010</u>
Net change in fund balance	94,656	61,840	273,057	211,217
Fund balance at beginning of year.	481,272	481,272	481,272	-
Prior year encumbrances appropriated.	<u>23,344</u>	<u>23,344</u>	<u>23,344</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 599,272</u></u>	<u><u>\$ 566,456</u></u>	<u><u>\$ 777,673</u></u>	<u><u>\$ 211,217</u></u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2016

	Permanent Improvement	Building	Classroom Facilities	Total Nonmajor Capital Projects Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 359,382	\$ 12,000	\$ 477,433	\$ 848,815
Total assets.	\$ 359,382	\$ 12,000	\$ 477,433	\$ 848,815
Fund balances:				
Restricted:				
Capital improvements.	\$ 359,382	\$ 12,000	\$ 477,433	\$ 848,815
Total fund balances	359,382	12,000	477,433	848,815
Total liabilities and fund balances	\$ 359,382	\$ 12,000	\$ 477,433	\$ 848,815

**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, 2016

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ 447	\$ 447
Other local revenues	2,200	12,000	-	14,200
Intergovernmental - State	-	-	793,118	793,118
Total revenues	<u>2,200</u>	<u>12,000</u>	<u>793,565</u>	<u>807,765</u>
Expenditures:				
Facilities acquisition and construction.	-	30,280	1,109,812	1,140,092
Net change in fund balances	2,200	(18,280)	(316,247)	(332,327)
Fund balances				
at beginning of year.	<u>357,182</u>	<u>30,280</u>	<u>793,680</u>	<u>1,181,142</u>
Fund balances at end of year	<u>\$ 359,382</u>	<u>\$ 12,000</u>	<u>\$ 477,433</u>	<u>\$ 848,815</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Total revenues and other sources	\$ 3,000	\$ 2,200	\$ 2,200	\$ -
Net change in fund balance	3,000	2,200	2,200	-
Fund balance at beginning of year.	357,182	357,182	357,182	-
Fund balance at end of year	<u>\$ 360,182</u>	<u>\$ 359,382</u>	<u>\$ 359,382</u>	<u>\$ -</u>
Building				
Total revenues and other sources	\$ -	\$ -	\$ 12,000	\$ 12,000
Total expenditures and other uses	-	30,280	30,280	-
Net change in fund balance	-	(30,280)	(18,280)	12,000
Fund balance at beginning of year.	30,280	30,280	30,280	-
Fund balance at end of year	<u>\$ 30,280</u>	<u>\$ -</u>	<u>\$ 12,000</u>	<u>\$ 12,000</u>
Classroom Facilities				
Total revenues and other sources	\$ 685,150	\$ 823,826	\$ 823,845	\$ 19
Total expenditures and other uses	927,618	1,140,092	1,140,092	-
Net change in fund balance	(242,468)	(316,266)	(316,247)	19
Fund balance (deficit) at beginning of year . . .	(101,845)	(101,845)	(101,845)	-
Prior year encumbrances appropriated.	895,525	895,525	895,525	-
Fund balance at end of year	<u>\$ 551,212</u>	<u>\$ 477,414</u>	<u>\$ 477,433</u>	<u>\$ 19</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Special Enterprise				
Total revenues	\$ 60,000	\$ 72,432	\$ 67,046	\$ (5,386)
Total expenses	<u>65,104</u>	<u>96,137</u>	<u>74,664</u>	<u>21,473</u>
Net change in fund balance	(5,104)	(23,705)	(7,618)	16,087
Fund balance at beginning of year.	92,272	92,272	92,272	-
Prior year encumbrances appropriated.	<u>104</u>	<u>104</u>	<u>104</u>	<u>-</u>
Fund balance at end of year	<u>\$ 87,272</u>	<u>\$ 68,671</u>	<u>\$ 84,758</u>	<u>\$ 16,087</u>

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

FIDUCIARY FUND DESCRIPTIONS

Fiduciary Funds

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

Private Purpose Trust Fund

Scholarship Trust

Section 5705.09, Revised Code

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

Agency Funds

District Agency

Section 5705.12, Revised Code

A fund provided to account for monies for Ohio High School Athletic Association (OHSAA) tournaments.

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 FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Beginning Balance July 1, 2015	Additions	Deletions	Ending Balance June 30, 2016
District Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 12,972	\$ 78,126	\$ 91,098	\$ -
Total assets	<u>\$ 12,972</u>	<u>\$ 78,126</u>	<u>\$ 91,098</u>	<u>\$ -</u>
Liabilities:				
Due to others	\$ 12,972	\$ 78,126	\$ 91,098	\$ -
Total liabilities	<u>\$ 12,972</u>	<u>\$ 78,126</u>	<u>\$ 91,098</u>	<u>\$ -</u>
Student Managed Activity				
Assets:				
Equity in pooled cash and cash equivalents	\$ 32,642	\$ 117,700	\$ 116,591	\$ 33,751
Total assets	<u>\$ 32,642</u>	<u>\$ 117,700</u>	<u>\$ 116,591</u>	<u>\$ 33,751</u>
Liabilities:				
Accounts payable	\$ 250	\$ -	\$ 250	\$ -
Due to students	32,392	117,700	116,341	33,751
Total liabilities.	<u>\$ 32,642</u>	<u>\$ 117,700</u>	<u>\$ 116,591</u>	<u>\$ 33,751</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 45,614	\$ 195,826	\$ 207,689	\$ 33,751
Total assets	<u>\$ 45,614</u>	<u>\$ 195,826</u>	<u>\$ 207,689</u>	<u>\$ 33,751</u>
Liabilities:				
Accounts payable	\$ 250	\$ -	\$ 250	\$ -
Due to others.	12,972	78,126	91,098	-
Due to students	32,392	117,700	116,341	33,751
Total liabilities	<u>\$ 45,614</u>	<u>\$ 195,826</u>	<u>\$ 207,689</u>	<u>\$ 33,751</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Scholarship Trust				
Total revenues	\$ 13,953	\$ 21,658	\$ 22,170	\$ 512
Total expenses	<u>12,767</u>	<u>16,976</u>	<u>16,976</u>	<u>-</u>
Net change in fund balance	1,186	4,682	5,194	512
Fund balance at beginning of year.	<u>77,363</u>	<u>77,363</u>	<u>77,363</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 78,549</u></u>	<u><u>\$ 82,045</u></u>	<u><u>\$ 82,557</u></u>	<u><u>\$ 512</u></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.	116-129
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	130-135
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.	136-139
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.	140-141
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.	142-153

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

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities:				
Net investment in capital assets	\$ 29,045,461	\$ 29,351,797	\$ 29,743,734	\$ 31,791,028
Restricted	6,567,781	5,652,682	4,200,520	4,589,989
Unrestricted (deficit)	(52,464,252)	(56,462,790)	(58,365,762)	4,063,854
Total governmental activities net position	<u>(16,851,010)</u>	<u>(21,458,311)</u>	<u>(24,421,508)</u>	<u>40,444,871</u>
Business-type activities:				
Investment in capital assets	24,176	20,857	24,518	16,489
Unrestricted	75,540	80,822	86,419	79,163
Total governmental activities net position	<u>99,716</u>	<u>101,679</u>	<u>110,937</u>	<u>95,652</u>
Primary government:				
Net investment in capital assets	29,069,637	29,372,654	29,768,252	31,807,517
Restricted	6,567,781	5,652,682	4,200,520	4,589,989
Unrestricted (deficit)	(52,388,712)	(56,381,968)	(58,279,343)	4,143,017
Total net position - primary government	<u>\$ (16,751,294)</u>	<u>\$ (21,356,632)</u>	<u>\$ (24,310,571)</u>	<u>\$ 40,540,523</u>

Source: District financial records.

Note: 2014 amounts have been restated due to the implementation of GASB Statements No. 68 & 71.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 21,302,378	\$ 11,061,480	\$ 10,941,252	\$ 11,806,994	\$ 11,282,275	\$ 8,932,483
15,611,971	26,787,374	2,710,737	2,557,821	3,813,377	5,207,218
2,812,283	627,175	(1,162,831)	(2,970,216)	(2,054,471)	(921,311)
<u>39,726,632</u>	<u>38,476,029</u>	<u>12,489,158</u>	<u>11,394,599</u>	<u>13,041,181</u>	<u>13,218,390</u>
21,723	24,231	23,388	29,338	35,288	41,238
33,237	24,409	43,559	67,232	44,718	45,743
<u>54,960</u>	<u>48,640</u>	<u>66,947</u>	<u>96,570</u>	<u>80,006</u>	<u>86,981</u>
21,324,101	11,085,711	10,964,640	11,836,332	11,317,563	8,973,721
15,611,971	26,787,374	2,710,737	2,557,821	3,813,377	5,207,218
2,845,520	651,584	(1,119,272)	(2,902,984)	(2,009,753)	(875,568)
<u>\$ 39,781,592</u>	<u>\$ 38,524,669</u>	<u>\$ 12,556,105</u>	<u>\$ 11,491,169</u>	<u>\$ 13,121,187</u>	<u>\$ 13,305,371</u>

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

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses:				
Governmental activities:				
Instruction:				
Regular	\$ 20,527,557	\$ 22,210,972	\$ 22,304,725	\$ 19,163,737
Special	5,500,588	6,134,578	6,170,417	5,922,687
Vocational	356,298	385,273	427,984	490,228
Other	2,925,009	2,441,428	2,150,753	2,064,679
Support services:				
Pupil	2,793,171	2,837,305	2,848,276	2,986,365
Instructional staff	945,108	997,171	759,210	1,512,809
Board of education	68,733	89,853	66,993	76,897
Administration	4,380,475	4,398,169	4,332,735	3,910,556
Fiscal	974,065	1,002,069	1,001,162	959,253
Business	3,299	2,404	2,252	2,766
Operations and maintenance	4,615,957	4,272,007	4,499,699	4,127,638
Pupil transportation	2,026,410	2,125,452	1,886,764	2,104,974
Central	38,939	22,194	7,200	34,522
Operation of non-instructional services:				
Food service operations	2,208,041	2,578,874	2,556,366	2,478,956
Other non-instructional services	678	2,939	107,209	153,856
Extracurricular activities	1,224,315	1,129,455	1,176,115	1,031,889
Interest and fiscal charges	2,235,590	2,254,351	2,292,137	2,349,048
Total governmental activities expenses	<u>50,824,233</u>	<u>52,884,494</u>	<u>52,589,997</u>	<u>49,370,860</u>
Business-type activities:				
Special enterprise	68,948	65,559	49,887	41,755
Total business-type activities expenses	<u>68,948</u>	<u>65,559</u>	<u>49,887</u>	<u>41,755</u>
Total primary government expenses	<u>\$ 50,893,181</u>	<u>\$ 52,950,053</u>	<u>\$ 52,639,884</u>	<u>\$ 49,412,615</u>

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	19,067,875	\$ 19,873,586	\$ 19,689,324	\$ 19,736,189	\$ 19,882,816	\$ 19,786,687
	6,170,894	5,880,047	5,945,781	5,370,879	5,098,781	5,086,712
	265,908	233,553	255,143	246,183	276,817	297,227
	1,735,218	1,788,380	1,851,855	1,589,751	1,504,870	1,772,787
	2,727,204	2,848,283	2,767,898	2,777,257	2,689,774	2,727,291
	1,276,998	1,466,491	1,963,838	1,531,181	1,729,794	1,366,564
	70,486	78,862	51,886	46,498	58,681	65,160
	3,611,879	3,711,310	3,703,502	3,642,006	3,822,071	3,417,313
	922,903	869,790	837,264	891,394	876,977	856,985
	1,579	51,035	3,772	6,214	56,189	54,720
	3,881,539	3,992,828	4,130,588	4,246,874	4,201,380	4,231,309
	2,524,356	2,691,538	2,543,253	2,413,659	2,681,786	2,277,807
	19,025	7,278	337	557	47,782	-
	2,175,771	1,960,212	1,851,766	1,894,552	1,848,182	1,464,605
	190,475	158,420	337,536	216,103	400,251	386,883
	1,021,988	983,310	1,096,890	1,063,997	1,041,810	1,045,737
	2,577,479	2,621,249	1,218,649	1,245,703	1,234,668	1,246,393
	<u>48,241,577</u>	<u>49,216,172</u>	<u>48,249,282</u>	<u>46,918,997</u>	<u>47,452,629</u>	<u>46,084,180</u>
	84,011	89,222	98,683	55,044	67,122	82,973
	<u>84,011</u>	<u>89,222</u>	<u>98,683</u>	<u>55,044</u>	<u>67,122</u>	<u>82,973</u>
\$	<u>48,325,588</u>	<u>\$ 49,305,394</u>	<u>\$ 48,347,965</u>	<u>\$ 46,974,041</u>	<u>\$ 47,519,751</u>	<u>\$ 46,167,153</u>

- - Continued

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

CHANGES IN NET POSITION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 4,637,764	\$ 4,262,415	\$ 4,207,608	\$ 3,555,056
Special	9,141	49,872	59,438	95,363
Vocational	-	-	-	-
Support services:				
Pupil	3,360	6,335	25,901	150
Instructional staff	20,932	25,426	186	10,293
Administration	227,544	223,013	231,750	266,897
Operations and maintenance	6,796	11,084	18,194	32,567
Pupil transportation	-	40,130	40,967	50,950
Operation of non-instructional services:				
Food service operations	660,331	905,960	695,019	753,177
Other non-instructional services	987	1,164	4,957	776
Extracurricular activities	382,494	416,796	394,013	365,512
Operating grants and contributions:				
Instruction:				
Regular	103,752	94,951	93,764	91,927
Special	4,122,161	4,412,424	3,599,129	3,321,101
Vocational	44,814	27,143	29,347	69,315
Other	-	-	-	-
Support services:				
Pupil	70,282	137,878	98,996	9,457
Instructional staff	221,806	244,042	230,462	231,297
Administration	516,634	560,213	347,155	367,216
Fiscal	142	1,261	1,496	429
Operations and maintenance	-	-	-	-
Pupil transportation	69,048	86,915	107,458	121,610
Central	7,200	7,200	7,200	-
Operation of non-instructional services:				
Food service operations	1,401,261	1,309,934	1,344,807	1,389,443
Other non-instructional services	-	3,763	111,371	139,630
Extracurricular activities	1,933	5,907	1,109	2,883
Capital grants and contributions:				
Instruction:				
Regular	-	-	-	-
Support services:				
Pupil	-	-	-	376,037
Pupil transportation	-	1,017,866	-	-
Extracurricular activities	165,000	-	-	-
Total governmental program revenues	<u>12,673,382</u>	<u>13,851,692</u>	<u>11,650,327</u>	<u>11,251,086</u>
Business-type activities:				
Charges for services:				
Special enterprise	41,985	56,301	65,172	62,417
Operating grants and contributions:				
Special enterprise	-	-	-	-
Total business-type activities program revenues	<u>41,985</u>	<u>56,301</u>	<u>65,172</u>	<u>62,417</u>
Total primary government program revenues	<u>\$ 12,715,367</u>	<u>\$ 13,907,993</u>	<u>\$ 11,715,499</u>	<u>\$ 11,313,503</u>

	2012	2011	2010	2009	2008	2007
\$	3,262,906	\$ 2,124,828	\$ 1,279,150	\$ 159,310	\$ 123,064	\$ 139,332
	15,753	11,547	25,908	34,454	16,122	-
	-	-	-	24,322	22,030	24,504
	-	9,847	7,956	9,816	7,748	7,814
	23,368	-	23,668	21,135	17,587	6,879
	229,342	238,817	295,431	279,776	257,842	276,649
	18,629	15,006	28,586	26,827	34,563	17,928
	4,484	-	4,483	-	-	-
	741,636	804,368	851,382	902,214	988,824	964,502
	769	888	1,035	530	614	933
	332,189	404,993	306,552	329,550	331,723	368,827
	143,448	1,132,693	133,344	379,489	465,826	525,126
	3,268,324	3,389,195	3,484,424	2,834,232	2,680,428	2,911,901
	69,315	69,315	68,799	68,664	68,065	50,065
	-	73,374	58,040	-	80,364	161,527
	141,255	206,905	147,497	100,687	354,554	360,394
	452,485	494,611	614,738	363,313	473,835	214,488
	109,953	1,781,995	1,299,518	152,470	162,611	189,092
	7,553	4,148	15,926	-	-	-
	-	-	-	63,698	29,050	-
	242,773	126,652	97,938	133,787	175,092	141,853
	-	-	-	-	-	-
	1,273,355	1,149,164	1,162,895	936,765	812,129	697,680
	169,882	178,227	234,751	245,050	284,842	306,630
	13,501	608	873	823	1,711	12,510
	-	-	-	-	58,108	32,800
	92,776	-	-	-	-	-
	-	-	-	71,261	35,490	113,950
	-	-	-	36,353	-	-
	<u>10,613,696</u>	<u>12,217,181</u>	<u>10,142,894</u>	<u>7,174,526</u>	<u>7,482,222</u>	<u>7,525,384</u>
	64,885	65,915	67,514	71,608	60,032	63,674
	-	-	1,546	-	-	-
	<u>64,885</u>	<u>65,915</u>	<u>69,060</u>	<u>71,608</u>	<u>60,032</u>	<u>63,674</u>
\$	<u>10,678,581</u>	<u>\$ 12,283,096</u>	<u>\$ 10,211,954</u>	<u>\$ 7,246,134</u>	<u>\$ 7,542,254</u>	<u>\$ 7,589,058</u>

- - Continued

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

CHANGES IN NET POSITION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (expense)/revenue				
Governmental activities	\$ (38,150,851)	\$ (39,032,802)	\$ (40,939,670)	\$ (38,119,774)
Business-type activities	(26,963)	(9,258)	15,285	20,662
Total primary government net expense	<u>(38,177,814)</u>	<u>(39,042,060)</u>	<u>(40,924,385)</u>	<u>(38,099,112)</u>
General revenues and other changes in net position				
Governmental activities:				
Property taxes levied for:				
General purposes	16,518,175	16,077,123	15,398,511	15,557,798
Debt service	2,728,615	2,703,334	2,725,756	2,737,581
Classroom facilities maintenance	259,979	250,259	246,618	244,149
Grants and entitlements not restricted to specific programs	22,224,730	22,772,715	21,208,581	20,008,694
Grants and entitlements restricted for Ohio School Facilities Commission	793,118	-	-	-
Investment earnings	8,710	5,633	3,479	28,692
Miscellaneous	249,825	186,935	53,352	281,099
Transfers	(25,000)	-	-	(20,000)
Special item	-	-	(1,022,147)	-
Total governmental activities	<u>42,758,152</u>	<u>41,995,999</u>	<u>38,614,150</u>	<u>38,838,013</u>
Business-type activities:				
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	30
Transfers	25,000	-	-	20,000
Total business-type activities	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>20,030</u>
Change in net position				
Governmental activities	4,607,301	2,963,197	(2,325,520)	718,239
Business-type activities	(1,963)	(9,258)	15,285	40,692
Total primary government	<u>\$ 4,605,338</u>	<u>\$ 2,953,939</u>	<u>\$ (2,310,235)</u>	<u>\$ 758,931</u>

Source: District financial records.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ (37,627,881)	\$ (36,998,991)	\$ (38,106,388)	\$ (39,744,471)	\$ (39,970,407)	\$ (38,558,796)
(19,126)	(23,307)	(29,623)	16,564	(7,090)	(19,299)
<u>(37,647,007)</u>	<u>(37,022,298)</u>	<u>(38,136,011)</u>	<u>(39,727,907)</u>	<u>(39,977,497)</u>	<u>(38,578,095)</u>
15,764,653	15,860,458	15,932,210	16,417,867	17,600,028	18,967,834
2,780,185	2,314,189	1,528,636	1,499,746	1,561,582	1,648,406
249,048	161,560	-	-	-	-
20,556,806	20,634,581	21,601,726	19,949,270	20,318,179	19,750,702
-	23,661,484	-	-	-	-
124,079	334,362	89,584	182,106	224,685	751,807
18,140	24,228	48,791	48,900	88,724	52,001
(24,300)	(5,000)	-	-	-	-
-	-	-	-	-	1,267,612
<u>39,468,611</u>	<u>62,985,862</u>	<u>39,200,947</u>	<u>38,097,889</u>	<u>39,793,198</u>	<u>42,438,362</u>
-	-	-	-	115	-
1,146	-	-	-	-	-
24,300	5,000	-	-	-	-
<u>25,446</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>-</u>
1,840,730	25,986,871	1,094,559	(1,646,582)	(177,209)	3,879,566
6,320	(18,307)	(29,623)	16,564	(6,975)	(19,299)
<u>\$ 1,847,050</u>	<u>\$ 25,968,564</u>	<u>\$ 1,064,936</u>	<u>\$ (1,630,018)</u>	<u>\$ (184,184)</u>	<u>\$ 3,860,267</u>

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General fund:				
Nonspendable	\$ 13,271	\$ 12,646	\$ 38,265	\$ 41,579
Restricted	-	-	-	-
Committed	-	450,000	704,564	450,000
Assigned	3,119,799	1,063,655	200,610	1,006,458
Unassigned	-	-	-	-
Reserved	-	-	-	-
Designated	-	-	-	-
Unreserved, undesignated (deficit)	-	-	-	-
Total general fund	<u>\$ 3,133,070</u>	<u>\$ 1,526,301</u>	<u>\$ 943,439</u>	<u>\$ 1,498,037</u>
All other governmental funds:				
Nonspendable	\$ -	\$ -	\$ 30,000	\$ 30,000
Restricted	7,140,408	6,010,944	4,791,177	14,582,543
Committed	5,889,080	4,118,638	3,509,858	2,536,557
Unassigned (deficit)	(271,792)	(353,842)	(62,812)	(172,212)
Reserved	-	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	-	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ 12,757,696</u>	<u>\$ 9,775,740</u>	<u>\$ 8,268,223</u>	<u>\$ 16,976,888</u>

Source: District financial records.

Note: The District implemented GASB Statement No. 54 in fiscal year 2011. Descriptions of the GASB Statement No. 54 fund balance classifications can be found in Note 2.K. of the basic financial statements. Prior to fiscal year 2011, fund balance was classified as either reserved or unreserved. Reserved fund balance indicates that portion of fund balance which is not available for current appropriation or is legally segregated for a specific use. Any fund balance not classified as reserved was classified as unreserved.

2012	2011	2010	2009	2008	2007
\$ 35,745	\$ 35,538	\$ -	\$ -	\$ -	\$ -
8,395	71,058	-	-	-	-
-	-	-	-	-	-
1,858,367	457,516	-	-	-	-
-	82,512	-	-	-	-
-	-	195,350	397,580	768,693	340,417
-	-	128,000	224,000	-	-
-	-	252,909	(2,180,785)	(2,071,058)	(57,517)
<u>\$ 1,902,507</u>	<u>\$ 646,624</u>	<u>\$ 576,259</u>	<u>\$ (1,559,205)</u>	<u>\$ (1,302,365)</u>	<u>\$ 282,900</u>
\$ 122,776	\$ 34,390	\$ -	\$ -	\$ -	\$ -
38,876,043	35,690,765	-	-	-	-
1,591,572	479,417	-	-	-	-
(173,051)	(3,510)	-	-	-	-
-	-	1,211,413	1,492,412	1,595,886	3,891,211
-	-	668,015	802,325	821,460	454,752
-	-	-	-	-	-
-	-	116,884	149,834	1,905,931	1,172,347
<u>\$ 40,417,340</u>	<u>\$ 36,201,062</u>	<u>\$ 1,996,312</u>	<u>\$ 2,444,571</u>	<u>\$ 4,323,277</u>	<u>\$ 5,518,310</u>

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues				
From local sources:				
Taxes	\$ 19,551,161	\$ 19,273,556	\$ 18,773,297	\$ 18,619,192
Tuition	4,437,048	4,094,944	4,080,360	3,505,796
Charges for services	661,318	905,124	695,849	753,953
Earnings on investments	8,771	5,671	8,375	55,156
Extracurricular	586,449	660,728	610,912	610,054
Classroom materials and fees	204,415	214,870	183,440	144,666
Other local revenues	451,566	161,060	256,839	418,759
Intergovernmental - intermediate	27,069	26,307	18,000	17,810
Intergovernmental - state	25,072,726	24,766,225	22,870,197	23,595,375
Intergovernmental - federal	4,413,245	5,717,474	4,467,784	4,726,326
Total revenues	<u>55,413,768</u>	<u>55,825,959</u>	<u>51,965,053</u>	<u>52,447,087</u>
Expenditures				
Current:				
Instruction:				
Regular	19,489,843	21,400,913	20,938,263	18,729,461
Special	5,351,774	6,051,218	5,930,474	5,819,119
Vocational	354,622	386,606	453,898	504,341
Other	2,925,009	2,441,428	2,150,753	2,064,679
Support services:				
Pupil	2,727,767	2,853,507	2,772,975	3,377,312
Instructional staff	872,949	903,498	624,205	1,416,437
Board of education	68,733	89,853	66,993	76,897
Administration	4,318,853	4,400,906	4,157,479	3,823,407
Fiscal	946,849	985,197	983,085	979,010
Business	3,299	2,404	2,252	2,766
Operations and maintenance	4,324,087	3,948,860	4,320,762	3,608,713
Pupil transportation	1,803,446	3,065,357	1,729,875	1,930,052
Central	38,939	22,194	7,200	34,522
Operation of non-instructional services:				
Food service operations	2,053,105	2,460,143	2,328,982	2,481,898
Other non-instructional services	743	22,756	107,519	153,856
Extracurricular activities	1,109,372	1,002,985	964,507	894,706
Facilities acquisitions and construction	1,345,234	425,456	9,751,157	26,666,224
Debt service:				
Principal retirement	952,232	1,120,976	1,754,757	1,343,595
Interest and fiscal charges	2,113,187	2,152,073	2,184,671	2,482,711
Bond and note issuance expenses	-	-	-	-
Total expenditures	<u>50,800,043</u>	<u>53,736,330</u>	<u>61,229,807</u>	<u>76,389,706</u>
Excess of revenues over (under) expenditures	\$ 4,613,725	\$ 2,089,629	\$ (9,264,754)	\$ (23,942,619)

	2012	2011	2010	2009	2008	2007
\$	18,701,158	\$ 18,027,724	\$ 17,208,374	\$ 17,941,733	\$ 19,201,073	\$ 19,853,553
	3,132,701	2,014,999	1,181,377	85,745	87,513	94,391
	742,405	805,256	852,417	902,744	967,438	943,435
	125,013	306,037	99,280	198,218	302,440	798,469
	546,350	584,360	587,519	593,200	582,953	639,472
	130,993	121,393	122,782	131,949	69,017	66,709
	140,613	151,326	170,847	171,582	262,352	126,158
	55,704	16,309	23,255	49,350	209,947	233,770
	35,497,924	28,860,425	23,683,691	22,413,011	22,453,385	22,138,528
	5,259,663	6,159,747	5,176,241	2,913,014	3,134,312	2,898,614
	<u>64,332,524</u>	<u>57,047,576</u>	<u>49,105,783</u>	<u>45,400,546</u>	<u>47,270,430</u>	<u>47,793,099</u>
	18,580,788	19,360,689	18,935,450	19,009,083	19,268,437	19,605,253
	6,091,849	5,791,048	5,855,395	5,244,421	5,031,897	5,007,673
	245,931	236,402	251,216	243,095	271,692	278,107
	1,735,218	1,788,380	1,851,855	1,589,751	1,504,870	1,772,787
	2,721,137	2,835,923	2,796,078	2,755,992	2,698,174	2,699,948
	1,186,546	1,334,236	1,797,980	1,385,185	1,651,888	1,353,971
	70,486	78,862	51,886	46,498	58,681	65,160
	3,523,827	3,697,590	3,680,843	3,546,945	3,790,223	3,446,104
	921,691	873,475	881,289	844,500	871,834	852,861
	1,579	66,035	3,772	6,214	58,496	52,413
	3,563,604	3,814,778	4,091,115	4,108,072	4,246,777	4,192,060
	2,408,338	2,473,669	2,291,795	2,288,762	2,490,288	2,205,944
	19,025	7,278	337	557	47,782	-
	2,092,702	1,874,849	1,744,407	1,770,589	1,712,849	1,521,322
	190,444	158,420	337,797	215,813	400,220	386,806
	911,501	879,926	989,059	956,250	1,009,395	1,010,955
	10,750,612	1,671,462	169,283	1,857,459	3,313,074	10,105,357
	1,060,015	27,273,657	570,552	511,194	493,561	480,780
	2,761,800	2,182,301	1,117,785	1,135,753	1,148,464	1,150,169
	260,989	399,577	-	-	-	-
	<u>59,098,082</u>	<u>76,798,557</u>	<u>47,417,894</u>	<u>47,516,133</u>	<u>50,068,602</u>	<u>56,187,670</u>
\$	5,234,442	\$ (19,750,981)	\$ 1,687,889	\$ (2,115,587)	\$ (2,798,172)	\$ (8,394,571)

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Other financing sources (uses)				
Transfers in	\$ 2,357,245	\$ 2,301,872	\$ 1,026,605	\$ 754,185
Transfers (out)	(2,382,245)	(2,301,872)	(1,026,605)	(774,185)
Sale of assets	-	750	1,491	117,697
Loan issuance	-	-	-	-
Sale of bonds	-	-	-	-
Sale of notes	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bonds	-	-	-	-
Premium on notes	-	-	-	-
Total other financing sources (uses)	<u>(25,000)</u>	<u>750</u>	<u>1,491</u>	<u>97,697</u>
Special item:				
Consortium refund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 4,588,725</u>	<u>\$ 2,090,379</u>	<u>\$ (9,263,263)</u>	<u>\$ (23,844,922)</u>
Debt service as a percentage of noncapital expenditures	6.19%	6.26%	7.55%	7.68%

Source: District financial records.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,278,424	\$ 644,744	\$ 251,934	\$ 213,425	\$ 1,493,005	\$ 159,038
(1,298,424)	(649,744)	(251,934)	(213,425)	(1,493,005)	(159,038)
1,120	3,040	1,858	582	16,989	461
-	-	-	-	-	380,320
20,975,000	26,680,000	-	-	-	-
-	26,682,099	-	-	-	-
(23,431,421)	-	-	-	-	-
2,717,410	566,162	-	-	-	-
-	91,253	-	-	-	-
<u>242,109</u>	<u>54,017,554</u>	<u>1,858</u>	<u>582</u>	<u>16,989</u>	<u>380,781</u>
-	-	-	-	-	1,267,612
<u>\$ 5,476,551</u>	<u>\$ 34,266,573</u>	<u>\$ 1,689,747</u>	<u>\$ (2,115,005)</u>	<u>\$ (2,781,183)</u>	<u>\$ (6,746,178)</u>
7.88%	39.18%	3.57%	3.61%	3.52%	3.55%

**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
2016	\$ 590,722,110	\$ -	\$ 16,716,740	\$ 16,716,740
2015	571,626,360	-	16,499,530	16,499,530
2014	577,611,960	-	14,654,570	14,654,570
2013	568,931,040	-	13,376,760	13,376,760
2012	566,485,580	-	12,301,240	12,301,240
2011	595,580,890	-	11,788,190	11,788,190
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

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
\$ 607,438,850	\$ 1,754,644,417	34.62%	\$ 60.30
588,125,890	1,699,216,291	34.61%	60.40
592,266,530	1,708,938,166	34.66%	60.60
582,307,800	1,679,024,297	34.68%	60.60
578,786,820	1,667,735,189	34.70%	60.60
607,369,080	1,748,812,446	34.73%	60.40
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

**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				
	Mahoning County	Austintown Township	Park District	Career Center	Voted			Unvoted	Total
					General	Bond	Capital		
2015/2016	\$ 13.30	\$ 19.00	\$ 1.75	\$ 2.10	\$ 48.20	\$ 5.20	\$ 0.50	\$ 6.40	\$ 60.30
2014/2015	13.70	19.00	1.75	2.10	48.20	5.30	0.50	6.40	60.40
2013/2014	13.70	19.00	1.75	2.10	48.20	5.50	0.50	6.40	60.60
2012/2013	13.70	19.00	1.75	2.10	48.20	5.50	0.50	6.40	60.60
2011/2012	13.70	18.60	1.75	2.10	48.20	5.50	0.50	6.40	60.60
2010/2011	13.70	18.10	1.75	2.10	48.20	5.30	0.50	6.40	60.40
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

Source: Ohio Department of Taxation

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

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2015 AND DECEMBER 31, 2006

December 31, 2015			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
GLP Capital LP	\$ 19,228,405	1	3.17%
Ohio Edison/First Energy	11,608,699	2	1.91%
Central Park West Ltd.	4,007,245	3	0.66%
Austintown Plaza Ltd.	3,236,538	4	0.53%
West View Village Co.	3,197,096	5	0.53%
Walmart Real Estate Business Trust	2,687,171	6	0.44%
East Ohio Gas Co.	2,573,099	7	0.42%
American Transmission Systems Inc.	2,534,942	8	0.42%
Westminister Associates	2,463,276	9	0.41%
Hillbrook Apartments	2,354,276	10	0.39%
Total	<u>\$ 53,890,747</u>		<u>8.88%</u>

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
P&S Equities	\$ 4,093,570	1	0.66%
Austintown Plaza Ltd.	3,831,920	2	0.62%
Gulch Ltd.	3,571,860	3	0.57%
West View Village Co.	2,819,220	4	0.45%
Hillbrook Apartments	2,814,420	5	0.45%
Retail Trust Co.	2,470,760	6	0.40%
Westminister Associates	2,372,480	7	0.38%
35th Strouss Associates	2,351,960	8	0.38%
Austintown Realty Co.	2,094,720	9	0.34%
Austintown Associates	1,813,770	10	0.29%
Total	<u>\$ 28,234,680</u>		<u>4.54%</u>

Source: Mahoning County Auditor's Office

**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
2015	\$ 22,171,449	\$ 2,122,271	\$ 24,293,720	\$ 21,600,555	97.43%
2014	21,820,755	2,031,694	23,852,449	21,218,934	97.24%
2013	21,678,771	2,359,579	24,038,350	20,995,075	96.85%
2012	21,561,681	2,376,596	23,938,277	20,820,233	96.56%
2011	21,778,746	2,937,700	24,716,446	20,981,142	96.34%
2010	19,948,776	2,630,491	22,579,267	19,159,546	96.04%
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%

Source: Mahoning County Auditor's Office

Note: N/A indicates that the information was not available.

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 847,877	\$ 22,448,432	92.40%
847,878	22,066,812	92.51%
713,760	21,708,835	90.31%
N/A	20,820,233	86.97%
758,253	21,739,395	87.96%
712,018	19,871,564	88.01%
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%

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

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

Fiscal Year	Governmental Activities			(a) Total Primary Government	(b) Percentage of Personal Income	(b) Per Capita	(b) Per ADM
	General Obligation Bonds	Asbestos Abatement Loan	H.B. 264 Loan				
2016	\$ 46,608,720	\$ -	\$ 159,280	\$ 46,768,000	6.15%	\$ 1,464	\$ 9,454
2015	47,541,287	-	186,512	47,727,799	5.95%	1,494	9,671
2014	48,663,517	-	212,488	48,876,005	6.09%	1,530	9,136
2013	50,415,620	-	237,245	50,652,865	6.31%	1,586	9,584
2012	52,029,204	-	260,840	52,290,044	6.52%	1,637	9,825
2011	50,710,395	12,562	283,293	51,006,250	6.71%	1,485	9,891
2010	23,902,028	37,686	304,727	24,244,441	3.05%	695	4,723
2009	24,337,211	62,810	325,155	24,725,176	3.18%	697	4,991
2008	24,703,249	87,934	346,225	25,137,408	3.64%	696	5,077
2007	25,078,462	113,057	364,663	25,556,182	3.71%	707	5,323

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 TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Net Bonded Debt Per Capita
	General Obligation Bonds	Restricted for Debt Service	Net Bonded Debt		
2016	\$ 46,608,720	\$ 2,566,938	\$ 44,041,782	2.51%	\$ 1,379
2015	47,541,287	1,983,082	45,558,205	2.68%	1,426
2014	48,663,517	1,547,615	47,115,902	2.76%	1,475
2013	50,415,620	1,434,114	48,981,506	2.92%	1,533
2012	52,029,204	1,728,489	50,300,715	3.02%	1,575
2011	50,710,395	1,477,084	49,233,311	2.82%	1,433
2010	23,639,958	1,225,378	22,414,580	1.28%	642
2009	24,062,305	997,016	23,065,289	1.31%	650
2008	24,703,249	997,204	23,706,045	1.33%	656
2007	25,078,462	844,252	24,234,210	1.33%	671

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

Note: The portion specific of restricted debt service to principal and interest cannot be determined. The entire balance may be applied to principal.

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

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

<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	\$ 46,768,000	100.00%	\$ 46,768,000
Total direct	<u>46,768,000</u>		<u>46,768,000</u>
Overlapping:			
Mahoning County	32,950,000	14.84%	4,889,780
Austintown Township	648,000	98.72%	639,706
City of Youngstown	11,660,000	0.08%	9,328
Mahoning County Career & Technical Center	1,704,999	16.74%	285,417
Total overlapping	<u>46,962,999</u>		<u>5,824,231</u>
Total direct and overlapping debt	<u>\$ 93,730,999</u>		<u>\$ 52,592,231</u>

Source: Ohio Municipal Advisory Council

Note: Percent applicable to Austintown Local School District calculated using assessed valuation of the District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

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

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

Fiscal Year	Unvoted Debt Limit	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
2016	\$ 607,439	\$ 54,669,497	\$ 43,450,000	\$ 3,267,783	\$ 40,182,217	\$ 14,487,280	73.50%
2015	588,126	52,931,330	44,375,000	2,537,605	41,837,395	11,093,935	79.04%
2014	592,267	53,303,988	45,470,000	1,894,989	43,575,011	9,728,977	81.75%
2013	582,308	52,407,702	46,875,000	1,929,474	44,945,526	7,462,176	85.76%
2012	578,787	52,090,814	48,195,000	1,751,057	46,443,943	5,646,871	89.16%
2011	607,369	54,663,217	49,220,000	1,578,608	47,641,392	7,021,825	87.15%
2010	607,234	54,651,036	23,085,000	1,149,822	21,935,178	32,715,858	40.14%
2009	608,810	54,792,918	23,610,000	944,762	22,665,238	32,127,680	41.37%
2008	603,905	54,351,455	24,075,000	951,567	23,123,433	31,228,022	42.54%
2007	592,962	53,366,610	24,525,000	790,568	23,734,432	29,632,178	44.47%

Source: Mahoning County Auditor and District financial records

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

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

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

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

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Population (1)	Per Capita Personal Income (2)	Personal Income (5)	Median Family Income (2)	School Enrollment (3)	Unemployment Rates (4)		
						Mahoning County	Ohio	United States
2016	31,947	\$ 23,787	\$ 759,923,289	\$ 30,311	4,947	5.9%	5.0%	4.9%
2015	31,947	25,113	802,285,011	30,311	4,935	5.9%	5.2%	5.3%
2014	31,947	25,113	802,285,011	30,311	5,350	6.2%	5.5%	6.1%
2013	31,947	25,113	802,285,011	30,311	5,285	8.3%	7.2%	7.6%
2012	31,947	25,113	802,285,011	30,125	5,322	7.9%	7.2%	8.2%
2011	34,352	22,141	760,587,632	28,917	5,157	9.9%	8.8%	9.2%
2010	34,902	22,810	796,114,620	29,799	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%

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, 2015 AND DECEMBER 31, 2006

December 31, 2015			
Employer	Employees	Rank	Percentage of Total County Employment
HM Health Services	3,500	1	3.45%
Youngstown State University	2,800	2	2.76%
Mahoning County	1,628	3	1.61%
Diocese of Youngstown	1,100	4	1.08%
Infocision Management	1,100	5	1.08%
City of Youngstown	931	6	0.92%
Austintown Local School District	850	7	0.84%
U.S. Postal Service	725	8	0.71%
Falcon Transport	685	9	0.68%
Youngstown City School District	600	10	0.59%
Total	13,919		13.72%
Total County Employment	101,400		

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

Source: Mahoning County Auditor's Office

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 TEN FISCAL YEARS

<u>Type</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Administration	21.00	20.00	20.00	21.00
Certificated staff:				
Regular	241.00	251.50	250.50	249.00
Special	28.00	33.00	35.00	34.00
Vocational	2.00	2.00	2.00	2.00
Educational service personnel	1.00	2.00	2.00	-
Remedial specialist	-	-	-	-
Counseling	13.00	12.00	12.00	12.00
Library media	-	-	-	1.00
Audio visual	-	-	-	-
Curriculum specialist	11.00	10.00	11.00	11.00
Tutor	30.00	31.62	29.00	-
Other	5.50	2.50	2.50	-
Professional staff:				
Nursing	2.00	2.00	2.00	2.00
Speech therapist	4.00	4.00	4.00	4.00
Technology:				
Library technician	-	-	-	1.00
Library aide	-	-	1.00	-
Instructional paraprofessional	-	-	-	-
Other technical	3.77	5.44	4.00	7.00
Office/clerical:				
Office clerical	20.00	25.88	24.00	25.00
Instructional paraprofessional	36.66	39.59	42.00	38.00
Other clerical	4.31	2.00	-	0.50
Other operations:				
Maintenance	6.00	5.00	5.00	7.00
Custodial/grounds	41.44	40.72	41.00	33.00
Transportation/drivers	30.91	26.50	26.00	29.00
Food service	32.13	37.30	37.00	37.00
Other	1.00	1.00	-	-
Total	<u><u>534.72</u></u>	<u><u>554.05</u></u>	<u><u>550.00</u></u>	<u><u>513.50</u></u>

Source: District records

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
20.00	20.00	22.00	23.33	24.50	20.47
246.00	249.00	256.00	246.42	229.87	228.00
36.00	38.00	31.00	24.05	45.06	35.85
2.00	2.00	2.00	2.00	3.00	3.00
-	-	22.00	23.93	22.00	22.00
-	-	-	-	1.00	9.00
12.00	12.00	12.00	12.00	12.00	12.00
1.00	2.00	2.00	2.00	2.00	2.00
-	-	-	0.47	0.47	0.47
12.00	12.00	11.00	2.00	2.00	-
32.33	25.10	29.70	4.00	9.00	-
-	-	-	-	-	-
2.00	3.00	4.00	4.00	4.00	4.00
4.00	4.00	5.00	5.00	3.00	5.00
-	-	-	-	1.00	1.00
6.58	5.49	5.49	5.46	5.96	5.97
-	-	-	-	11.12	12.49
5.94	2.47	2.47	2.41	0.41	-
27.50	33.68	37.97	28.04	36.16	36.27
30.12	20.96	21.46	-	-	1.23
-	-	1.00	4.17	1.00	1.76
5.00	5.00	5.00	11.00	10.00	9.00
38.48	38.81	21.17	37.06	38.23	41.11
50.00	51.69	47.75	43.75	39.00	39.00
36.63	33.90	28.52	27.88	28.19	25.43
-	3.00	3.22	23.13	10.10	6.10
<u>567.58</u>	<u>562.10</u>	<u>570.75</u>	<u>532.10</u>	<u>539.07</u>	<u>521.15</u>

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

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

Function	2016	2015	2014	2013
Instruction:				
Regular and special				
Enrollment (students)	4,947	4,935	5,350	5,285
Graduates	393	428	405	353
Graduation rate	93.00%	N/A	96.00%	93.00%
Support services:				
Board of education				
Regular meetings per year	12	12	12	12
Special meetings per year	9	8	10	8
Fiscal				
Nonpayroll checks issued	2,880	3,168	3,459	3,472
Operations and maintenance				
Square footage maintained	838,640	838,640	937,983	843,247
Pupil transportation				
Avg. students transported daily	3,228	3,300	3,138	3,117

Source: District records

Note: N/A indicates the information is unavailable.

2012	2011	2010	2009	2008	2007
5,322	5,157	5,133	4,954	4,951	4,801
362	369	390	362	351	400
99.70%	98.50%	99.20%	98.90%	98.00%	97.10%
12	12	13	13	13	12
8	12	11	14	18	10
3,391	3,872	4,344	3,963	4,490	5,300
843,247	843,247	843,247	843,247	843,247	665,047
N/A	3,486	3,486	4,132	4,354	4,620

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

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities:				
Land	\$ 885,690	\$ 885,690	\$ 885,690	\$ 885,690
Construction in progress	-	-	-	37,826,728
Land improvements	2,084,530	2,089,247	2,288,389	2,511,941
Buildings/improvements	68,062,564	69,107,469	71,327,071	26,238,332
Furniture/equipment	931,331	1,032,281	1,014,419	1,053,235
Vehicles	1,376,544	1,514,342	525,568	499,373
Textbooks	-	-	34,110	102,328
Total governmental activities capital assets, net	<u>\$ 73,340,659</u>	<u>\$ 74,629,029</u>	<u>\$ 76,075,247</u>	<u>\$ 69,117,627</u>
Business-type activities:				
Furniture/equipment	<u>\$ 24,176</u>	<u>\$ 20,857</u>	<u>\$ 24,518</u>	<u>\$ 16,489</u>
Total business-type activities capital assets, net	<u>\$ 24,176</u>	<u>\$ 20,857</u>	<u>\$ 24,518</u>	<u>\$ 16,489</u>
Primary government:				
Land	\$ 885,690	\$ 885,690	\$ 885,690	\$ 885,690
Construction in progress	-	-	-	37,826,728
Land improvements	2,084,530	2,089,247	2,288,389	2,511,941
Buildings/improvements	68,062,564	69,107,469	71,327,071	26,238,332
Furniture/equipment	955,507	1,053,138	1,038,937	1,069,724
Vehicles	1,376,544	1,514,342	525,568	499,373
Textbooks	-	-	34,110	102,328
Total primary government capital assets, net	<u>\$ 73,364,835</u>	<u>\$ 74,649,886</u>	<u>\$ 76,099,765</u>	<u>\$ 69,134,116</u>

Source: District financial records.

Notes: Amounts above are presented net of accumulated depreciation.

2012	2011	2010	2009	2008	2007
\$ 885,690	\$ 833,477	\$ 672,477	\$ 672,477	\$ 672,477	\$ 672,477
11,748,160	1,324,118	-	-	-	26,648,963
2,712,767	2,913,593	3,032,849	3,200,073	3,395,671	1,100,565
27,106,238	28,005,809	28,936,714	29,739,145	28,906,503	3,479,073
1,056,444	1,165,238	1,324,543	1,503,318	1,670,808	769,156
216,037	218,981	297,952	411,990	414,195	557,930
170,546	238,764	366,200	552,862	739,524	414,550
<u>\$ 43,895,882</u>	<u>\$ 34,699,980</u>	<u>\$ 34,630,735</u>	<u>\$ 36,079,865</u>	<u>\$ 35,799,178</u>	<u>\$ 33,642,714</u>
<u>\$ 21,723</u>	<u>\$ 24,231</u>	<u>\$ 23,388</u>	<u>\$ 29,338</u>	<u>\$ 35,288</u>	<u>\$ 41,238</u>
<u>\$ 21,723</u>	<u>\$ 24,231</u>	<u>\$ 23,388</u>	<u>\$ 29,338</u>	<u>\$ 35,288</u>	<u>\$ 41,238</u>
\$ 885,690	\$ 833,477	\$ 672,477	\$ 672,477	\$ 672,477	\$ 672,477
11,748,160	1,324,118	-	-	-	26,648,963
2,712,767	2,913,593	3,032,849	3,200,073	3,395,671	1,100,565
27,106,238	28,005,809	28,936,714	29,739,145	28,906,503	3,479,073
1,078,167	1,189,469	1,347,931	1,532,656	1,706,096	810,394
216,037	218,981	297,952	411,990	414,195	557,930
170,546	238,764	366,200	552,862	739,524	414,550
<u>\$ 43,917,605</u>	<u>\$ 34,724,211</u>	<u>\$ 34,654,123</u>	<u>\$ 36,109,203</u>	<u>\$ 35,834,466</u>	<u>\$ 33,683,952</u>

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Fitch High School (1968/'78/2000/2007)				
Square feet	262,048	262,048	262,048	262,048
Enrollment	1,582	1,510	1,739	1,680
Austintown Middle School (1914/'22/'26/'46/'54/2002) (Mahoning Avenue Building)				
Square feet	102,600	102,600	102,600	102,600
Enrollment	-	-	-	-
Austintown Middle School (2008) (Racoon Road Building)				
Square feet	174,688	174,688	174,688	174,688
Enrollment	1,191	1,222	1,316	1,315
Austintown Intermediate School (2013)				
Square feet	124,205	124,205	124,205	-
Enrollment	1,125	1,148	1,142	-
Austintown Elementary School (2013)				
Square feet	121,451	121,451	121,451	-
Enrollment	1,049	1,055	1,153	-
Frank Ohl Intermediate School (1960/'61/'92/2007)				
Square feet	-	-	-	89,485
Enrollment	-	-	-	768
Davis Elementary (1954/'57/2002)				
Square feet	-	-	32,958	32,958
Enrollment	-	-	-	-
Lloyd Elementary (1954/'57/'92)				
Square feet	-	-	33,013	33,013
Enrollment	-	-	-	361
Lynn Kirk Elementary (1958/'60)				
Square feet	35,136	35,136	35,136	35,136
Enrollment	-	-	-	303
Watson Elementary (1961)				
Square feet	-	-	-	61,435
Enrollment	-	-	-	501
Woodside Elementary (1948/'57)				
Square feet	-	-	33,372	33,372
Enrollment	-	-	-	357
District Board Office (2008)				
Square feet	3,512	3,512	3,512	3,512
Community Fitness Center (1999/2001)				
Square feet	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.

Frank Ohl Intermediate School and Watson Elementary were demolished in fiscal year 2014.

Davis, Lloyd, and Woodside Elementaries were demolished in fiscal year 2015.

2012	2011	2010	2009	2008	2007
262,048 1,659	262,048 1,622	262,048 1,615	262,048 1,615	262,048 1,603	262,048 1,649
102,600 -	102,600 -	102,600 -	102,600 -	102,600 -	102,600 861
174,688 1,315	174,688 1,211	174,688 1,220	174,688 1,165	174,688 1,163	- -
- -	- -	- -	- -	- -	- -
- -	- -	- -	- -	- -	- -
89,485 806	89,485 816	89,485 801	89,485 725	89,485 755	89,485 656
32,958 -	32,958 -	32,958 -	32,958 -	32,958 200	32,958 237
33,013 373	33,013 366	33,013 369	33,013 373	33,013 323	33,013 368
35,136 307	35,136 303	35,136 299	35,136 268	35,136 274	35,136 348
61,435 503	61,435 496	61,435 462	61,435 458	61,435 350	61,435 394
33,372 359	33,372 343	33,372 344	33,372 350	33,372 283	33,372 288
3,512	3,512	3,512	3,512	3,512	-
15,000	15,000	15,000	15,000	15,000	15,000

**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			
2016	\$ 47,734,624	\$ 9,649	\$ 48,588,643	\$ 9,822	4,947	0.24%	314
2015	50,463,281	10,226	50,630,143	10,259	4,935	-7.76%	319
2014	57,290,379	10,708	50,297,860	9,401	5,350	1.23%	319
2013	72,563,400	13,730	47,021,812	8,897	5,285	-0.70%	317
2012	55,015,278	10,337	45,664,098	8,580	5,322	3.20%	315
2011	46,943,022	9,103	46,594,923	9,035	5,157	0.47%	322
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

Source: District records

(1) Debt service totals have been excluded.

Note: N/A indicates the information is unavailable.

Pupil/Teacher Ratio	Student Attendance Percentage
15.75	94.30%
15.47	94.20%
16.77	94.40%
16.67	93.90%
16.90	95.00%
16.02	95.20%
15.65	94.70%
15.20	94.80%
15.19	94.80%
14.73	94.70%

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

**TEACHER EDUCATION AND EXPERIENCE
AS OF JUNE 30, 2016 AND JUNE 30, 2007**

<u>Degree</u>	<u>June 30, 2016</u>		<u>June 30, 2007</u>	
	Number of Teachers	Percentage of Total	Number of Teachers	Percentage of Total
Non-Degree	0	0.00%	0	0.00%
Bachelor's Degree	66	21.02%	51	15.64%
Bachelor's Degree + 15	38	12.10%	48	14.72%
Master's Degree	75	23.89%	76	23.32%
Master's Degree + 15	40	12.74%	30	9.20%
Master's Degree + 30	95	30.25%	119	36.51%
Ph.D.	0	0.00%	2	0.61%
	<u>314</u>	<u>100.00%</u>	<u>326</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>June 30, 2016</u>		<u>June 30, 2007</u>	
	Number of Teachers	Percentage of Total	Number of Teachers	Percentage of Total
0 - 5 Years	96	30.57%	86	26.38%
6 - 10 Years	71	22.61%	65	19.94%
11 - 15 Years	47	14.97%	65	19.94%
16 - 20 Years	68	21.66%	22	6.75%
21 - 25 Years	20	6.37%	31	9.51%
26 - 42 Years	12	3.82%	57	17.48%
	<u>314</u>	<u>100.00%</u>	<u>326</u>	<u>100.00%</u>

Source: District personnel records

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

**TEACHER SALARIES
LAST TEN FISCAL YEARS**

Teacher Salaries					
Year	Austintown			State	
	BA Min.	MA Max.	Average	Average	
2016	\$ 31,217	\$ 72,393	\$ 51,663	N/A	
2015	31,217	72,393	52,443	\$	56,748
2014	30,620	71,028	51,187	55,916	
2013	30,317	70,335	51,659	56,307	
2012	29,737	69,009	51,891	56,715	
2011	29,737	69,009	51,784	56,715	
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	

Sources: District records and Ohio Department of Education

Note: N/A indicates the information is unavailable.

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

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

MARY ANN HERSCHEL, TREASURER/CFO

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

TABLE OF CONTENTS

Schedule of Expenditures of Federal Awards.....	1
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	2 - 3
Independent Auditor’s Report on Compliance With Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	4 - 5
Schedule of Findings <i>Uniform Guidance 2 CFR § 200.515</i>	6 - 7
Corrective Action Plan <i>2 CFR § 200.511(c)</i>	8

**AUSTINTOWN LOCAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Child Nutrition Grant Cluster:			
(D) (E) School Breakfast Program	10.553	2016	\$ 199,713
(D) (E) National School Lunch Program	10.555	2016	1,015,751
(C) (D) National School Lunch Program - Food Donation	10.555	2016	117,206
Total National School Lunch Program			1,132,957
(D) (E) Summer Food Service Program for Children	10.559	2016	31,122
Total U.S. Department of Agriculture and Child Nutrition Grant Cluster			1,363,792
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Title I Grants to Local Educational Agencies	84.010	2015	130,878
Title I Grants to Local Educational Agencies	84.010	2016	806,058
Total Title I Grants to Local Educational Agencies			936,936
Special Education_Grants to States	84.027	2015	131,064
Special Education_Grants to States	84.027	2016	801,743
Total Special Education _Grants to States			932,807
Improving Teacher Quality State Grants	84.367	2015	24,443
Improving Teacher Quality State Grants	84.367	2016	122,688
Total Improving Teacher Quality State Grants			147,131
Total U.S. Department of Education			2,016,874
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF MENTAL HEALTH AND ADDICTION SERVICES			
Temporary Assistance for Needy Families	93.558	99-0000-TANF-P-15-1503	1,192
Total U.S. Department of Health and Human Services			1,192
Total Federal Financial Assistance			\$ 3,381,858

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) OAKS did not assign pass-through numbers for fiscal year 2016.
- (B) This schedule includes the federal activity of Austintown Local School District under programs of the federal government for the fiscal year ended June 30, 2016 and is prepared in accordance with the cash basis of accounting. This information is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulators Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards (Uniform Guidance). Because this schedule presents only a selected portion of the operations of Austintown Local School District, it is not intended to and does not present financial position, changes in net position, or cash flows of the Austintown Local School District.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (D) Included as part of "Child Nutrition Grant Cluster" in determining major programs.
- (E) Commingled with state and local revenue from sales of breakfasts and lunches; assumed expenditures were made on a first-in, first-out basis.
- (F) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The Austintown Local School District has not elected not to use the 10% de minimis indirect cost rate.



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**Independent Auditor's 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 South Raccoon Road
Austintown, Ohio 44515

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Austintown Local School District, Mahoning County, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Austintown Local School District's basic financial statements and have issued our report thereon dated December 28, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Austintown Local School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Austintown Local School District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Austintown Local School District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We identified a certain deficiency in internal control described in the accompany schedule of findings that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

Board of Education
Austintown Local School District

Compliance and Other Matters

As part of reasonably assuring whether the Austintown Local School 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, opining 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 one instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2016-001.

Austintown Local School District's Response to Finding

The Austintown Local School District's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not audit the Austintown Local School District's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Austintown Local School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Austintown Local School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
December 28, 2016



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**Independent Auditor's Report on Compliance With Requirements Applicable to the Major Federal Program
and on Internal Control Over Compliance and Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance**

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Austintown Local School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Austintown Local School District's major federal program for the fiscal year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Austintown Local School District's major federal program.

Management's Responsibility

The Austintown Local School District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Austintown Local School District's compliance for the Austintown Local School District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Austintown Local School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Austintown Local School District's major program. However, our audit does not provide a legal determination of the Austintown Local School District's compliance.

Opinion on the Major Federal Program

In our opinion, the Austintown Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2016.

Board of Education
Austintown Local School District

Report on Internal Control Over Compliance

The Austintown Local School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Austintown Local School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Austintown Local School 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's applicable 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Austintown Local School District's basic financial statements. We issued our unmodified report thereon dated December 28, 2016. We conducted our audit to opine on the Austintown Local School District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance 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 management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.
December 28, 2016

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

**SCHEDULE OF FINDINGS
UNIFORM GUIDANCE 2 CFR § 200.515
JUNE 30, 2016**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Special Education Grant Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

**SCHEDULE OF FINDINGS
UNIFORM GUIDANCE 2 CFR § 200.515
JUNE 30, 2016**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2016-001

Material Weakness/Noncompliance

Ohio Revised Code Section 5705.41(D) requires that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The District had 50% of expenditures that were not timely certified for the fiscal year ended June 30, 2016.

Without timely certification, the District may expend more funds than available in the Treasury, in the process of collection or in the funds appropriated. It may also result in unnecessary purchases.

We recommend that all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. The District should consider using "Then" and "Now" certificates where applicable.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None

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

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
JUNE 30, 2016**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-001	The District is continually trying to improve its ordering and purchasing process to decrease noncompliance.	June 30, 2017	Mary Ann Herschel, Treasurer



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
APRIL 6, 2017