



Mary Taylor, CPA
Auditor of State

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY**

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**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education.</i>						
Food Distribution Program		10.550		\$189,842		\$164,043
21st Century Grant - CACFP	048298-LUCP-2008	10.558	\$116		\$116	
Nutrition Cluster:						
National School Lunch Program	048298-LLP4-2008	10.555	669,256		669,256	
National School Breakfast Program	048298-05PU-2008	10.553	125,883		125,883	
Total Nutrition Cluster			795,139		795,139	
Total U.S. Department of Agriculture			795,255	189,842	795,255	164,043
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education.</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	048298-6BSD-2007-P	84.027			1,005	
	048298-6BSD-2008-P	84.027	56,250		52,250	
	048298-6BSF-2007-P	84.027	211,796		252,814	
	048298-6BSF-2008-P	84.027	939,129		915,686	
Total Special Education Cluster			1,207,175		1,221,755	
Grants to Local Educational Agencies (ESEA Title I)	048298-C1S1-2007	84.010	23,094		51,722	
	048298-C1S1-2008	84.010	570,824		508,205	
Total Grants to Local Educational Agencies			593,918		559,927	
Innovative Educational Program Strategies	048298-C2S1-2007	84.298			2,367	
	048298-C2S1-2008	84.298	7,637		12,306	
Total Innovative Educational Program Strategies			7,637		14,673	
Title II-D Technology Literacy Challenge Fund Grant	048298-TJS1-2008	84.318	6,420		2,900	
Drug-Free Schools Grant	048298-DRS1-2007	84.186			1,384	
	048298-DRS1-2008	84.186	17,335		16,268	
Total Drug Free Schools Grant			17,335		17,652	
21st Century Grant	048298-T1S1-2007	84.287	59,232		63,313	
	048298-T1S1-2008	84.287	225,000		201,992	
Total 21st Century Grant			284,232		265,305	
Title II-A Improving Teacher Quality	048298-TRS1-2007	84.367			13,475	
	048298-TRS1-2008	84.367	187,192		181,663	
Total Title II-A Improving Teacher Quality			187,192		195,138	
Total Department of Education			2,303,909		2,277,350	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Pass Through Ohio Department of Mental Retardation and Developmental Disabilities</i>						
Medical Assistance Program	Ohio Dept of MR/DD	93.778			9,688	
Totals			\$3,099,164	\$189,842	\$3,082,293	\$164,043

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

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2008**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State Grants. It is assumed federal monies are expended first. At June 30, 2008, the District had no significant food commodities in inventory.



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the Austintown Local School District, Mahoning County, (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

We noted certain other matters that we reported to the District's management in a separate letter dated December 30, 2008.

Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated December 30, 2008.

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

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

Mary Taylor, CPA
Auditor of State

December 30, 2008



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

Compliance

We have audited the compliance of the Austintown Local School District, Mahoning County, (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

As described in finding 2008-001 in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding period of availability applying to its 21st Century Community Learning Center Grant. Compliance with this requirement is necessary, in our opinion, for the District to comply with requirements applicable to this program.

The District's response to the questioned cost we identified is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

In our opinion, except for the noncompliance described in the preceding paragraph, Austintown Local School District complied, in all material respects, with the requirements referred to above applying to each of its major federal programs for the year ended June 30, 2008.

In a separate letter to the District's management dated December 30, 2008, we reported another matter related to federal noncompliance not requiring inclusion in this report.

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Internal Control Over Compliance

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

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

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

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

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, the business-type activities, the major fund and the aggregate remaining fund information of Austintown Local School District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 30, 2008. Our audit was performed to form an opinion on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

December 30, 2008

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

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY
JUNE 30, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under ' .510?	Yes
(d)(1)(vii)	Major Programs:	Title VI-B/84.027 21 st Century/84.287
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

1. Expenditures Obligated After the Period of Availability - Allowable Costs/Cost Principles

Finding Number	2008-001
CFDA Title and Number	21 st Century Community Learning Center 84.287
Federal Award Number/Year	048298-T1S1-2007 and 048298-T1S1-2008
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Questioned Cost - \$56,803

	048298 – T1S1-2007	048298 – T1S1-2008	Total
Award Amount	\$300,000	\$225,000	
Total Expenditures	300,000	225,000	
Expenditures obligated after the Period of Availability	<u>37,614</u>	<u>19,189</u>	
Questioned Costs	<u>\$37,614</u>	<u>\$19,189</u>	<u>\$56,803</u>

The competitive application and ODE directive dated November 9, 2004, revised February 14, 2006, state that grant funds cannot be carried over into the subsequent grant year, must be obligated by the end of the funding period and be liquidated by 90 days after the end of the stated period.

The District obligated expenditures against the fiscal year 2007 and fiscal year 2008 21st Century Community Learning Center grants past the end of the funding period. This funding period ended June 30th of the funding year. As stated above, the grant agreement with ODE requires that such funds must be obligated by the end of the funding period. The District did not clearly understand the requirements of the grant.

This resulted in the District expending grant monies that could be considered unallowable costs and could result in the District having to repay monies to the Grantor Agency. This could ultimately hinder the District's ability to finance current programs.

We recommend the District review the grant guidelines thoroughly and resolve any questions that result prior to incurring any obligations. The District should make sure they are aware of what activities are allowed by the grant, what constitutes said allowability, what constitutes "reasonable and necessary" under the allowable cost principles as defined in 2 CFR 225 (codified OMB Circular A-87), what the funding period is defined as, the allowability of carryovers and the definition of obligations per Federal Regulations in order to ensure the grant is run in accordance with the agreement.

Officials informed us they will submit a Corrective Action Plan regarding the Federal finding to the Federal Clearinghouse.

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**AUSTINTOWN LOCAL
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2008

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

700 S. RACCOON ROAD YOUNGSTOWN, OHIO 44515

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO**
**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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INTRODUCTORY SECTION



AUSTINTOWN LOCAL SCHOOLS
Douglas G. Heuer, Superintendent
Vincent Colaluca, Director of Curriculum
Barbara J. Kliner, Treasurer, CFO



700 S. Raccoon Rd. Austintown, Ohio 44515

Phone: 330/797-3900

austintown.k12.oh.us

December 30, 2008

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

The Comprehensive Annual Financial Report (CAFR) of the Austintown Local School District (the "District") for the fiscal year ended June 30, 2008 is hereby submitted. This CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

As a part of the District's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the school district has complied with applicable laws and regulations. The results of the District's independent audit for the fiscal year ended June 30, 2008 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

Profile of Austintown Local School District

The District ranks as the 67th largest in the State of Ohio among 896 public school districts and community schools and is the 2nd largest of the 14 school districts located within Mahoning County in terms of total enrollment. As of the most current school year (2007-2008), 4,951 students were enrolled in the District's eight schools (five elementaries, one intermediate, one middle and one high school). Approximately 120 District residents attend the Mahoning County Career and Technical Center.

The District employs 220 non-certified staff members and 344 certificated staff members. The certified staff members include 18 administrators and 326 full-time and part-time teachers. Of the 326 member teaching staff, 71% have master's degrees. The District faculty has an average 13 years of teaching experience. Currently the District has 7 teachers who have attained National Board Certification. Classroom teachers at all levels are supported by specialists in reading, guidance, art, music and physical education. The District's Pupil Personnel Services include school health and psychological services, pupil appraisal, counseling and guidance services, and speech-language and hearing services at all levels.

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

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

The United States Department of Education has named Lloyd Elementary as one of 14 Ohio public schools designated as a 2008 No Child Left Behind Blue Ribbon School.

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 (15.00%)
2. Mill Creek Park District (15.00%)
3. Austintown Township (98.70%)
4. Mahoning County Career and Technical Center (17.47%)

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

Economic Conditions and Outlook

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

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

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

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

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

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

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

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

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

Long-Term Financial Planning

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

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

Major Initiatives for the Year

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

Student Performance - The District was rated effective by the Ohio Department of Education (ODE). 5 out of 8 buildings received an excellent rating. Our scores have been increasing overall, and we did meet Adequate Yearly Progress (AYP).

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

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

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

Major Initiatives for the Future

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

Use of this Report

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

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

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

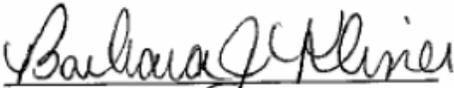
Award

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, 2007. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

Acknowledgments

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

Sincerely,


Barbara J. Kliner, Treasurer


Douglas G. Heuer, Superintendent

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

**LIST OF PRINCIPAL OFFICERS
JUNE 30, 2008**

Board of Education

<u>Name</u>	Began Service As Board Member <u>January 1</u>	Present Term Expires <u>December 31</u>	Vocation in Private <u>Life</u>
Dr. David Ritchie*	1968	2011	Retired Podiatrist
Mrs. Joyce Pogany	1982	2009	Secretary
Mr. Lou Chine	2008	2011	Retired Tradesman
Mr. Richard Zimmermann	2006	2009	Industry Foreman
Ms. Traci Morse**	2006	2009	Insurance/Student

* President

** Vice President

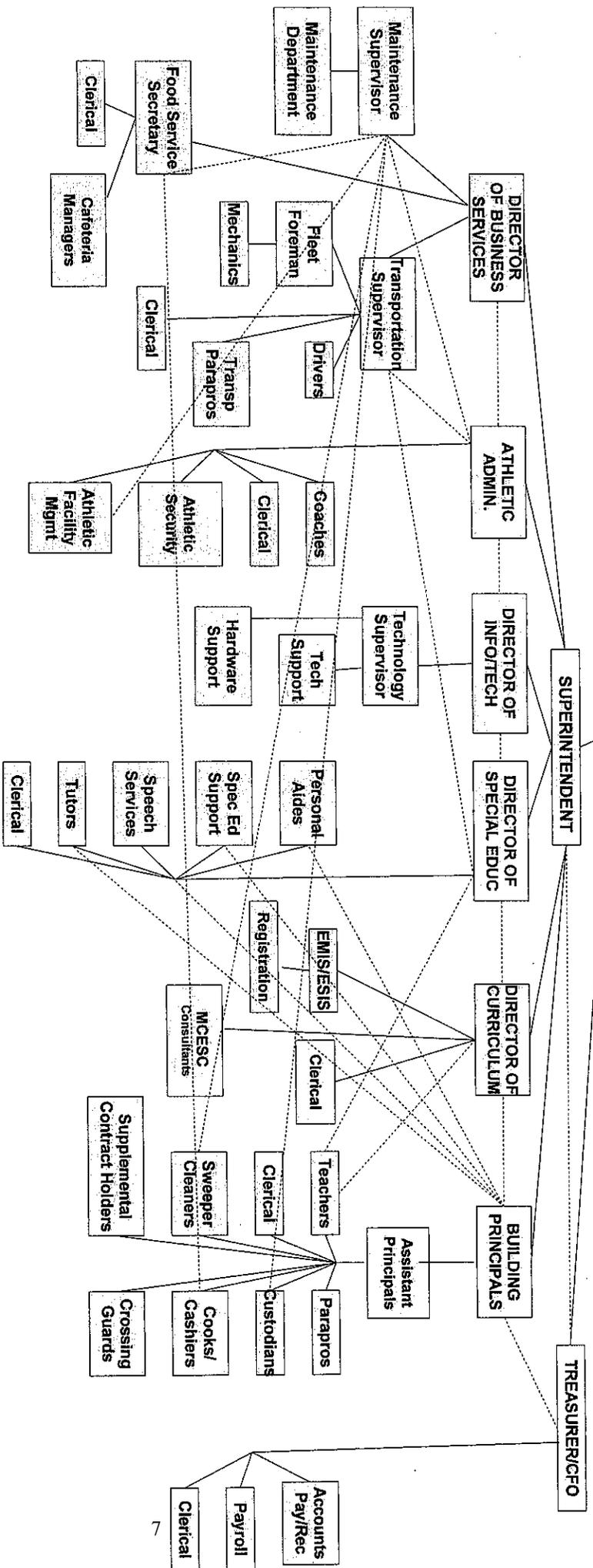
Central Office Administrative Staff

Superintendent	Mr. Douglas Heuer
Treasurer	Ms. Barbara Kliner
Director of Instruction	Mr. Vincent Colaluca

District Administrative Staff

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

AUSTINTOWN BOARD OF EDUCATION



November 19, 2007 File: Desktop Organizational Chart-dots 2007

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, 2007

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



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, business activities, the major funds, and the aggregate remaining fund information of Austintown Local School District, Mahoning County, Ohio (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Austintown Local School District, Mahoning County, Ohio, as of June 30, 2008, and the respective changes in financial position and where applicable, cash flows, and the budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2008 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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

www.auditor.state.oh.us

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining non-major fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining non-major fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

Mary Taylor, CPA
Auditor of State

December 30, 2008

AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

The management's discussion and analysis of Austintown Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. 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 2008 are as follows:

- In total, net assets decreased \$184,184. Net assets of governmental activities decreased \$177,209, which represents a 1.34% decrease from 2007. Net assets of business-type activities decreased \$6,975 or 8.02% from 2007. The net assets at June 30, 2007 have been restated as described in Note 3.A.
- General revenues accounted for \$39,793,198 in revenue or 84.17% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,482,222 or 15.83% of total revenues.
- The District had \$47,452,629 in expenses related to governmental activities; only \$7,482,222 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$39,793,198 were not adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$39,905,361 in revenues and other financing sources and \$41,490,626 in expenditures and other financing uses. The general fund's fund balance decreased \$1,585,265 from a positive balance of \$282,900 to a deficit balance of \$1,302,365.
- Net assets for the business-type activities decreased in 2008 by \$6,975. This decrease in net assets was mainly due to inadequate charges for services revenue to cover operating expenses in the special enterprise fund.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current fund's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net assets and the statement of activities, the District is divided into two distinct kinds of activities:

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

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

The District's statement of net assets and statement of activities can be found on pages 25-27 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page 18 and the analysis of the District's nonmajor enterprise fund begins on page 17. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 28-32 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 33-35 of this report.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in two agency funds. The District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages 36 and 37. 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 39-69 of this report.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

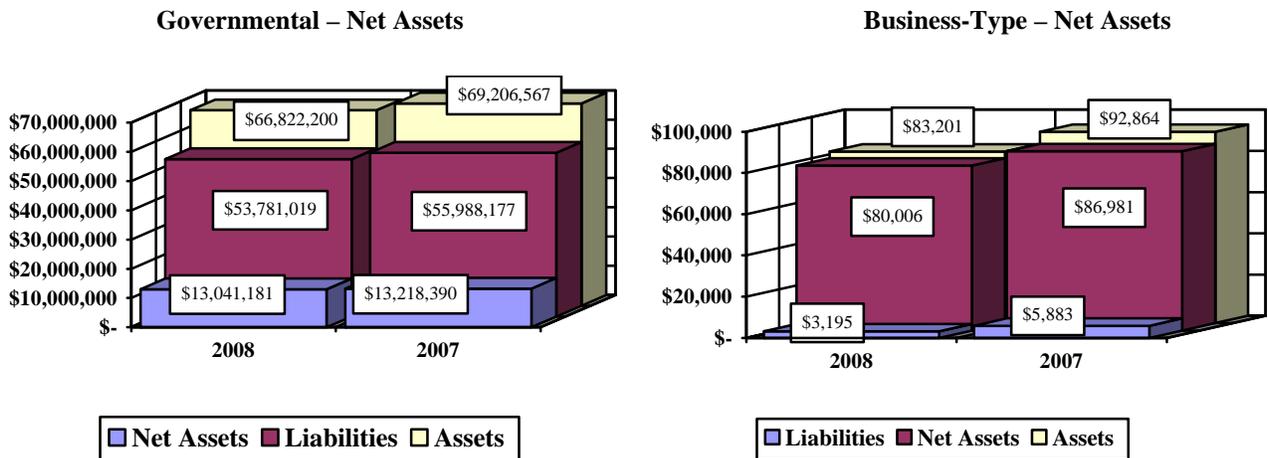
The District as a Whole

The statement of net assets provides the perspective of the District as a whole. Net assets at June 30, 2007 have been restated, as described in Note 3.A. of the notes to the basic financial statements.

The table below provides a summary of the District's net assets for 2008 and 2007.

	Net Assets					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2008	(Restated) 2007	2008	(Restated) 2007	2008	(Restated) 2007
<u>Assets</u>						
Current assets	\$ 31,023,022	\$ 35,563,853	\$ 47,913	\$ 51,626	\$ 31,070,935	\$ 35,615,479
Capital assets, net	35,799,178	33,642,714	35,288	41,238	35,834,466	33,683,952
Total assets	<u>66,822,200</u>	<u>69,206,567</u>	<u>83,201</u>	<u>92,864</u>	<u>66,905,401</u>	<u>69,299,431</u>
<u>Liabilities</u>						
Current liabilities	25,136,504	26,588,551	2,195	5,883	25,138,699	26,594,434
Long-term liabilities	<u>28,644,515</u>	<u>29,399,626</u>	<u>1,000</u>	<u>-</u>	<u>28,645,515</u>	<u>29,399,626</u>
Total liabilities	<u>53,781,019</u>	<u>55,988,177</u>	<u>3,195</u>	<u>5,883</u>	<u>53,784,214</u>	<u>55,994,060</u>
<u>Net assets</u>						
Invested in capital assets, net of related debt	11,282,275	8,932,483	35,288	41,238	11,317,563	8,973,721
Restricted	3,813,377	5,207,218	-	-	3,813,377	5,207,218
Unrestricted (deficit)	<u>(2,054,471)</u>	<u>(921,311)</u>	<u>44,718</u>	<u>45,743</u>	<u>(2,009,753)</u>	<u>(875,568)</u>
Total net assets	<u>\$ 13,041,181</u>	<u>\$ 13,218,390</u>	<u>\$ 80,006</u>	<u>\$ 86,981</u>	<u>\$ 13,121,187</u>	<u>\$ 13,305,371</u>

The graphs below show the assets, liabilities and net assets of the governmental activities and business-type activities at June 30, 2008 and 2007.



**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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UNAUDITED**

The table below shows the changes in net assets for fiscal year 2008 and 2007.

Change in Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 1,800,117	\$ 1,807,368	\$ 60,032	\$ 63,674	\$ 1,860,149	\$ 1,871,042
Operating grants and contributions	5,588,507	5,571,266	-	-	5,588,507	5,571,266
Capital grants and contributions	93,598	146,750	-	-	93,598	146,750
General revenues:						
Property taxes	19,161,610	20,616,240	-	-	19,161,610	20,616,240
Grants and entitlements	20,318,179	19,750,702	-	-	20,318,179	19,750,702
Investment earnings	224,685	751,807	115	-	224,800	751,807
Other	88,724	52,001	-	-	88,724	52,001
Total revenues	<u>47,275,420</u>	<u>48,696,134</u>	<u>60,147</u>	<u>63,674</u>	<u>47,335,567</u>	<u>48,759,808</u>
<u>Expenses</u>						
Program expenses:						
Instruction:						
Regular	19,882,816	19,786,687	-	-	19,882,816	19,786,687
Special	5,098,781	5,086,712	-	-	5,098,781	5,086,712
Vocational	276,817	297,227	-	-	276,817	297,227
Other	1,504,870	1,772,787	-	-	1,504,870	1,772,787
Support services:						
Pupil	2,689,774	2,727,291	-	-	2,689,774	2,727,291
Instructional staff	1,729,794	1,366,564	-	-	1,729,794	1,366,564
Board of education	58,681	65,160	-	-	58,681	65,160
Administration	3,822,071	3,417,313	-	-	3,822,071	3,417,313
Fiscal	876,977	856,985	-	-	876,977	856,985
Business	56,189	54,720	-	-	56,189	54,720
Operations and maintenance	4,201,380	4,231,309	-	-	4,201,380	4,231,309
Pupil transportation	2,681,786	2,277,807	-	-	2,681,786	2,277,807
Central	47,782	-	-	-	47,782	-
Operation of non-instructional services:						
Food service operations	1,848,182	1,464,605	-	-	1,848,182	1,464,605
Other non-instructional services	67,682	130,149	-	-	67,682	130,149
Extracurricular activities	1,041,810	1,045,737	-	-	1,041,810	1,045,737
Intergovernmental	332,569	256,734	-	-	332,569	256,734
Interest and fiscal charges	1,234,668	1,246,393	-	-	1,234,668	1,246,393
Special enterprise	-	-	67,122	82,973	67,122	82,973
Total expenses	<u>47,452,629</u>	<u>46,084,180</u>	<u>67,122</u>	<u>82,973</u>	<u>47,519,751</u>	<u>46,167,153</u>
Special item	-	1,267,612	-	-	-	1,267,612
Changes in net assets	(177,209)	3,879,566	(6,975)	(19,299)	(184,184)	3,860,267
Net assets at beginning of year (restated)	<u>13,218,390</u>	<u>9,338,824</u>	<u>86,981</u>	<u>106,280</u>	<u>13,305,371</u>	<u>9,445,104</u>
Net assets at end of year	<u>\$ 13,041,181</u>	<u>\$ 13,218,390</u>	<u>\$ 80,006</u>	<u>\$ 86,981</u>	<u>\$ 13,121,187</u>	<u>\$ 13,305,371</u>

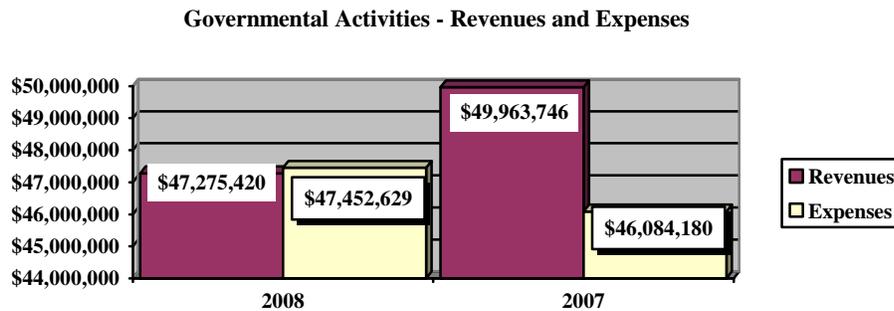
**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

Governmental Activities

For fiscal year 2008, the net assets of the District's governmental activities decreased \$177,209. Total governmental expenses of \$47,452,629 were offset by program revenues of \$7,482,222 and general revenues of \$39,793,198. Program revenues supported 15.77% 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 83.51% of total governmental revenue. Real estate property is reappraised every six years.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2008 and 2007.



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 2008 and 2007. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

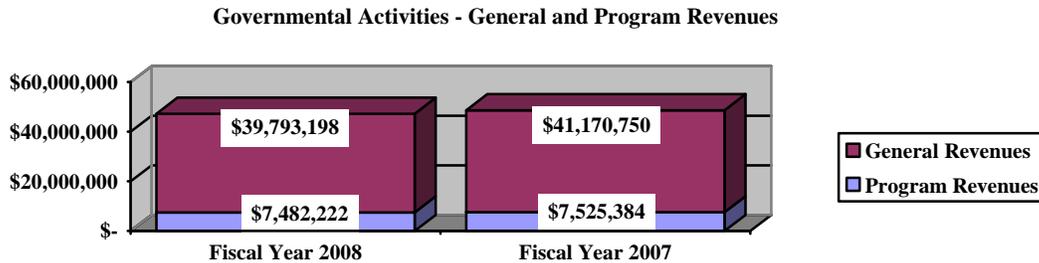
	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>
Program expenses:				
Instruction:				
Regular	\$ 19,882,816	\$ 19,235,818	\$ 19,786,687	\$ 19,089,429
Special	5,098,781	2,402,231	5,086,712	2,174,811
Vocational	276,817	186,722	297,227	222,658
Other	1,504,870	1,424,506	1,772,787	1,611,260

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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UNAUDITED**

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Support services:				
Pupil	2,689,774	2,327,472	2,727,291	2,359,083
Instructional staff	1,729,794	1,238,372	1,366,564	1,145,197
Board of education	58,681	58,681	65,160	65,160
Administration	3,822,071	3,401,618	3,417,313	2,951,572
Fiscal	876,977	876,977	856,985	856,985
Business	56,189	56,189	54,720	54,720
Operations and maintenance	4,201,380	4,137,767	4,231,309	4,213,381
Pupil transportation	2,681,786	2,471,204	2,277,807	2,022,004
Central	47,782	47,782	-	-
Operation of non-instructional services:				
Food service operations	1,848,182	47,229	1,464,605	(197,577)
Other non-instructional services	67,682	1,230	130,149	72,066
Extracurricular activities	1,041,810	708,376	1,045,737	664,400
Intergovernmental	332,569	113,565	256,734	7,254
Interest and fiscal charges	1,234,668	1,234,668	1,246,393	1,246,393
Total expenses	<u>\$ 47,452,629</u>	<u>\$ 39,970,407</u>	<u>\$ 46,084,180</u>	<u>\$ 38,558,796</u>

The dependence upon tax revenues during fiscal year 2008 for governmental activities is apparent, as 86.87% of 2008 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 84.23%. The District's taxpayers and grants and entitlements from the State of Ohio, are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2008 and 2007.



Business-Type Activities

Business-type activities include special enterprise operations. These programs had revenues of \$60,032, general revenues of \$115 and expenses of \$67,122 for fiscal year 2008. The District's business activities receive no support from tax revenues.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 28) reported a combined fund balance of \$3,020,912, which is below last year fund's total of \$5,801,210. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2008 and 2007.

	Fund Balance (deficit) <u>June 30, 2008</u>	Fund Balance <u>June 30, 2007</u>	<u>(Decrease)</u>
General	\$ (1,302,365)	\$ 282,900	\$ (1,585,265)
Other governmental	<u>4,323,277</u>	<u>5,518,310</u>	<u>(1,195,033)</u>
Total	<u>\$ 3,020,912</u>	<u>\$ 5,801,210</u>	<u>\$ (2,780,298)</u>

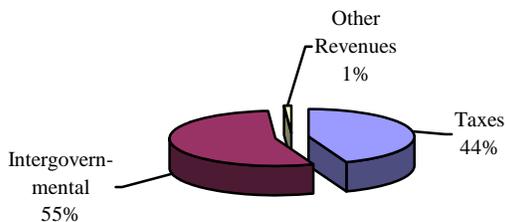
General Fund

The District's general fund balance decreased \$1,585,265, which is primarily due to \$1,493,005 of transfers to other funds during fiscal year 2008. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

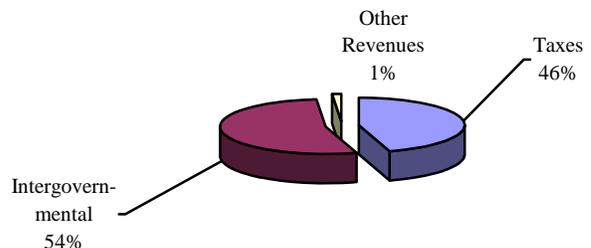
	<u>2008 Amount</u>	<u>2007 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Taxes	\$ 17,630,370	\$ 18,231,178	\$ (600,808)	(3.30) %
Intergovernmental	21,800,027	21,422,112	377,915	1.76 %
Other revenues	<u>457,975</u>	<u>528,675</u>	<u>(70,700)</u>	(13.37) %
Total	<u>\$ 39,888,372</u>	<u>\$ 40,181,965</u>	<u>\$ (293,593)</u>	(0.73) %

Tax revenue decreased by \$600,808 or 3.30% from fiscal 2007 due to House Bill 66 eliminating the tax on tangible personal property. Intergovernmental revenue increased \$377,915 or 1.76% from the prior year. This increase is attributed to the reimbursement from the State for the lost tangible personal property tax revenue due to House Bill 66. Other revenues decreased \$70,700 or 13.37% due to a decrease in tuition revenue and a decrease in interest revenue.

Revenues – Fiscal Year 2008



Revenues – Fiscal Year 2007



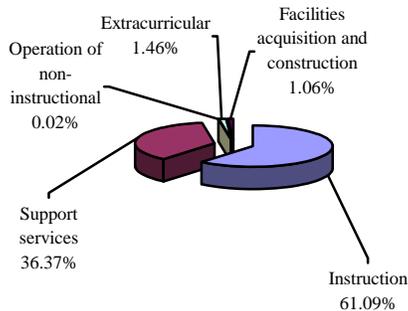
**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

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

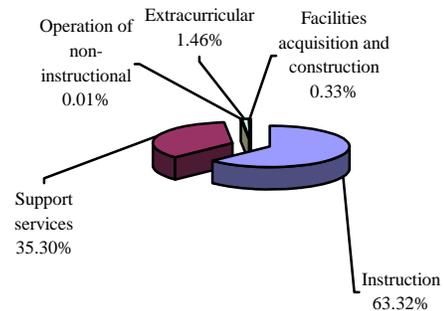
<u>Expenditures</u>	<u>2008 Amount</u>	<u>2007 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Instruction	\$ 24,435,015	\$ 24,551,479	\$ (116,464)	(0.47) %
Support services	14,548,054	13,778,272	769,782	5.59 %
Operation of non-instructional services	4,441	4,672	(231)	(4.94) %
Extracurricular activities	585,589	568,940	16,649	2.93 %
Facilities acquisition and construction	424,522	128,249	296,273	231.01 %
Total	\$ 39,997,621	\$ 39,031,612	\$ 966,009	2.47 %

One of the most significant increases was in support services expenditures. Support services expenditures increased due to rising prices for maintenance services and supplies and fuel for the District's buses. Facilities acquisition and construction increased due to improvements made to the bus garage during fiscal year 2008. All other expenditures remained consistent with the prior fiscal year.

Expenditures – Fiscal Year 2008



Expenditures – Fiscal Year 2007



General Fund Budgeting Highlights

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

During the course of fiscal 2008, the District amended its general fund budget numerous times, none significant. The District uses budgeting systems to tightly control local budgets but provide flexibility for management.

For the general fund, final budgeted revenues and other financing sources were \$40,157,450, which was decreased from the original budgeted revenues and other financing sources estimate of \$40,496,723. Actual revenues and other financing sources for fiscal 2008 were \$40,163,888. This represents a \$6,438 increase from final budgeted revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$41,506,958 were increased to \$42,482,218 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2008 totaled \$42,420,810, which was \$61,408 less than the final budget appropriations.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2008, the District had \$35,834,466 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and textbooks. Of this total, \$35,799,178 was reported in governmental activities and \$35,288 was reported in business-type activities. 2007 capital asset balances were restated as described in Note 3.A in the notes to the basic financial statements. The following table shows fiscal 2008 balances compared to 2007:

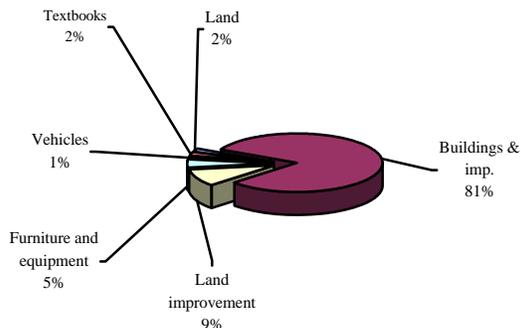
**Capital Assets at June 30
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>(Restated) 2007</u>	<u>2008</u>	<u>(Restated) 2007</u>	<u>2008</u>	<u>(Restated) 2007</u>
Land	\$ 672,477	\$ 672,477	\$ -	\$ -	\$ 672,477	\$ 672,477
Land improvements	3,395,671	1,100,565	-	-	3,395,671	1,100,565
Building and improvements	28,906,503	3,479,073	-	-	28,906,503	3,479,073
Furniture and equipment	1,670,808	769,156	35,288	41,238	1,706,096	810,394
Vehicles	414,195	557,930	-	-	414,195	557,930
Textbooks	739,524	414,550	-	-	739,524	414,550
Construction in progress	-	26,648,963	-	-	-	26,648,963
Total	\$ 35,799,178	\$ 33,642,714	\$ 35,288	\$ 41,238	\$ 35,834,466	\$ 33,683,952

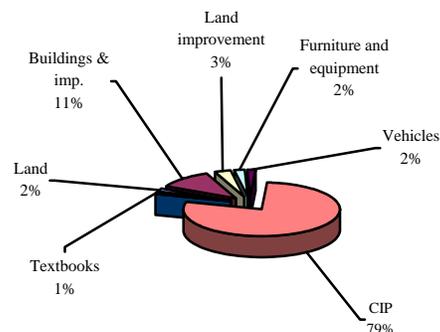
Capital assets of the governmental activities increased \$2,156,464, which is due to capital outlays of \$3,369,419 exceeding depreciation expense of \$1,212,955 in the current year. Capital assets of the business-type activities decreased \$5,950, which is due to current year depreciation expense.

The following graphs show the breakdown of governmental activities capital assets by category for 2008 and 2007.

Capital Assets - Governmental Activities 2008



Capital Assets - Governmental Activities 2007



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, 2008
UNAUDITED**

Debt Administration

At June 30, 2008 the District had \$24,849,666 in an asbestos abatement loan, House Bill 264 loan and general obligation bonds outstanding. Of this total, \$509,516 is due within one year and \$24,340,150 is due within greater than one year. The following table summarizes the bonds and loans outstanding.

Outstanding Debt, at Year End

	<u>Governmental Activities 2008</u>	<u>Governmental Activities 2007</u>
Asbestos abatement loan	\$ 87,934	\$ 113,057
House Bill 264 loan	346,225	364,663
General obligation bonds	<u>24,415,507</u>	<u>24,777,884</u>
Total	<u>\$ 24,849,666</u>	<u>\$ 25,255,604</u>

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

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

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

At June 30, 2008 the District's overall legal debt margin was \$31,228,022 with an unvoted debt margin of \$603,905.

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

Current Financial Related Activities

In order to avoid future financial deficits, the Board of Education has voted to place a 4.9 mill levy on the November, 2008 ballot. If passed, .5 mills will be designated for permanent improvements with the remaining 4.4 mills going to the general operations of the District.

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

AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED

Contacting the District's Financial Management

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

**BASIC
FINANCIAL STATEMENTS**

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

STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents. . .	\$ 8,699,467	\$ 47,783	\$ 8,747,250
Receivables:			
Taxes	21,280,078	-	21,280,078
Accounts	16,288	130	16,418
Intergovernmental	665,387	-	665,387
Prepayments	32,873	-	32,873
Materials and supplies inventory	48,931	-	48,931
Unamortized bond issue costs	279,998	-	279,998
Capital assets:			
Land	672,477	-	672,477
Depreciable capital assets, net	35,126,701	35,288	35,161,989
Capital assets, net.	<u>35,799,178</u>	<u>35,288</u>	<u>35,834,466</u>
Total assets.	<u>66,822,200</u>	<u>83,201</u>	<u>66,905,401</u>
Liabilities:			
Accounts payable.	107,833	-	107,833
Accrued wages and benefits	4,449,304	1,318	4,450,622
Pension obligation payable.	966,403	702	967,105
Intergovernmental payable	203,494	175	203,669
Deposits payable.	260,000	-	260,000
Accrued interest payable	94,105	-	94,105
Unearned revenue	19,055,365	-	19,055,365
Long-term liabilities:			
Due within one year.	1,002,755	1,000	1,003,755
Due in more than one year	27,641,760	-	27,641,760
Total liabilities	<u>53,781,019</u>	<u>3,195</u>	<u>53,784,214</u>
Net assets:			
Invested in capital assets, net of related debt.	11,282,275	35,288	11,317,563
Restricted for:			
Capital projects	2,012,351	-	2,012,351
Debt service.	997,204	-	997,204
Locally funded programs	248,570	-	248,570
State funded programs	73,278	-	73,278
Federally funded programs	275,454	-	275,454
Student activities	72,143	-	72,143
Other purposes	134,377	-	134,377
Unrestricted (deficit)	<u>(2,054,471)</u>	<u>44,718</u>	<u>(2,009,753)</u>
Total net assets	<u>\$ 13,041,181</u>	<u>\$ 80,006</u>	<u>\$ 13,121,187</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, 2008**

	<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	\$ 19,882,816	\$ 123,064	\$ 465,826	\$ 58,108
Special	5,098,781	16,122	2,680,428	-
Vocational	276,817	22,030	68,065	-
Other	1,504,870	-	80,364	-
Support services:				
Pupil	2,689,774	7,748	354,554	-
Instructional staff	1,729,794	17,587	473,835	-
Board of education	58,681	-	-	-
Administration	3,822,071	257,842	162,611	-
Fiscal	876,977	-	-	-
Business	56,189	-	-	-
Operations and maintenance	4,201,380	34,563	29,050	-
Pupil transportation	2,681,786	-	175,092	35,490
Central	47,782	-	-	-
Operation of non-instructional services:				
Food service operations	1,848,182	988,824	812,129	-
Other non-instructional services	67,682	614	65,838	-
Extracurricular activities	1,041,810	331,723	1,711	-
Intergovernmental	332,569	-	219,004	-
Interest and fiscal charges	1,234,668	-	-	-
Total governmental activities	<u>47,452,629</u>	<u>1,800,117</u>	<u>5,588,507</u>	<u>93,598</u>
Business-type activities:				
Special enterprise	<u>67,122</u>	<u>60,032</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 47,519,751</u>	<u>\$ 1,860,149</u>	<u>\$ 5,588,507</u>	<u>\$ 93,598</u>

General revenues:

Property taxes levied for:

 General purposes

 Debt service

Grants and entitlements not restricted to specific programs

Investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net assets at beginning of year (restated)

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (19,235,818)	\$ -	\$ (19,235,818)
(2,402,231)	-	(2,402,231)
(186,722)	-	(186,722)
(1,424,506)	-	(1,424,506)
(2,327,472)	-	(2,327,472)
(1,238,372)	-	(1,238,372)
(58,681)	-	(58,681)
(3,401,618)	-	(3,401,618)
(876,977)	-	(876,977)
(56,189)	-	(56,189)
(4,137,767)	-	(4,137,767)
(2,471,204)	-	(2,471,204)
(47,782)	-	(47,782)
(47,229)	-	(47,229)
(1,230)	-	(1,230)
(708,376)	-	(708,376)
(113,565)	-	(113,565)
<u>(1,234,668)</u>	<u>-</u>	<u>(1,234,668)</u>
<u>(39,970,407)</u>	<u>-</u>	<u>(39,970,407)</u>
-	(7,090)	(7,090)
<u>(39,970,407)</u>	<u>(7,090)</u>	<u>(39,977,497)</u>
17,600,028	-	17,600,028
1,561,582	-	1,561,582
20,318,179	-	20,318,179
224,685	115	224,800
<u>88,724</u>	<u>-</u>	<u>88,724</u>
<u>39,793,198</u>	<u>115</u>	<u>39,793,313</u>
(177,209)	(6,975)	(184,184)
<u>13,218,390</u>	<u>86,981</u>	<u>13,305,371</u>
<u>\$ 13,041,181</u>	<u>\$ 80,006</u>	<u>\$ 13,121,187</u>

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 3,929,559	\$ 4,635,531	\$ 8,565,090
Receivables:			
Taxes	19,549,548	1,730,530	21,280,078
Accounts	9,717	6,571	16,288
Intergovernmental	271,172	394,215	665,387
Interfund loans	32,062	-	32,062
Due from other funds	4,669	-	4,669
Prepayments	32,873	-	32,873
Materials and supplies inventory	-	48,931	48,931
Restricted assets:			
Equity in pooled cash and cash equivalents	134,377	-	134,377
Total assets	<u>\$ 23,963,977</u>	<u>\$ 6,815,778</u>	<u>\$ 30,779,755</u>
Liabilities:			
Accounts payable	\$ 106,176	\$ 1,657	\$ 107,833
Accrued wages and benefits	4,149,305	299,999	4,449,304
Compensated absences payable	97,633	-	97,633
Early retirement incentive payable	112,000	8,000	120,000
Pension obligation payable	913,475	52,928	966,403
Intergovernmental payable	183,250	20,244	203,494
Interfund loans payable	-	32,062	32,062
Due to other funds	-	4,669	4,669
Deposits payable	-	260,000	260,000
Deferred revenue	2,290,276	171,804	2,462,080
Unearned revenue	17,414,227	1,641,138	19,055,365
Total liabilities	<u>25,266,342</u>	<u>2,492,501</u>	<u>27,758,843</u>
Fund balances:			
Reserved for encumbrances	601,443	595,388	1,196,831
Reserved for materials and supplies inventory	-	48,931	48,931
Reserved for prepayments	32,873	-	32,873
Reserved for debt service	-	951,567	951,567
Reserved for school bus purchases	134,377	-	134,377
Unreserved, undesignated (deficit), reported in:			
General fund	(2,071,058)	-	(2,071,058)
Special revenue funds	-	821,460	821,460
Capital projects funds	-	1,905,931	1,905,931
Total fund balances (deficit)	<u>(1,302,365)</u>	<u>4,323,277</u>	<u>3,020,912</u>
Total liabilities and fund balances	<u>\$ 23,963,977</u>	<u>\$ 6,815,778</u>	<u>\$ 30,779,755</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2008

Total governmental fund balances		\$ 3,020,912
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		35,799,178
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 2,275,063	
Intergovernmental revenue	187,017	
Total	2,462,080	2,462,080
Unamortized premiums on bond issuances are not recognized in the funds.		(287,742)
Unamortized bond issuance costs are not recognized in the funds.		279,998
Accrued interest payable is not due and payable within the current period and therefore is not reported in the funds.		(94,105)
Long-term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(3,145,474)	
Early retirement incentive	(144,000)	
General obligation bonds	(24,415,507)	
House Bill 264 loan	(346,225)	
Asbestos loan	(87,934)	
Total	(28,139,140)	(28,139,140)
Net assets of governmental activities		\$ 13,041,181

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, 2008

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ 17,630,370	\$ 1,570,703	\$ 19,201,073
Tuition.	87,513	-	87,513
Charges for services.	614	966,824	967,438
Earnings on investments.	224,685	77,755	302,440
Extracurricular.	4,915	578,038	582,953
Classroom materials and fees	68,143	874	69,017
Other local revenues.	72,105	190,247	262,352
Intergovernmental - Intermediate.	-	209,947	209,947
Intergovernmental - State	21,800,027	653,358	22,453,385
Intergovernmental - Federal.	-	3,134,312	3,134,312
Total revenue	<u>39,888,372</u>	<u>7,382,058</u>	<u>47,270,430</u>
Expenditures:			
Current:			
Instruction:			
Regular	18,826,290	442,147	19,268,437
Special.	3,914,584	1,117,313	5,031,897
Vocational.	271,692	-	271,692
Other	1,422,449	82,421	1,504,870
Support services:			
Pupil.	2,523,154	175,020	2,698,174
Instructional staff	1,090,340	561,548	1,651,888
Board of education	58,681	-	58,681
Administration.	3,260,906	529,317	3,790,223
Fiscal	843,532	28,302	871,834
Business	58,496	-	58,496
Operations and maintenance.	4,196,972	49,805	4,246,777
Pupil transportation	2,468,191	22,097	2,490,288
Central.	47,782	-	47,782
Operation of non-instructional services:			
Food service operations	-	1,712,849	1,712,849
Other non-instructional services	4,441	66,516	70,957
Extracurricular activities.	585,589	423,806	1,009,395
Facilities acquisition and construction	424,522	2,888,552	3,313,074
Intergovernmental pass through	-	329,263	329,263
Debt service:			
Principal retirement	-	493,561	493,561
Interest and fiscal charges	-	1,148,464	1,148,464
Total expenditures	<u>39,997,621</u>	<u>10,070,981</u>	<u>50,068,602</u>
Deficiency of revenues under expenditures	<u>(109,249)</u>	<u>(2,688,923)</u>	<u>(2,798,172)</u>
Other financing sources (uses):			
Transfers in.	-	1,493,005	1,493,005
Transfers (out).	(1,493,005)	-	(1,493,005)
Sale of assets.	16,989	-	16,989
Total other financing sources (uses)	<u>(1,476,016)</u>	<u>1,493,005</u>	<u>16,989</u>
Net change in fund balances	(1,585,265)	(1,195,918)	(2,781,183)
Fund balances at beginning of year.	282,900	5,518,310	5,801,210
Increase in reserve for inventory	-	885	885
Fund balances (deficit) at end of year	<u>\$ (1,302,365)</u>	<u>\$ 4,323,277</u>	<u>\$ 3,020,912</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, 2008

Net change in fund balances - total governmental funds \$ (2,781,183)

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

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

Capital asset additions	\$	3,369,419	
Current year depreciation		(1,212,955)	
Total		2,156,464	2,156,464

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

Taxes		(39,463)	
Intergovernmental revenue		29,033	
Accrued interest		(1,569)	
Total		(11,999)	(11,999)

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

Decrease in accrued interest payable		1,074	
Accreted interest on "capital appreciation bonds"		(87,623)	
Amortization of bond issuance costs		(12,491)	
Amortization of bond premiums		12,836	
Total		(86,204)	(86,204)

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

885

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

493,561

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

51,267

Change in net assets of governmental activities \$ (177,209)

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, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Taxes	\$ 18,125,875	\$ 17,974,020	\$ 17,974,020	\$ -
Tuition	88,296	87,556	87,513	(43)
Charges for services	619	614	614	-
Earnings on investments	224,179	222,301	224,685	2,384
Extracurricular	5,078	5,035	5,035	-
Classroom materials and fees	68,998	68,420	69,309	889
Other local revenues	64,496	63,957	66,277	2,320
Intergovernmental - State	21,866,116	21,682,926	21,683,810	884
Total revenue	<u>40,443,657</u>	<u>40,104,829</u>	<u>40,111,263</u>	<u>6,434</u>
Expenditures:				
Current:				
Instruction:				
Regular	18,823,526	19,265,809	19,167,340	98,469
Special	3,866,812	3,957,668	3,882,783	74,885
Vocational	295,985	302,940	307,207	(4,267)
Other	1,397,172	1,430,000	1,422,449	7,551
Support services:				
Pupil	2,394,210	2,450,465	2,543,375	(92,910)
Instructional staff	1,092,178	1,117,840	1,093,419	24,421
Board of education	68,003	69,601	54,514	15,087
Administration	3,129,623	3,203,158	3,307,765	(104,607)
Fiscal	837,997	857,687	882,391	(24,704)
Business	60,584	62,008	63,105	(1,097)
Operations and maintenance	4,378,103	4,480,972	4,358,292	122,680
Pupil transportation	2,598,259	2,659,308	2,726,034	(66,726)
Central	46,692	47,789	47,782	7
Operation of non-instructional services:				
Other non-instructional services	4,956	5,072	4,445	627
Extracurricular activities	560,975	574,156	585,710	(11,554)
Facilities acquisition and construction	461,827	472,678	449,132	23,546
Total expenditures	<u>40,016,902</u>	<u>40,957,151</u>	<u>40,895,743</u>	<u>61,408</u>
Excess of revenues over (under) expenditures	<u>426,755</u>	<u>(852,322)</u>	<u>(784,480)</u>	<u>67,842</u>
Other financing sources (uses):				
Refund of prior year expenditure	35,933	35,632	35,636	4
Transfers (out)	(1,458,730)	(1,493,005)	(1,493,005)	-
Advances (out)	(31,326)	(32,062)	(32,062)	-
Sale of assets	17,133	16,989	16,989	-
Total other financing sources (uses)	<u>(1,436,990)</u>	<u>(1,472,446)</u>	<u>(1,472,442)</u>	<u>4</u>
Net change in fund balance	(1,010,235)	(2,324,768)	(2,256,922)	67,846
Fund balance at beginning of year	5,369,471	5,369,471	5,369,471	-
Prior year encumbrances appropriated	248,437	248,437	248,437	-
Fund balance at end of year	<u>\$ 4,607,673</u>	<u>\$ 3,293,140</u>	<u>\$ 3,360,986</u>	<u>\$ 67,846</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2008

	<u>Nonmajor Enterprise Fund</u>
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents.	\$ 47,783
Receivables:	
Accounts	130
Total current assets	<u>47,913</u>
Noncurrent assets:	
Capital assets, net.	<u>35,288</u>
Total assets	<u>83,201</u>
Liabilities:	
Current liabilities:	
Accrued wages and benefits	1,318
Compensated absences payable.	1,000
Pension obligation payable.	702
Intergovernmental payable	<u>175</u>
Total liabilities	<u>3,195</u>
Net assets:	
Invested in capital assets	35,288
Unrestricted.	<u>44,718</u>
Total net assets	<u>\$ 80,006</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Nonmajor Enterprise Fund</u>
Operating revenues:	
Tuition and fees	\$ 60,032
Total operating revenues	<u>60,032</u>
Operating expenses:	
Personal services.	40,069
Contractual services	6,198
Materials and supplies	14,905
Depreciation	<u>5,950</u>
Total operating expenses	<u>67,122</u>
Operating loss.	<u>(7,090)</u>
Nonoperating revenues:	
Interest revenue	<u>115</u>
Total nonoperating revenues.	<u>115</u>
Change in net assets.	(6,975)
Net assets at beginning of year (restated). .	<u>86,981</u>
Net assets at end of year	<u><u>\$ 80,006</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	Nonmajor Enterprise Fund
Cash flows from operating activities:	
Cash received from tuition and fees	\$ 60,182
Cash payments for personal services	(38,317)
Cash payments for contractual services	(10,638)
Cash payments for materials and supplies.	<u>(14,905)</u>
 Net cash used in operating activities	 <u>(3,678)</u>
Cash flows from investing activities:	
Interest received	<u>115</u>
 Net cash provided by investing activities	 <u>115</u>
 Net decrease in cash and cash equivalents	 (3,563)
 Cash and cash equivalents at beginning of year. . .	 <u>51,346</u>
Cash and cash equivalents at end of year	<u><u>\$ 47,783</u></u>
 Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (7,090)
Adjustments:	
Depreciation	5,950
Changes in assets and liabilities:	
Decrease in accounts receivable	150
(Decrease) in accounts payable.	(4,440)
Increase in compensated absences payable.	1,000
Increase in accrued wages and benefits.	724
Increase in intergovernmental payable.	<u>28</u>
 Net cash used in operating activities	 <u><u>\$ (3,678)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 55,846	\$ 44,063
Receivables:		
Accounts	-	36
Total assets	55,846	\$ 44,099
Liabilities:		
Due to other governments	-	\$ 12,555
Due to students	-	31,544
Total liabilities	-	\$ 44,099
Net assets:		
Held in trust for scholarships	55,846	
Total net assets	\$ 55,846	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 1,160
Gifts and contributions.	29,985
	31,145
Total additions.	31,145
Deductions:	
Scholarships awarded	16,931
	14,214
Change in net assets	14,214
Net assets at beginning of year.	41,632
Net assets at end of year	\$ 55,846

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District is the 67th largest in the State of Ohio (among 896 public school districts and community schools) in terms of total enrollment. The District is staffed by 220 non-certificated and 344 certificated personnel to provide services to approximately 4,951 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Federal League Athletic Association

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

JOINTLY GOVERNED ORGANIZATIONS

Area Cooperative Computerized Educational Service System

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

Mahoning County Career & Technical Center

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

PUBLIC ENTITY RISK POOLS

Stark County Schools Council of Governments Health Benefit Plan

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

Ohio Association of School Business Officials

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

B. Fund Accounting

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

GOVERNMENTAL FUNDS

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

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

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

PROPRIETARY FUNDS

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

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

FIDUCIARY FUNDS

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

C. Basis of Presentation and Measurement Focus

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the special enterprise fund 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 Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

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

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2008 are recorded as deferred revenue.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

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

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

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

E. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2008 is as follows:

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, increased or decreased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2008. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during the fiscal year.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the fund level.

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

F. Cash and Cash Equivalents

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

During fiscal year 2008, the District had no investments.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal 2008 amounted to \$224,685, which includes \$89,112 assigned from other District funds.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

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 consumption method.

Inventories consist of donated food and purchased food.

H. Capital Assets

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

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	10 - 30 years	N/A
Building/improvements	10 - 40 years	N/A
Furniture/equipment	5 - 20 years	5 - 20 years
Vehicles	8 - 15 years	N/A
Textbooks	7 years	N/A

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." On the fund financial statements, receivables and payables resulting from short-term interfund loans to cover negative cash balances are classified as "due to/from other funds." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. The District had no internal balances at June 30, 2008.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

J. Compensated Absences

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

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2008, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

K. Accrued Liabilities and Long-Term Obligations

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

L. Fund Balance Reserves

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

M. Net Assets

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

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

N. Prepayments

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

O. Parochial Schools

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

P. Estimates

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

Q. Unamortized Bond Issuance Costs and Bond Premiums

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

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

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

R. Capital Contributions

Capital contributions in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The District had no capital contributions during fiscal 2008.

S. Interfund Activity

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

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The District had no extraordinary or special items during fiscal year 2008.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Prior Period Adjustment

Beginning net assets of the governmental activities, business-type activities and nonmajor enterprise fund have been restated in order to account for a reappraisal of capital assets during fiscal year 2008. See Note 8 for detail. The adjustment had the following effect on net assets of the governmental activities, business-type activities and nonmajor enterprise fund at June 30, 2007:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Nonmajor Enterprise</u>
Net assets at June 30, 2007	\$ 10,211,143	\$ 100,523	\$ 100,523
Adjustment for capital assets	<u>3,007,247</u>	<u>(13,542)</u>	<u>(13,542)</u>
Restated net assets at June 30, 2007	<u>\$ 13,218,390</u>	<u>\$ 86,981</u>	<u>\$ 86,981</u>

B. Change in Accounting Principles

For fiscal year 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the District; however, certain disclosures related to postemployment benefits (see Note 13) have been modified to conform to the new reporting requirements.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the District.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 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, 2008

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Deficit Fund Balances

Fund balances at June 30, 2008 included the following individual fund deficits:

	Deficit
<u>Major governmental fund</u>	
General	\$ 1,302,365
 <u>Nonmajor governmental funds</u>	
Education management information systems	350
Entry year grant	93
Alternative school grant	331
Poverty aid	601
Title I	5,438
Permanent improvement	49,929

These funds complied with Ohio state law, which does not permit cash basis deficits. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities. These deficits should be eliminated by future intergovernmental revenues not recognized under GAAP at June 30, 2008.

NOTE 4 - DEPOSITS

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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;

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 4 - DEPOSITS - (Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

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

A. Deposits with Financial Institutions

At June 30, 2008, the carrying amount of all District deposits was \$8,847,159. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, \$8,730,991 of the District's bank balance of \$8,897,697 was exposed to custodial risk as discussed below, while \$166,706 was covered by the Federal Deposit Insurance Corporation.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 4 - DEPOSITS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

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

The following is a reconciliation of cash and cash equivalents as reported in the footnote above to cash and cash equivalents as reported on the statement of net assets as of June 30, 2008:

<u>Cash and cash equivalents per footnote</u>	
Carrying amount of deposits	\$ 8,847,159
Total	<u>\$ 8,847,159</u>
 <u>Cash and cash equivalents per statement of net assets</u>	
Governmental activities	\$ 8,699,467
Business type activities	47,783
Private-purpose trust fund	55,846
Agency funds	<u>44,063</u>
Total	<u>\$ 8,847,159</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended June 30, 2008 consisted of the following as reported on the fund financial statements:

<u>Transfers to nonmajor governmental funds from:</u>	<u>Amount</u>
General fund	\$ 1,493,005

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- B.** Interfund balances at June 30, 2008 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 32,062

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2008 are reported on the statement of net assets.

- C.** Interfund balances at June 30, 2008 consisted of the following amounts due from and to other funds, as reported in the fund financial statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 4,669

The primary purpose of the due from and to other funds is to cover a negative cash balance in the Title VI fund, a nonmajor governmental fund. This negative cash balance is allowable under Ohio Revised Code Section 3315.20. The interfund balance will be repaid once the anticipated revenues are received.

Amounts due to/from other funds between governmental funds are eliminated on the government-wide financial statements.

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, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by state law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 6 - PROPERTY TAXES - (Continued)

Tangible personal property tax revenue received during calendar 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. Tangible personal property tax is being phased out. For 2007, tangible personal property was assessed at 12.50% for property, including inventory. This percentage was reduced to 6.25% for 2008 and will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2008-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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, 2008, are available to finance fiscal year 2008 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary depending upon when the tax bills are sent by the County Auditor. There were no tax advances available to the District at June 30, 2008 or June 30, 2007.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 582,798,810	93.80	\$ 593,213,210	96.26
Public utility personal	13,835,580	2.23	10,717,170	1.74
Tangible personal property	<u>24,701,268</u>	<u>3.97</u>	<u>12,350,634</u>	<u>2.00</u>
Total	<u>\$ 621,335,658</u>	<u>100.00</u>	<u>\$ 616,281,014</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation				
Operations:	\$54.60		\$54.60	
Debt service:	2.90		2.70	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2008 consisted of taxes, accounts (billings for user charged services and student fees) and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of Federal funds.

A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental activities:

Taxes	\$ 21,280,078
Accounts	16,288
Intergovernmental	<u>665,387</u>
Total governmental activities	<u>21,961,753</u>

Business-type activities:

Accounts	<u>130</u>
Total receivables	<u>\$ 21,961,883</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, 2008

NOTE 8 - CAPITAL ASSETS

Capital assets have been restated to account for a reappraisal of capital assets during fiscal year 2008. The restatement increased the net capital asset balance of the governmental activities by \$3,007,247 at June 30, 2007 and decreased the net capital asset balance of the business-type activities by \$13,542 at June 30, 2007.

	<u>Balance 6/30/07</u>	<u>Adjustments</u>	<u>Restated Balance 6/30/07</u>
Governmental activities:			
Capital assets, not being depreciated:			
Land	\$ 502,026	\$ 170,451	\$ 672,477
Construction in progress	<u>24,815,115</u>	<u>1,833,848</u>	<u>26,648,963</u>
Total capital assets, not being depreciated	<u>25,317,141</u>	<u>2,004,299</u>	<u>27,321,440</u>
Capital assets, being depreciated:			
Land improvements	518,531	874,179	1,392,710
Building/improvements	14,747,782	2,399,439	17,147,221
Furniture/equipment	1,526,358	701,317	2,227,675
Vehicles	3,361,490	(625,383)	2,736,107
Textbooks	<u>1,857,154</u>	<u>2,212,718</u>	<u>4,069,872</u>
Total capital assets, being depreciated	<u>22,011,315</u>	<u>5,562,270</u>	<u>27,573,585</u>
Less: accumulated depreciation			
Land improvements	(254,555)	(37,590)	(292,145)
Building/improvements	(10,604,196)	(3,063,952)	(13,668,148)
Furniture/equipment	(1,262,803)	(195,716)	(1,458,519)
Vehicles	(2,714,281)	536,104	(2,178,177)
Textbooks	<u>(1,857,154)</u>	<u>(1,798,168)</u>	<u>(3,655,322)</u>
Total accumulated depreciation	<u>(16,692,989)</u>	<u>(4,559,322)</u>	<u>(21,252,311)</u>
Governmental activities capital assets, net	<u>\$ 30,635,467</u>	<u>\$ 3,007,247</u>	<u>\$ 33,642,714</u>
Business-type activities:			
Capital assets, being depreciated:			
Furniture/equipment	\$ 76,583	\$ (20,468)	\$ 56,115
Less: accumulated depreciation	<u>(21,803)</u>	<u>6,926</u>	<u>(14,877)</u>
Business-type activities capital assets, net	<u>\$ 54,780</u>	<u>\$ (13,542)</u>	<u>\$ 41,238</u>

**AUSTINTOWN LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 8 - CAPITAL ASSETS - (Continued)

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Restated Balance <u>6/30/07</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>6/30/08</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 672,477	\$ -	\$ -	\$ 672,477
Construction in progress	<u>26,648,963</u>	<u>2,474,188</u>	<u>(29,123,151)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>27,321,440</u>	<u>2,474,188</u>	<u>(29,123,151)</u>	<u>672,477</u>
Capital assets, being depreciated:				
Land improvements	1,392,710	2,421,515	-	3,814,225
Building/improvements	17,147,221	26,052,437	-	43,199,658
Furniture/equipment	2,227,675	1,057,403	-	3,285,078
Vehicles	2,736,107	9,500	-	2,745,607
Textbooks	<u>4,069,872</u>	<u>477,527</u>	<u>-</u>	<u>4,547,399</u>
Total capital assets, being depreciated	<u>27,573,585</u>	<u>30,018,382</u>	<u>-</u>	<u>57,591,967</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(292,145)	(126,409)	-	(418,554)
Building/improvements	(13,668,148)	(625,007)	-	(14,293,155)
Furniture/equipment	(1,458,519)	(155,751)	-	(1,614,270)
Vehicles	(2,178,177)	(153,235)	-	(2,331,412)
Textbooks	<u>(3,655,322)</u>	<u>(152,553)</u>	<u>-</u>	<u>(3,807,875)</u>
Total accumulated depreciation	<u>(21,252,311)</u>	<u>(1,212,955)</u>	<u>-</u>	<u>(22,465,266)</u>
Governmental activities capital assets, net	<u>\$ 33,642,714</u>	<u>\$ 31,279,615</u>	<u>\$(29,123,151)</u>	<u>\$ 35,799,178</u>
Business-type activities:				
Capital assets, being depreciated:				
Furniture/equipment	\$ 56,115	\$ -	\$ -	\$ 56,115
Less: accumulated depreciation	<u>(14,877)</u>	<u>(5,950)</u>	<u>-</u>	<u>(20,827)</u>
Total	<u>\$ 41,238</u>	<u>\$ (5,950)</u>	<u>\$ -</u>	<u>\$ 35,288</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged as follows:

	<u>Amount</u>
Governmental activities:	
<u>Instruction:</u>	
Regular	\$ 616,973
Special	56,537
Vocational	4,475
<u>Support services:</u>	
Pupil	17,356
Instructional staff	80,680
Administration	41,411
Fiscal	892
Operations and maintenance	35,377
Pupil transportation	199,983
Food service operations	126,856
Extracurricular activities	32,415
Total governmental activities	1,212,955
Business-type activities:	
Community center	5,950
Total depreciation expense	\$ 1,218,905

NOTE 9 - LONG-TERM OBLIGATIONS

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

The following is a description of the District's asbestos loan outstanding as of June 30, 2008:

	<u>Interest</u>	<u>Issue</u>	<u>Maturity</u>	<u>Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u>
	<u>Rate</u>	<u>Date</u>	<u>Date</u>	<u>6/30/07</u>	<u>in 2008</u>	<u>in 2008</u>	<u>6/30/08</u>
Asbestos loan	0.00%	12/01/93	05/30/12	\$ 113,057	\$ -	\$ (25,123)	\$ 87,934
Total				\$ 113,057	\$ -	\$ (25,123)	\$ 87,934

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Fiscal Year Ending</u>	<u>Principal on Loan</u>	<u>Interest on Loan</u>	<u>Total</u>
2009	\$ 25,123	\$ -	\$ 25,123
2010	25,123	-	25,123
2011	25,123	-	25,123
2012	<u>12,565</u>	<u>-</u>	<u>12,565</u>
Total	<u>\$ 87,934</u>	<u>\$ -</u>	<u>\$ 87,934</u>

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

This issue is comprised of both current interest bonds, par value \$25,065,000, and capital appreciation bonds, par value \$935,000. The interest rates on the current interest bonds range from 2.00% to 5.13%. The capital appreciation bonds mature on December 1, 2011 (effective interest 7.895%), December 1, 2012 (effective interest rate 8.071%, and December 1, 2013 (effective interest rate 7.915%), at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$1,810,000. A total of \$340,507 in accreted interest on the capital appreciation bonds has been included on the statement of net assets at June 30, 2008.

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

The following is a schedule of activity for fiscal 2008 on the general obligation bonds:

	<u>Balance 6/30/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/08</u>
Current interest bonds	\$ 23,590,000	\$ -	\$ (450,000)	\$ 23,140,000
Capital appreciation bonds	935,000	-	-	935,000
Accreted interest	<u>252,884</u>	<u>87,623</u>	<u>-</u>	<u>340,507</u>
Total G.O. bonds	<u>\$ 24,777,884</u>	<u>\$ 87,623</u>	<u>\$ (450,000)</u>	<u>\$ 24,415,507</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Year Ended	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 465,000	\$ 1,118,207	\$ 1,583,207	\$ -	\$ -	\$ -
2010	525,000	1,102,570	1,627,570	-	-	-
2011	545,000	1,084,234	1,629,234	-	-	-
2012	-	824,560	824,560	320,000	250,000	570,000
2013	-	774,560	774,560	315,000	300,000	615,000
2014 - 2018	2,880,000	4,812,549	7,692,549	300,000	325,000	625,000
2019 - 2023	5,210,000	4,118,220	9,328,220	-	-	-
2024 - 2028	7,545,000	2,537,754	10,082,754	-	-	-
2029 - 2031	5,970,000	473,807	6,443,807	-	-	-
Total	\$ 23,140,000	\$ 16,846,461	\$ 39,986,461	\$ 935,000	\$ 875,000	\$ 1,810,000

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

The following is a description of the District's House Bill 264 loan outstanding as of June 30, 2008:

	Interest Rate	Issue Date	Maturity Date	Balance 6/30/07	Issued in 2008	Retired in 2008	Balance 6/30/08
House Bill 264 Loan	4.75%	10/5/2006	10/1/2021	\$ 364,663	\$ -	\$ (18,438)	\$ 346,225
Total				\$ 364,663	\$ -	\$ (18,438)	\$ 346,225

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

Fiscal Year Ending	Principal on Loan	Interest on Loan	Total
2009	\$ 19,393	\$ 16,251	\$ 35,644
2010	20,348	15,296	35,644
2011	21,350	14,294	35,644
2012	22,365	13,279	35,644
2013	23,502	12,142	35,644
2014 - 2018	136,025	42,196	178,221
2019 - 2022	103,242	8,185	111,427
Total	\$ 346,225	\$ 121,643	\$ 467,868

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

	Balance			Balance	Amounts
	6/30/07	Additions	Reductions	6/30/08	Due in
					One Year
Governmental activities:					
Compensated absences payable	\$ 3,411,444	\$ 426,541	\$ (594,878)	\$ 3,243,107	\$ 373,239
Early retirement incentive payable	432,000	72,000	(240,000)	264,000	120,000
Loans payable	477,720	-	(43,561)	434,159	44,516
G.O. Bonds payable	<u>24,777,884</u>	<u>87,623</u>	<u>(450,000)</u>	<u>24,415,507</u>	<u>465,000</u>
Total governmental activities					
long-term liabilities	<u>\$ 29,099,048</u>	<u>\$ 586,164</u>	<u>\$ (1,328,439)</u>	28,356,773	<u>\$ 1,002,755</u>
Add: Unamortized premium on bond issue				<u>287,742</u>	
Total on statement of net assets				<u>\$ 28,644,515</u>	
Business-type activities:					
Compensated absences payable	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</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, Title I fund and the special enterprise fund.

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

E. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2008, are a voted debt margin of \$31,228,022 (including available funds of \$951,567) and an unvoted debt margin of \$603,905.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 10 – EMPLOYEE BENEFITS

A. Compensated Absences

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

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

B. Early Retirement Incentive

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

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

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

The District has recorded a liability of \$264,000 related to employees who have accepted the ERI. Of this total, \$120,000 is due within one year and has been recorded as a liability on the governmental fund financial statements. The ERI will be paid from the fund from which the employee is paid, which, for the District, is the general fund and the Title I fund, a nonmajor governmental fund.

NOTE 11 - RISK MANAGEMENT

A. Property, Fleet, and Liability Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2008, the District contracted with Indiana Insurance for property, automobile, liability and umbrella insurance.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 11 - RISK MANAGEMENT - (Continued)

	<u>Per Occurance</u>	<u>Deductibles</u>	<u>Annual Aggregate</u>
Property:			
Building and contents - replacement cost	\$ -	\$ 5,000	\$ 112,906,351
Old middle school	-	5,000	8,203,275
Equipment	-	500	1,368,086
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
Employment practices	-	2,500	1,000,000
Umbrella	1,000,000	-	1,000,000

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

B. Employee Health Benefits

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$541,441, \$569,203 and \$542,742, respectively; 51.51 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

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

**AUSTINTOWN LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 12 - PENSION PLANS - (Continued)

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

Funding Policy - For fiscal year 2008, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$2,620,012, \$2,622,392, and \$2,646,448, respectively; 83.39 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$18,967 made by the District and \$37,557 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2008, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

**AUSTINTOWN LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

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, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$337,850, \$276,411, and \$276,791, respectively; 51.51 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$39,012, \$38,706, and \$43,196, respectively; 51.51 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$201,539, \$201,722, and \$203,573, respectively; 83.39 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures, and changes in fund balance - budget (non-GAAP) and actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

**AUSTINTOWN LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advance-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Net Change in Fund Balance

	<u>General Fund</u>
Budget basis	\$ (2,256,922)
Net adjustment for revenue accruals	(222,891)
Net adjustment for expenditure accruals	190,503
Net adjustment for other sources/uses	(3,574)
Adjustment for encumbrances	<u>707,619</u>
GAAP basis	<u><u>\$ (1,585,265)</u></u>

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigation

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

**AUSTINTOWN LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 16 - STATUTORY RESERVES

The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2008, the reserve activity was as follows:

	<u>Textbooks/ Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2008	\$ (2,432,284)	\$ -
Current year set-aside requirement	766,199	766,199
Qualifying disbursements	<u>(695,143)</u>	<u>(4,329,694)</u>
Total	<u>\$ (2,361,228)</u>	<u>\$ (3,563,495)</u>
Balance carried forward to FY 2009	<u>\$ (2,361,228)</u>	<u>\$ -</u>

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

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

In addition to the above statutory reserves, the District has \$134,377 restricted for school bus purchases.

A schedule of the governmental fund restricted assets at June 30, 2008 follows:

Amount restricted for school bus purchases	<u>\$ 134,377</u>
Total restricted assets	<u>\$ 134,377</u>

NOTE 17 – SIGNIFICANT SUBSEQUENT EVENTS

A. Davis Elementary

In accordance with Board Resolution 2008-3/10-08, the District closed Davis Elementary effective August 1, 2008. The District will reassign students and staff in accordance with the Ohio Revised Code and Board of Education policies.

B. Federal League Athletic Association

Effective July 1, 2008, the District no longer acts as the fiscal agent for the Federal League Athletic Association. Mr. Joe Eaton, the Association’s Commissioner, is now the fiscal agent for the Association.

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

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

General Fund

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

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

Nonmajor Special Revenue Funds

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

Food Service Section 3313.81, Revised Code

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

Public School Support Section 5705.12, Revised Code

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

Other Grants Sections 5705.09 and 5705.13, Revised Code

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

Miscellaneous Grants Section 5705.12, Revised Code

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

District Managed Student Activity Section 3313.062, Revised Code

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

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

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

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

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

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

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

OneNet Subsidy Current Budget Bill appropriation line item 200-426

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

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

Nonmajor Special Revenue Funds - (Continued)

SchoolNet Professional Development

Current Budget Bill appropriation line item 200-406

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

Ohio Reads

Current Budget Bill appropriation line item 200-566

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

Alternative School Grant

Current Budget Bill appropriation line item 200-520 and 200-421

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

Poverty Aid

Section 3317.029, Revised Code

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

Miscellaneous State Grants

Section 5705.12, Revised Code

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

Title VI-B

Catalog of Federal Domestic Assistance #84.027

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

Title I

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

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

Title VI

Catalog of Federal Domestic Assistance #84.151

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

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

Nonmajor Special Revenue Funds - (Continued)

Drug-Free School Grant

Catalog of Federal Domestic Assistance #84-186

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

Improving Teacher Quality

Catalog of Federal Domestic Assistance #84.367

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

Miscellaneous Federal Grants

Catalog of Federal Domestic Assistance #84 and #94

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

Nonmajor Debt Service Fund

Bond Retirement

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

Nonmajor Capital Projects Funds

Capital projects funds account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). During fiscal year 2008, the District had four capital projects funds. A description of the District's capital projects funds follows:

Permanent Improvement

Section 5705.12, Revised Code

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

Building

Section 5705.09, Revised Code

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

Capital Projects - H.B. 426

Section 5705.13, Revised Code

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

SchoolNet

Section 5705.09, Revised Code

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,461,542	\$ 951,567	\$ 2,222,422	\$ 4,635,531
Receivables:				
Taxes	-	1,730,530	-	1,730,530
Accounts.	6,571	-	-	6,571
Intergovernmental	394,215	-	-	394,215
Materials and supplies inventory	48,931	-	-	48,931
	<u>1,911,259</u>	<u>2,682,097</u>	<u>2,222,422</u>	<u>6,815,778</u>
Total assets.	<u>\$ 1,911,259</u>	<u>\$ 2,682,097</u>	<u>\$ 2,222,422</u>	<u>\$ 6,815,778</u>
Liabilities:				
Accounts payable.	\$ 1,657	\$ -	\$ -	\$ 1,657
Accrued wages and benefits	299,999	-	-	299,999
Early retirement incentive payable.	8,000	-	-	8,000
Pension obligation payable.	52,928	-	-	52,928
Intergovernmental payable.	20,244	-	-	20,244
Interfund loans payable.	32,062	-	-	32,062
Due to other funds.	4,669	-	-	4,669
Deposits payable.	-	-	260,000	260,000
Deferred revenue.	32,062	139,742	-	171,804
Unearned revenue.	50,350	1,590,788	-	1,641,138
	<u>501,971</u>	<u>1,730,530</u>	<u>260,000</u>	<u>2,492,501</u>
Total liabilities.	<u>501,971</u>	<u>1,730,530</u>	<u>260,000</u>	<u>2,492,501</u>
Fund balances:				
Reserved for encumbrances	538,897	-	56,491	595,388
Reserved for materials and supplies inventory . . .	48,931	-	-	48,931
Reserved for debt service.	-	951,567	-	951,567
Unreserved, undesignated, reported in:				
Special revenue funds	821,460	-	-	821,460
Capital projects.	-	-	1,905,931	1,905,931
	<u>1,409,288</u>	<u>951,567</u>	<u>1,962,422</u>	<u>4,323,277</u>
Total fund balances.	<u>1,409,288</u>	<u>951,567</u>	<u>1,962,422</u>	<u>4,323,277</u>
Total liabilities and fund balances	<u>\$ 1,911,259</u>	<u>\$ 2,682,097</u>	<u>\$ 2,222,422</u>	<u>\$ 6,815,778</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, 2008

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
From local sources:				
Taxes	\$ -	\$ 1,570,703	\$ -	\$ 1,570,703
Charges for services	966,824	-	-	966,824
Earnings on investments	18,078	-	59,677	77,755
Extracurricular	578,038	-	-	578,038
Classroom materials and fees	874	-	-	874
Other local revenue	190,247	-	-	190,247
Intergovernmental - Intermediate	209,947	-	-	209,947
Intergovernmental - State	464,023	189,335	-	653,358
Intergovernmental - Federal	3,134,312	-	-	3,134,312
Total revenues	<u>5,562,343</u>	<u>1,760,038</u>	<u>59,677</u>	<u>7,382,058</u>
Expenditures:				
Current:				
Instruction:				
Regular	442,147	-	-	442,147
Special	1,117,313	-	-	1,117,313
Other	82,421	-	-	82,421
Support services:				
Pupil	175,020	-	-	175,020
Instructional staff	561,548	-	-	561,548
Administration	529,317	-	-	529,317
Fiscal	-	28,302	-	28,302
Operations and maintenance	32,062	-	17,743	49,805
Pupil transportation	22,097	-	-	22,097
Operation of non-instructional services:				
Food service operations	1,712,849	-	-	1,712,849
Other non-instructional services	66,516	-	-	66,516
Extracurricular activities	423,806	-	-	423,806
Facilities acquisition and construction	-	-	2,888,552	2,888,552
Intergovernmental pass through	329,263	-	-	329,263
Debt service:				
Principal retirement	-	493,561	-	493,561
Interest and fiscal charges	-	1,148,464	-	1,148,464
Total expenditures	<u>5,494,359</u>	<u>1,670,327</u>	<u>2,906,295</u>	<u>10,070,981</u>
Excess (deficiency) of revenues over (under) expenditures	<u>67,984</u>	<u>89,711</u>	<u>(2,846,618)</u>	<u>(2,688,923)</u>
Other financing sources:				
Transfers in	201,401	71,288	1,220,316	1,493,005
Total other financing sources	<u>201,401</u>	<u>71,288</u>	<u>1,220,316</u>	<u>1,493,005</u>
Net change in fund balances	269,385	160,999	(1,626,302)	(1,195,918)
Fund balances at beginning of year	1,139,018	790,568	3,588,724	5,518,310
Increase in reserve for inventory	885	-	-	885
Fund balances at end of year	<u>\$ 1,409,288</u>	<u>\$ 951,567</u>	<u>\$ 1,962,422</u>	<u>\$ 4,323,277</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	<u>Food Service</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Miscellaneous Grants</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 570,215	\$ 237,849	\$ 303,241	\$ 40,393
Receivables:				
Accounts.	-	6,344	-	-
Intergovernmental	27,185	-	1,000	-
Materials and supplies inventory	48,931	-	-	-
Total assets.	<u>\$ 646,331</u>	<u>\$ 244,193</u>	<u>\$ 304,241</u>	<u>\$ 40,393</u>
Liabilities:				
Accounts payable.	\$ -	\$ 216	\$ -	\$ -
Accrued wages and benefits	129,193	-	2,990	267
Early retirement incentive payable.	-	-	-	-
Pension obligation payable.	51,950	-	978	-
Intergovernmental payable	6,257	114	353	21
Interfund loans payable	-	-	-	-
Due to other funds.	-	-	-	-
Deferred revenue.	-	-	-	-
Unearned revenue.	-	-	50,350	-
Total liabilities.	<u>187,400</u>	<u>330</u>	<u>54,671</u>	<u>288</u>
Fund balances:				
Reserved for encumbrances.	-	2,789	11,031	-
Reserved for materials and supplies inventory	48,931	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	410,000	241,074	238,539	40,105
Total fund balances (deficits)	<u>458,931</u>	<u>243,863</u>	<u>249,570</u>	<u>40,105</u>
Total liabilities and fund balances.	<u>\$ 646,331</u>	<u>\$ 244,193</u>	<u>\$ 304,241</u>	<u>\$ 40,393</u>

<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Education Management Information Systems</u>	<u>Entry Year Grant</u>	<u>SchoolNet Professional Development</u>	<u>Alternative School Grant</u>	<u>Poverty Aid</u>
\$ 72,273	\$ 70,296	\$ -	\$ -	\$ 1,011	\$ -	\$ -
227	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 72,500</u>	<u>\$ 70,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,011</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 1,441	\$ -	\$ -	\$ -	\$ -	\$ -
-	660	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
357	303	350	93	-	331	601
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>357</u>	<u>2,404</u>	<u>350</u>	<u>93</u>	<u>-</u>	<u>331</u>	<u>601</u>
3,862	68,855	-	-	1,001	-	-
-	-	-	-	-	-	-
<u>68,281</u>	<u>(963)</u>	<u>(350)</u>	<u>(93)</u>	<u>10</u>	<u>(331)</u>	<u>(601)</u>
<u>72,143</u>	<u>67,892</u>	<u>(350)</u>	<u>(93)</u>	<u>1,011</u>	<u>(331)</u>	<u>(601)</u>
<u>\$ 72,500</u>	<u>\$ 70,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,011</u>	<u>\$ -</u>	<u>\$ -</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2008

	<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 7,813	\$ 27,443	\$ 62,619	\$ -
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	-	319,809	7,945	4,669
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 7,813</u>	<u>\$ 347,252</u>	<u>\$ 70,564</u>	<u>\$ 4,669</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	98,070	64,208	-
Early retirement incentive payable.	-	-	8,000	-
Pension obligation payable.	-	-	-	-
Intergovernmental payable	132	6,343	3,794	-
Interfund loans payable	-	-	-	-
Due to other funds.	-	-	-	4,669
Deferred revenue.	-	-	-	-
Unearned revenue.	-	-	-	-
Total liabilities.	<u>132</u>	<u>104,413</u>	<u>76,002</u>	<u>4,669</u>
Fund balances:				
Reserved for encumbrances.	6,846	347,226	62,619	-
Reserved for materials and supplies inventory	-	-	-	-
Unreserved, undesignated (deficit), reported in:				
Special revenue funds	835	(104,387)	(68,057)	-
Total fund balances (deficits)	<u>7,681</u>	<u>242,839</u>	<u>(5,438)</u>	<u>-</u>
Total liabilities and fund balances.	<u>\$ 7,813</u>	<u>\$ 347,252</u>	<u>\$ 70,564</u>	<u>\$ 4,669</u>

<u>Drug-Free School Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,067	\$ 5,530	\$ 61,792	\$ 1,461,542
-	-	-	6,571
-	1,545	32,062	394,215
-	-	-	48,931
<u>\$ 1,067</u>	<u>\$ 7,075</u>	<u>\$ 93,854</u>	<u>\$ 1,911,259</u>
\$ -	\$ -	\$ -	\$ 1,657
-	-	4,611	299,999
-	-	-	8,000
-	-	-	52,928
93	133	969	20,244
-	-	32,062	32,062
-	-	-	4,669
-	-	32,062	32,062
-	-	-	50,350
<u>93</u>	<u>133</u>	<u>69,704</u>	<u>501,971</u>
1,067	7,074	26,527	538,897
-	-	-	48,931
<u>(93)</u>	<u>(132)</u>	<u>(2,377)</u>	<u>821,460</u>
<u>974</u>	<u>6,942</u>	<u>24,150</u>	<u>1,409,288</u>
<u>\$ 1,067</u>	<u>\$ 7,075</u>	<u>\$ 93,854</u>	<u>\$ 1,911,259</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, 2008

	<u>Food Service</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Miscellaneous Grants</u>
Revenues:				
From local sources:				
Charges for services	\$ 966,824	\$ -	\$ -	\$ -
Earnings on investments	9,308	5,156	-	-
Extracurricular	-	257,513	-	-
Classroom materials and fees.	-	-	-	-
Other local revenues	22,000	34,931	87,848	23,626
Intergovernmental - Intermediate.	-	-	209,947	-
Intergovernmental - State	18,999	-	14,000	-
Intergovernmental - Federal	783,822	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	1,800,953	297,600	311,795	23,626
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	28,273	-
Special	-	-	1,966	-
Other	-	-	-	-
Support services:				
Pupil	-	-	93,902	6,336
Instructional staff.	-	-	-	6,040
Administration	-	324,299	-	-
Operations and maintenance	-	-	-	-
Pupil transportation.	-	-	-	-
Operation of non-instructional services:				
Food service operations	1,712,849	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities.	-	-	-	-
Intergovernmental pass through	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,712,849	324,299	124,141	12,376
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures.	88,104	(26,699)	187,654	11,250
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources:				
Transfers in	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	88,104	(26,699)	187,654	11,250
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits)				
at beginning of year.	369,942	270,562	61,916	28,855
Increase in reserve for inventory	885	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits) at end of year . . .	<u>\$ 458,931</u>	<u>\$ 243,863</u>	<u>\$ 249,570</u>	<u>\$ 40,105</u>

District Managed Student Activity	Auxiliary Services	Education Management Information Systems	Entry Year Grant	OneNet Subsidy	SchoolNet Professional Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
960	2,654	-	-	-	-
320,525	-	-	-	-	-
874	-	-	-	-	-
21,684	-	-	-	-	-
-	-	-	-	-	-
-	216,350	17,667	12,800	24,000	2,970
-	-	-	-	-	-
<u>344,043</u>	<u>219,004</u>	<u>17,667</u>	<u>12,800</u>	<u>24,000</u>	<u>2,970</u>
3,941	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
37	-	-	12,893	24,000	1,959
-	-	69,204	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
423,806	-	-	-	-	-
-	329,263	-	-	-	-
<u>427,784</u>	<u>329,263</u>	<u>69,204</u>	<u>12,893</u>	<u>24,000</u>	<u>1,959</u>
<u>(83,741)</u>	<u>(110,259)</u>	<u>(51,537)</u>	<u>(93)</u>	<u>-</u>	<u>1,011</u>
<u>96,000</u>	<u>-</u>	<u>51,564</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>96,000</u>	<u>-</u>	<u>51,564</u>	<u>-</u>	<u>-</u>	<u>-</u>
12,259	(110,259)	27	(93)	-	1,011
59,884	178,151	(377)	-	-	-
-	-	-	-	-	-
<u>\$ 72,143</u>	<u>\$ 67,892</u>	<u>\$ (350)</u>	<u>\$ (93)</u>	<u>\$ -</u>	<u>\$ 1,011</u>

**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, 2008

	<u>Ohio Reads</u>	<u>Alternative School Grant</u>	<u>Poverty Aid</u>	<u>Miscellaneous State Grants</u>
Revenues:				
From local sources:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	-	-
Other local revenues	158	-	-	-
Intergovernmental - Intermediate.	-	-	-	-
Intergovernmental - State	-	60,205	61,785	35,247
Intergovernmental - Federal	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	158	60,205	61,785	35,247
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Instruction:				
Regular.	-	31,088	68,729	17,065
Special	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	17,360
Instructional staff.	-	-	-	-
Administration	-	27,034	-	-
Operations and maintenance	-	-	-	-
Pupil transportation.	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Operation of non-instructional services	-	-	-	-
Extracurricular activities.	-	-	-	-
Intergovernmental pass through	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	58,122	68,729	34,425
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures.	158	2,083	(6,944)	822
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources:				
Transfers in	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	158	2,083	(6,944)	822
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits) at beginning of year.	(158)	(2,414)	6,343	6,859
Increase in reserve for inventory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits) at end of year	\$ -	\$ (331)	\$ (601)	\$ 7,681
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Title VI-B	Title I	Title VI	Drug-Free School Grant	Improving Teacher Quality
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,240,160	601,863	12,306	17,335	188,737
<u>1,240,160</u>	<u>601,863</u>	<u>12,306</u>	<u>17,335</u>	<u>188,737</u>
11,866	-	3,788	10,363	123,188
682,393	432,954	-	-	-
82,421	-	-	-	-
-	9,716	-	-	-
329,822	95,055	10,367	6,731	68,295
53,323	3,535	-	-	-
-	-	-	-	-
15,421	-	-	-	-
-	-	-	-	-
42,024	19,960	518	567	2,454
-	-	-	-	-
-	-	-	-	-
<u>1,217,270</u>	<u>561,220</u>	<u>14,673</u>	<u>17,661</u>	<u>193,937</u>
<u>22,890</u>	<u>40,643</u>	<u>(2,367)</u>	<u>(326)</u>	<u>(5,200)</u>
<u>53,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>53,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
76,164	40,643	(2,367)	(326)	(5,200)
166,675	(46,081)	2,367	1,300	12,142
-	-	-	-	-
<u>\$ 242,839</u>	<u>\$ (5,438)</u>	<u>\$ -</u>	<u>\$ 974</u>	<u>\$ 6,942</u>

**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, 2008

	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues:		
From local sources:		
Charges for services	\$ -	\$ 966,824
Earnings on investments	-	18,078
Extracurricular	-	578,038
Classroom materials and fees.	-	874
Other local revenues	-	190,247
Intergovernmental - Intermediate.	-	209,947
Intergovernmental - State	-	464,023
Intergovernmental - Federal	290,089	3,134,312
Total revenues	290,089	5,562,343
Expenditures:		
Current:		
Instruction:		
Regular	143,846	442,147
Special	-	1,117,313
Other	-	82,421
Support services:		
Pupil	47,706	175,020
Instructional staff.	6,349	561,548
Administration	51,922	529,317
Operations and maintenance	32,062	32,062
Pupil transportation.	6,676	22,097
Operation of non-instructional services:		
Food service operations	-	1,712,849
Operation of non-instructional services	993	66,516
Extracurricular activities.	-	423,806
Intergovernmental pass through	-	329,263
Total expenditures	289,554	5,494,359
Excess (deficiency) of revenues		
over (under) expenditures.	535	67,984
Other financing sources:		
Transfers in	563	201,401
Total other financing sources	563	201,401
Net change in fund balances		
	1,098	269,385
Fund balances (deficits)		
at beginning of year.	23,052	1,139,018
Increase in reserve for inventory	-	885
Fund balances (deficits) at end of year	\$ 24,150	\$ 1,409,288

**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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Food Service				
Total revenues and other sources	\$ 1,543,300	\$ 1,692,729	\$ 1,812,622	\$ 119,893
Total expenditures and other uses	<u>1,538,500</u>	<u>1,591,560</u>	<u>1,587,601</u>	<u>3,959</u>
Net change in fund balance	4,800	101,169	225,021	123,852
Fund balance at beginning of year.	<u>345,194</u>	<u>345,194</u>	<u>345,194</u>	<u>-</u>
Fund balance at end of year	<u>\$ 349,994</u>	<u>\$ 446,363</u>	<u>\$ 570,215</u>	<u>\$ 123,852</u>
Public School Support				
Total revenues and other sources	\$ 258,000	\$ 298,511	\$ 298,418	\$ (93)
Total expenditures and other uses	<u>301,799</u>	<u>343,434</u>	<u>336,991</u>	<u>6,443</u>
Net change in fund balance	(43,799)	(44,923)	(38,573)	6,350
Fund balance at beginning of year.	254,148	254,148	254,148	-
Prior year encumbrances appropriated.	<u>19,269</u>	<u>19,269</u>	<u>19,269</u>	<u>-</u>
Fund balance at end of year	<u>\$ 229,618</u>	<u>\$ 228,494</u>	<u>\$ 234,844</u>	<u>\$ 6,350</u>
Other Grants				
Total revenues and other sources	\$ 30,844	\$ 401,145	\$ 361,145	\$ (40,000)
Total expenditures and other uses	<u>113,346</u>	<u>173,455</u>	<u>132,874</u>	<u>40,581</u>
Net change in fund balance	(82,502)	227,690	228,271	581
Fund balance at beginning of year.	22,899	22,899	22,899	-
Prior year encumbrances appropriated.	<u>41,040</u>	<u>41,040</u>	<u>41,040</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (18,563)</u>	<u>\$ 291,629</u>	<u>\$ 292,210</u>	<u>\$ 581</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Miscellaneous Grants				
Total revenues and other sources	\$ 7,500	\$ 27,405	\$ 23,626	\$ (3,779)
Total expenditures and other uses	<u>26,834</u>	<u>12,575</u>	<u>12,363</u>	<u>212</u>
Net change in fund balance	(19,334)	14,830	11,263	(3,567)
Fund balance at beginning of year.	<u>29,130</u>	<u>29,130</u>	<u>29,130</u>	<u>-</u>
Fund balance at end of year	<u>\$ 9,796</u>	<u>\$ 43,960</u>	<u>\$ 40,393</u>	<u>\$ (3,567)</u>
District Managed Student Activity				
Total revenues and other sources	\$ 158,910	\$ 440,677	\$ 440,337	\$ (340)
Total expenditures and other uses	<u>180,663</u>	<u>441,394</u>	<u>441,394</u>	<u>-</u>
Net change in fund balance	(21,753)	(717)	(1,057)	(340)
Fund balance at beginning of year.	59,225	59,225	59,225	-
Prior year encumbrances appropriated.	<u>10,243</u>	<u>10,243</u>	<u>10,243</u>	<u>-</u>
Fund balance at end of year	<u>\$ 47,715</u>	<u>\$ 68,751</u>	<u>\$ 68,411</u>	<u>\$ (340)</u>
Auxiliary Services				
Total revenues and other sources	\$ 248,707	\$ 219,004	\$ 219,004	\$ -
Total expenditures and other uses	<u>433,281</u>	<u>404,578</u>	<u>404,578</u>	<u>-</u>
Net change in fund balance	(184,574)	(185,574)	(185,574)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>185,574</u>	<u>185,574</u>	<u>185,574</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,000</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Education Management Information Systems				
Total revenues and other sources	\$ -	\$ 69,231	\$ 69,231	\$ -
Total expenditures and other uses	<u>-</u>	<u>69,231</u>	<u>69,231</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Entry Year Programs				
Total revenues and other sources	\$ -	\$ 12,800	\$ 12,800	\$ -
Total expenditures and other uses	<u>-</u>	<u>12,800</u>	<u>12,800</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
OneNet Subsidy				
Total revenues and other sources	\$ 24,000	\$ 24,000	\$ 24,000	\$ -
Total expenditures and other uses	<u>-</u>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
Net change in fund balance	24,000	-	-	-
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 24,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
SchoolNet Professional Development				
Total revenues and other sources	\$ -	\$ 2,970	\$ 2,970	\$ -
Total expenditures and other uses	<u>-</u>	<u>2,970</u>	<u>2,960</u>	<u>10</u>
Net change in fund balance	-	-	10	10
Fund balance at beginning of year.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 10</u></u>
Alternative School Grant				
Total revenues and other sources	\$ 61,504	\$ 60,205	\$ 60,205	\$ -
Total expenditures and other uses	<u>822</u>	<u>61,027</u>	<u>61,027</u>	<u>-</u>
Net change in fund balance	60,682	(822)	(822)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>822</u>	<u>822</u>	<u>822</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 61,504</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Poverty Aid				
Total revenues and other sources	\$ 63,469	\$ 61,785	\$ 61,785	\$ -
Total expenditures and other uses	<u>6,960</u>	<u>68,745</u>	<u>68,745</u>	<u>-</u>
Net change in fund balance	56,509	(6,960)	(6,960)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>6,960</u>	<u>6,960</u>	<u>6,960</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 63,469</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Miscellaneous State Grants				
Total revenues and other sources	\$ 21,822	\$ 35,247	\$ 35,247	\$ -
Total expenditures and other uses	<u>28,762</u>	<u>42,187</u>	<u>41,220</u>	<u>967</u>
Net change in fund balance	(6,940)	(6,940)	(5,973)	967
Fund balance at beginning of year.	2,000	2,000	2,000	-
Prior year encumbrances appropriated.	<u>4,940</u>	<u>4,940</u>	<u>4,940</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 967</u>	<u>\$ 967</u>
Title VI-B				
Total revenues and other sources	\$ 1,240,160	\$ 1,526,984	\$ 1,207,174	\$ (319,810)
Total expenditures and other uses	<u>1,513,671</u>	<u>1,569,007</u>	<u>1,568,980</u>	<u>27</u>
Net change in fund balance	(273,511)	(42,023)	(361,806)	(319,783)
Fund balance (deficit) at beginning of year.	(231,488)	(231,488)	(231,488)	-
Prior year encumbrances appropriated.	<u>273,511</u>	<u>273,511</u>	<u>273,511</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (231,488)</u>	<u>\$ -</u>	<u>\$ (319,783)</u>	<u>\$ (319,783)</u>
Title I				
Total revenues and other sources	\$ 591,821	\$ 601,863	\$ 593,918	\$ (7,945)
Total expenditures and other uses	<u>465,630</u>	<u>630,491</u>	<u>622,546</u>	<u>7,945</u>
Net change in fund balance	126,191	(28,628)	(28,628)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>28,628</u>	<u>28,628</u>	<u>28,628</u>	<u>-</u>
Fund balance at end of year	<u>\$ 154,819</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Title VI				
Total revenues and other sources	\$ 7,637	\$ 7,637	\$ 7,637	\$ -
Total expenditures and other uses	<u>10,004</u>	<u>14,673</u>	<u>14,673</u>	<u>-</u>
Net change in fund balance	(2,367)	(7,036)	(7,036)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>2,367</u>	<u>2,367</u>	<u>2,367</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ (4,669)</u>	<u>\$ (4,669)</u>	<u>\$ -</u>
Drug-Free School Grant				
Total revenues and other sources	\$ 17,335	\$ 17,335	\$ 17,335	\$ -
Total expenditures and other uses	<u>18,719</u>	<u>18,719</u>	<u>18,719</u>	<u>-</u>
Net change in fund balance	(1,384)	(1,384)	(1,384)	-
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>1,384</u>	<u>1,384</u>	<u>1,384</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Improving Teacher Quality				
Total revenues and other sources	\$ 187,070	\$ 188,737	\$ 187,192	\$ (1,545)
Total expenditures and other uses	<u>200,545</u>	<u>202,212</u>	<u>202,211</u>	<u>1</u>
Net change in fund balance	(13,475)	(13,475)	(15,019)	(1,544)
Fund balance at beginning of year.	-	-	-	-
Prior year encumbrances appropriated.	<u>13,475</u>	<u>13,475</u>	<u>13,475</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,544)</u>	<u>\$ (1,544)</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous Federal Grants				
Total revenues and other sources	\$ 299,059	\$ 322,714	\$ 322,714	\$ -
Total expenditures and other uses	<u>70,031</u>	<u>296,141</u>	<u>336,482</u>	<u>(40,341)</u>
Net change in fund balance	229,028	26,573	(13,768)	(40,341)
Fund balance (deficit) at beginning of year. . .	(15,126)	(15,126)	(15,126)	-
Prior year encumbrances appropriated.	<u>64,159</u>	<u>64,159</u>	<u>64,159</u>	<u>-</u>
Fund balance at end of year	<u>\$ 278,061</u>	<u>\$ 75,606</u>	<u>\$ 35,265</u>	<u>\$ (40,341)</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Bond Retirement				
Total revenues and other sources	\$ 1,737,267	\$ 1,848,949	\$ 1,848,949	\$ -
Total expenditures and other uses	<u>1,670,025</u>	<u>1,671,841</u>	<u>1,671,841</u>	<u>-</u>
Net change in fund balance	67,242	177,108	177,108	-
Fund balance at beginning of year.	<u>774,459</u>	<u>774,459</u>	<u>774,459</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 841,701</u></u>	<u><u>\$ 951,567</u></u>	<u><u>\$ 951,567</u></u>	<u><u>\$ -</u></u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	Permanent Improvement	Building	Capital Projects- H.B. 426	SchoolNet
Assets:				
Equity in pooled cash and cash equivalents.	\$ 210,071	\$ 66,706	\$ 1,943,785	\$ 1,860
Total assets	\$ 210,071	\$ 66,706	\$ 1,943,785	\$ 1,860
Liabilities:				
Deposits payable.	\$ 260,000	\$ -	\$ -	\$ -
Total liabilities.	260,000	-	-	-
Fund balances:				
Reserved for encumbrances	-	47,669	8,822	-
Unreserved, undesignated (deficit), reported in:				
Capital projects	(49,929)	19,037	1,934,963	1,860
Total fund balances (deficits).	(49,929)	66,706	1,943,785	1,860
Total liabilities and fund balances	\$ 210,071	\$ 66,706	\$ 1,943,785	\$ 1,860

**Total
Nonmajor
Capital Projects
Funds**

\$ 2,222,422

\$ 2,222,422

\$ 260,000

260,000

56,491

1,905,931

1,962,422

\$ 2,222,422

**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, 2008

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Capital Projects- H.B. 426</u>	<u>SchoolNet</u>
Revenues:				
From local sources:				
Earnings on investments	-	59,677	-	-
Total revenues	<u>-</u>	<u>59,677</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Support services:				
Operations and maintenance	-	17,743	-	-
Facilities acquisition and construction.	-	2,850,155	38,397	-
Total expenditures	<u>-</u>	<u>2,867,898</u>	<u>38,397</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	(2,808,221)	(38,397)	-
Other financing sources:				
Transfers in.	-	-	1,220,316	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,220,316</u>	<u>-</u>
Net change in fund balances	-	(2,808,221)	1,181,919	-
Fund balances (deficits)				
at beginning of year.	<u>(49,929)</u>	<u>2,874,927</u>	<u>761,866</u>	<u>1,860</u>
Fund balances (deficits) at end of year	<u>\$ (49,929)</u>	<u>\$ 66,706</u>	<u>\$ 1,943,785</u>	<u>\$ 1,860</u>

**Total
Nonmajor
Capital Projects
Funds**

59,677

59,677

17,743

2,888,552

2,906,295

(2,846,618)

1,220,316

1,220,316

(1,626,302)

3,588,724

\$ 1,962,422

**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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Fund balance at beginning of year	\$ 210,071	\$ 210,071	\$ 210,071	-
Fund balance at end of year	<u>\$ 210,071</u>	<u>\$ 210,071</u>	<u>\$ 210,071</u>	<u>\$ -</u>
Building				
Total revenues and other sources	\$ 50,000	\$ 58,530	\$ 58,808	\$ 278
Total expenditures and other uses	<u>2,751,251</u>	<u>3,166,721</u>	<u>3,166,735</u>	<u>(14)</u>
Net change in fund balance	(2,701,251)	(3,108,191)	(3,107,927)	264
Fund balance at beginning of year	460,213	460,213	460,213	-
Prior year encumbrances appropriated.	<u>2,666,751</u>	<u>2,666,751</u>	<u>2,666,751</u>	<u>-</u>
Fund balance at end of year	<u>\$ 425,713</u>	<u>\$ 18,773</u>	<u>\$ 19,037</u>	<u>\$ 264</u>
Capital Projects H.B. 426				
Total revenues and other sources	\$ 1,000,000	\$ 1,220,316	\$ 1,220,316	\$ -
Total expenditures and other uses	<u>-</u>	<u>47,281</u>	<u>47,218</u>	<u>63</u>
Net change in fund balance	1,000,000	1,173,035	1,173,098	63
Fund balance at beginning of year.	<u>761,865</u>	<u>761,865</u>	<u>761,865</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,761,865</u>	<u>\$ 1,934,900</u>	<u>\$ 1,934,963</u>	<u>\$ 63</u>
SchoolNet				
Total revenues and other sources	\$ -	\$ -	\$ -	\$ -
Total expenditures and other uses	<u>30,940</u>	<u>30,940</u>	<u>30,940</u>	<u>-</u>
Net change in fund balance	(30,940)	(30,940)	(30,940)	-
Fund balance at beginning of year.	1,860	1,860	1,860	-
Prior year encumbrances appropriated.	<u>30,940</u>	<u>30,940</u>	<u>30,940</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,860</u>	<u>\$ 1,860</u>	<u>\$ 1,860</u>	<u>\$ -</u>

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

Nonmajor Enterprise Fund

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

Special Enterprise

Section 5705.12, Revised Code

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

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Special Enterprise				
Total revenues	\$ 61,950	\$ 60,200	\$ 60,297	\$ 97
Total expenses	<u>144,732</u>	<u>67,824</u>	<u>67,288</u>	<u>536</u>
Net change in fund balance	(82,782)	(7,624)	(6,991)	633
Fund balance at beginning of year.	<u>51,346</u>	<u>51,346</u>	<u>51,346</u>	<u>-</u>
Fund balance (deficit) at end of year	<u><u>\$ (31,436)</u></u>	<u><u>\$ 43,722</u></u>	<u><u>\$ 44,355</u></u>	<u><u>\$ 633</u></u>

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

Fiduciary Funds

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

Private Purpose Trust Fund

Scholarship Trust

Section 5705.09, Revised Code

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

Agency Funds

District Agency

Section 5705.09, Revised Code

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

Student Managed Activity

Section 3313.062, Revised Code

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

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

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008**

	Private Purpose Trust	Agency	Totals
Assets:			
Equity in pooled cash and cash equivalents	\$ 55,846	\$ 44,063	\$ 99,909
Receivables			
Accounts	-	36	36
Total assets	55,846	44,099	99,945
Liabilities:			
Due to other governments	-	12,555	12,555
Due to students	-	31,544	31,544
Total liabilities.	-	\$ 44,099	44,099
Net assets:			
Held in trust for scholarships	55,846		55,846
Total net assets	\$ 55,846		\$ 55,846

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Beginning Balance July 1, 2007	Additions	Deletions	Ending Balance June 30, 2008
District Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 25,578	\$ 38,703	\$ 51,726	\$ 12,555
Total assets	<u>\$ 25,578</u>	<u>\$ 38,703</u>	<u>\$ 51,726</u>	<u>\$ 12,555</u>
Liabilities:				
Due to other governments.	\$ 25,578	\$ 38,703	\$ 51,726	\$ 12,555
Total liabilities	<u>\$ 25,578</u>	<u>\$ 38,703</u>	<u>\$ 51,726</u>	<u>\$ 12,555</u>
Student Managed Activity				
Assets:				
Equity in pooled cash and cash equivalents	\$ 36,307	\$ 118,311	\$ 123,110	\$ 31,508
Receivables				
Accounts	2,172	36	2,172	36
Total assets	<u>\$ 38,479</u>	<u>\$ 118,347</u>	<u>\$ 125,282</u>	<u>\$ 31,544</u>
Liabilities:				
Due to students	\$ 38,479	\$ 118,347	\$ 125,282	\$ 31,544
Total liabilities.	<u>\$ 38,479</u>	<u>\$ 118,347</u>	<u>\$ 125,282</u>	<u>\$ 31,544</u>
Total				
Assets:				
Equity in pooled cash and cash equivalents	\$ 61,885	\$ 157,014	\$ 174,836	\$ 44,063
Receivables				
Accounts	2,172	36	2,172	36
Total assets	<u>\$ 64,057</u>	<u>\$ 157,050</u>	<u>\$ 177,008</u>	<u>\$ 44,099</u>
Liabilities:				
Due to other governments.	\$ 25,578	\$ 38,703	\$ 51,726	\$ 12,555
Due to students	38,479	118,347	125,282	31,544
Total liabilities.	<u>\$ 64,057</u>	<u>\$ 157,050</u>	<u>\$ 177,008</u>	<u>\$ 44,099</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Scholarship Trust				
Total revenues	\$ 10,433	\$ 31,119	\$ 31,145	\$ 26
Total expenses	<u>8,463</u>	<u>16,931</u>	<u>16,931</u>	<u>-</u>
Net change in fund balance	1,970	14,188	14,214	26
Fund balance at beginning of year.	<u>41,632</u>	<u>41,632</u>	<u>41,632</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 43,602</u></u>	<u><u>\$ 55,820</u></u>	<u><u>\$ 55,846</u></u>	<u><u>\$ 26</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.	110-121
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	122-129
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.	130-133
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.	134-135
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.	136-143

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

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:				
Invested in capital assets, net of related debt	\$ 11,282,275	\$ 8,932,483	\$ 5,585,792	\$ 5,710,633
Restricted	3,813,377	5,207,218	3,190,536	2,290,794
Unrestricted (deficit)	<u>(2,054,471)</u>	<u>(921,311)</u>	<u>(2,444,751)</u>	<u>(3,368,533)</u>
Total governmental activities net assets	<u>13,041,181</u>	<u>13,218,390</u>	<u>6,331,577</u>	<u>4,632,894</u>
Business-type activities:				
Invested in capital assets, net of related debt	35,288	41,238	45,878	21,436
Unrestricted	<u>44,718</u>	<u>45,743</u>	<u>73,944</u>	<u>96,700</u>
Total governmental activities net assets	<u>80,006</u>	<u>86,981</u>	<u>119,822</u>	<u>118,136</u>
Primary government:				
Invested in capital assets, net of related debt	11,317,563	8,973,721	5,631,670	5,732,069
Restricted	3,813,377	5,207,218	3,190,536	2,290,794
Unrestricted (deficit)	<u>(2,009,753)</u>	<u>(875,568)</u>	<u>(2,370,807)</u>	<u>(3,271,833)</u>
Total net assets - primary government	<u>\$ 13,121,187</u>	<u>\$ 13,305,371</u>	<u>\$ 6,451,399</u>	<u>\$ 4,751,030</u>

Source: District financial records.

Note: 2007 amounts have been restated to properly account for the reappraisal of the District's capital assets.

<u>2004</u>	<u>2003</u>
\$ 6,086,260	\$ 6,071,299
1,650,834	1,414,949
<u>(4,331,546)</u>	<u>(2,143,202)</u>
<u>3,405,548</u>	<u>5,343,046</u>
14,163	16,342
<u>90,601</u>	<u>95,671</u>
<u>104,764</u>	<u>112,013</u>
6,100,423	6,087,641
1,650,834	1,414,949
<u>(4,240,945)</u>	<u>(2,047,531)</u>
<u>\$ 3,510,312</u>	<u>\$ 5,455,059</u>

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 19,882,816	\$ 19,786,687	\$ 20,211,422	\$ 20,398,344
Special	5,098,781	5,086,712	4,677,768	4,628,169
Vocational	276,817	297,227	231,132	294,317
Adult/continuing	-	-	31,691	-
Other	1,504,870	1,772,787	1,220,107	939,960
Support services:				
Pupil	2,689,774	2,727,291	2,541,249	2,551,070
Instructional staff	1,729,794	1,366,564	1,123,499	1,256,735
Board of education	58,681	65,160	52,807	55,047
Administration	3,822,071	3,417,313	3,492,015	3,254,773
Fiscal	876,977	856,985	846,012	876,394
Business	56,189	54,720	4,519	2,856
Operations and maintenance	4,201,380	4,231,309	4,044,331	3,845,458
Pupil transportation	2,681,786	2,277,807	2,319,760	2,429,465
Central	47,782	-	2,282	1,599
Operation of non-instructional services:				
Food service operations	1,848,182	1,464,605	1,727,412	1,452,914
Other non-instructional services	67,682	130,149	42,651	100,797
Extracurricular activities	1,041,810	1,045,737	996,301	1,013,794
Intergovernmental	332,569	256,734	257,754	225,516
Interest and fiscal charges	1,234,668	1,246,393	1,258,858	1,285,299
Total governmental activities expenses	<u>47,452,629</u>	<u>46,084,180</u>	<u>45,081,570</u>	<u>44,612,507</u>
Business-type activities:				
Adult education	-	-	-	11,463
Special enterprise	67,122	82,973	51,381	39,904
Total business-type activities expenses	<u>67,122</u>	<u>82,973</u>	<u>51,381</u>	<u>51,367</u>
Total primary government expenses	<u>47,519,751</u>	<u>46,167,153</u>	<u>45,132,951</u>	<u>44,663,874</u>

	<u>2004</u>	<u>2003</u>
\$	20,229,285	\$ 20,013,091
	4,280,083	3,427,735
	273,806	274,729
	-	-
	772,412	30,668
	2,597,157	2,507,098
	1,231,504	1,212,462
	49,234	30,302
	3,171,693	3,086,963
	867,719	829,807
	5,350	5,375
	3,758,630	4,354,610
	2,368,397	2,118,437
	1,335	231,582
	1,678,327	1,609,800
	47,412	49,046
	1,013,635	1,027,243
	251,721	250,258
	370,444	11,640
	<u>42,968,144</u>	<u>41,070,846</u>
	13,543	9,589
	<u>50,231</u>	<u>40,677</u>
	<u>63,774</u>	<u>50,266</u>
	<u>43,031,918</u>	<u>41,121,112</u>

--Continued

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Program revenues				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 123,064	\$ 139,332	\$ 97,459	\$ 95,995
Special	16,122	-	-	-
Vocational	22,030	24,504	-	-
Support services:				
Pupil	7,748	7,814	5,903	-
Instructional staff	17,587	6,879	-	53
Administration	257,842	276,649	268,504	-
Fiscal	-	-	3,333	263,988
Operations and maintenance	34,563	17,928	-	-
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Food service operations	988,824	964,502	963,959	973,855
Other non-instructional services	614	933	-	-
Extracurricular activities	331,723	368,827	351,400	386,473
Intergovernmental pass-through	-	-	11,326	10,732
Operating grants and contributions:				
Instruction:				
Regular	465,826	525,126	522,623	630,071
Special	2,680,428	2,911,901	1,470,398	1,375,614
Vocational	68,065	50,065	-	-
Adult/continuing	-	-	31,367	-
Other	80,364	161,527	-	30,616
Support services:				
Pupil	354,554	360,394	100,508	86,954
Instructional staff	473,835	214,488	211,625	215,307
Administration	162,611	189,092	202,945	205,357
Operations and maintenance	29,050	-	-	1,084
Pupil transportation	175,092	141,853	29,435	6,648
Operation of non-instructional services:				
Food service operations	812,129	697,680	762,747	698,152
Other non-instructional services	65,838	57,150	43,515	84,440
Extracurricular activities	1,711	12,510	2,575	-
Intergovernmental pass-through	219,004	249,480	283,146	268,309
Capital grants and contributions:				
Instruction:				
Regular	58,108	32,800	-	40,004
Support services:				
Pupil transportation	35,490	113,950	-	-
Total governmental program revenues	<u>7,482,222</u>	<u>7,525,384</u>	<u>5,362,768</u>	<u>5,373,652</u>
Business-type activities:				
Charges for services:				
Adult education	-	-	-	10,271
Special enterprise	60,032	63,674	53,067	54,468
Total business-type activities program revenues	<u>60,032</u>	<u>63,674</u>	<u>53,067</u>	<u>64,739</u>
Total primary government program revenues	<u>7,542,254</u>	<u>7,589,058</u>	<u>5,415,835</u>	<u>5,438,391</u>

	<u>2004</u>		<u>2003</u>
\$	129,647	\$	144,423
	-		-
	-		-
	14,331		10,685
	17,163		25,345
	232,733		-
	1,800		-
	-		-
	523		-
	918,988		911,225
	11,981		-
	433,225		663,527
	-		-
	542,902		451,325
	1,118,151		780,766
	2,343		-
	-		-
	30,169		-
	82,218		21,955
	177,031		146,660
	137,220		237,619
	739		2,000
	997		118
	661,440		610,627
	40,085		35,219
	-		-
	277,272		263,831
	-		-
	-		-
	<u>4,830,958</u>		<u>4,305,325</u>
	13,679		9,525
	<u>42,846</u>		<u>36,636</u>
	<u>56,525</u>		<u>46,161</u>
	<u>4,887,483</u>		<u>4,351,486</u>

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net (expense)/revenue				
Governmental activities	\$ (39,970,407)	\$ (38,558,796)	\$ (39,718,802)	\$ (39,238,855)
Business-type activities	(7,090)	(19,299)	1,686	13,372
Total primary government net expense	<u>(39,977,497)</u>	<u>(38,578,095)</u>	<u>(39,717,116)</u>	<u>(39,225,483)</u>
General revenues and other changes in net assets				
Governmental activities:				
Property taxes levied for:				
General purposes	17,600,028	18,967,834	17,364,641	17,557,079
Debt service	1,561,582	1,648,406	1,578,146	1,490,170
Grants and entitlements not restricted to specific programs	20,318,179	19,750,702	21,309,943	20,259,894
Investment earnings	224,685	751,807	928,050	718,729
Decrease in fair market value of investments	-	-	-	-
Miscellaneous	88,724	52,001	236,705	440,329
Special item	-	1,267,612	-	-
Total governmental activities	<u>39,793,198</u>	<u>42,438,362</u>	<u>41,417,485</u>	<u>40,466,201</u>
Business-type activities:				
Investment earnings	115	-	-	-
Total business-type activities	<u>115</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets				
Governmental activities	(177,209)	3,879,566	1,698,683	1,227,346
Business-type activities	(6,975)	(19,299)	1,686	13,372
Total primary government	<u>\$ (184,184)</u>	<u>\$ 3,860,267</u>	<u>\$ 1,700,369</u>	<u>\$ 1,240,718</u>

Source: District financial records.

<u>2004</u>	<u>2003</u>
\$ (38,137,186)	\$ (36,765,521)
(7,249)	(4,105)
(38,144,435)	(36,769,626)
16,022,646	15,912,856
890,725	285,421
18,994,521	17,703,889
291,886	80,384
(282,291)	-
282,201	657,313
-	-
36,199,688	34,639,863
-	-
-	-
(1,937,498)	(2,125,658)
(7,249)	(4,105)
\$ (1,944,747)	\$ (2,129,763)

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General fund:				
Reserved	\$ 768,693	\$ 340,417	\$ 331,372	\$ 291,366
Designated	-	-	-	-
Unreserved, undesignated (deficit)	<u>(2,071,058)</u>	<u>(57,517)</u>	<u>(2,307,860)</u>	<u>(4,016,826)</u>
Total general fund	<u>\$ (1,302,365)</u>	<u>\$ 282,900</u>	<u>\$ (1,976,488)</u>	<u>\$ (3,725,460)</u>
All other governmental funds:				
Reserved	\$ 1,595,886	\$ 3,891,211	\$ 8,304,427	\$ 2,223,173
Unreserved, undesignated, reported in:				
Special revenue funds	821,460	454,752	534,602	412,172
Debt service funds	-	-	-	-
Capital projects funds	<u>1,905,931</u>	<u>1,172,347</u>	<u>5,670,148</u>	<u>23,204,489</u>
Total all other governmental funds	<u>\$ 4,323,277</u>	<u>\$ 5,518,310</u>	<u>\$ 14,509,177</u>	<u>\$ 25,839,834</u>

Source: District financial records.

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 431,086	\$ 149,164	\$ 299,185	\$ 396,999	\$ 888,256	\$ 624,860
-	-	-	761,865	251,015	-
<u>(3,832,366)</u>	<u>(2,885,685)</u>	<u>(493,541)</u>	<u>(671,105)</u>	<u>(1,644,439)</u>	<u>(1,115,575)</u>
<u>\$ (3,401,280)</u>	<u>\$ (2,736,521)</u>	<u>\$ (194,356)</u>	<u>\$ 487,759</u>	<u>\$ (505,168)</u>	<u>\$ (490,715)</u>
\$ 2,577,473	\$ 339,036	\$ 86,467	\$ 782,614	\$ 120,342	\$ 285,751
347,325	312,257	337,937	388,700	544,301	314,852
26,835,632	220,000	-	-	-	-
<u>23,945,041</u>	<u>761,866</u>	<u>832,208</u>	<u>104,992</u>	<u>125,084</u>	<u>311,242</u>
<u>\$ 53,705,471</u>	<u>\$ 1,633,159</u>	<u>\$ 1,256,612</u>	<u>\$ 1,276,306</u>	<u>\$ 789,727</u>	<u>\$ 911,845</u>

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues					
From local sources:					
Taxes	\$ 19,201,073	\$ 19,853,553	\$ 19,851,045	\$ 18,979,253	\$ 18,361,775
Tuition	87,513	94,391	9,027	27,129	55,658
Charges for services	967,438	943,435	963,959	951,855	919,935
Earnings on investments	302,440	798,469	979,907	719,689	219,403
Decrease in fair market value of investments	-	-	-	-	(282,291)
Extracurricular	582,953	639,472	616,047	649,433	642,552
Classroom materials and fees	69,017	66,709	68,085	64,947	68,508
Other local revenues	262,352	126,158	286,504	478,061	304,051
Intergovernmental - Intermediate	209,947	233,770	9,315	11,472	4,657
Intergovernmental - State	22,453,385	22,138,528	21,934,592	20,968,734	19,783,828
Intergovernmental - Federal	3,134,312	2,898,614	3,137,053	2,893,140	2,223,947
Total revenues	<u>47,270,430</u>	<u>47,793,099</u>	<u>47,855,534</u>	<u>45,743,713</u>	<u>42,302,023</u>
Expenditures					
Current:					
Instruction:					
Regular	19,268,437	19,605,253	19,854,668	20,334,464	20,107,813
Special	5,031,897	5,007,673	4,698,465	4,645,599	4,235,247
Vocational	271,692	278,107	254,223	288,105	266,546
Adult/continuing	-	-	31,691	-	-
Other	1,504,870	1,772,787	1,220,107	939,960	772,412
Support services:					
Pupil	2,698,174	2,699,948	2,567,320	2,524,345	2,558,943
Instructional staff	1,651,888	1,353,971	1,108,648	1,254,019	1,211,735
Board of education	58,681	65,160	52,807	55,047	49,234
Administration	3,790,223	3,446,104	3,346,153	3,340,826	3,151,122
Fiscal	871,834	852,861	852,175	875,032	858,479
Business	58,496	52,413	4,519	2,856	5,350
Operations and maintenance	4,246,777	4,192,060	4,002,233	3,803,221	3,697,985
Pupil transportation	2,490,288	2,205,944	2,303,187	2,262,641	2,405,709
Central	47,782	-	2,282	1,599	1,335
Operation of non-instructional services:					
Food service operations	1,712,849	1,521,322	1,710,817	1,445,400	1,631,812
Other non-instructional services	70,957	130,072	42,591	85,337	44,672
Extracurricular activities	1,009,395	1,010,955	999,258	987,353	987,001
Intergovernmental pass-through	329,263	256,734	257,754	225,516	251,721
Facilities acquisitions and construction	3,313,074	10,105,357	12,538,541	2,321,274	461,280
Debt service:					
Principal retirement	493,561	480,780	415,123	26,670,123	245,123
Interest and fiscal charges	1,148,464	1,150,169	1,178,030	1,485,314	15,292
Bond issuance expenses	-	-	-	-	372,211
Total expenditures	<u>50,068,602</u>	<u>56,187,670</u>	<u>57,440,592</u>	<u>73,548,031</u>	<u>43,331,022</u>
Excess of revenues over (under) expenditures	(2,798,172)	(8,394,571)	(9,585,058)	(27,804,318)	(1,028,999)
Other financing sources (uses)					
Transfers in	1,493,005	159,038	84,007	119,686	25,000
Transfers (out)	(1,493,005)	(159,038)	(84,007)	(119,686)	(25,000)
Sale of assets	16,989	461	1,594	-	-
Loan issuance	-	380,320	-	-	-
Sale of bonds	-	-	-	-	26,000,000
Sale of notes	-	-	-	-	26,000,000
Premium on bonds	-	-	-	-	390,974
Premium on notes	-	-	-	-	44,400
Total other financing sources (uses)	<u>16,989</u>	<u>380,781</u>	<u>1,594</u>	<u>-</u>	<u>52,435,374</u>
Special item:					
Consortium refund	-	1,267,612	-	-	-
Net change in fund balances	<u>\$ (2,781,183)</u>	<u>\$ (6,746,178)</u>	<u>\$ (9,583,464)</u>	<u>\$ (27,804,318)</u>	<u>\$ 51,406,375</u>
Debt service as a percentage of noncapital expenditures	3.52%	3.55%	3.58%	39.55%	1.48%

Source: District financial records.

	2003	2002	2001	2000	1999
\$	15,993,174	\$ 17,313,456	\$ 17,924,738	\$ 16,403,947	\$ 16,362,893
	78,800	70,991	55,174	12,277	16,662
	879,360	-	-	-	-
	80,384	145,786	301,718	250,431	183,349
	-	-	-	-	-
	644,548	606,131	548,297	597,030	506,990
	63,351	48,877	41,897	31,569	28,434
	735,743	433,153	273,365	379,682	281,830
	18,961	21,135	10,665	2,809	-
	18,342,029	17,213,812	15,935,794	15,195,772	14,560,134
	1,747,933	1,131,748	1,059,923	868,111	843,322
	<u>38,584,283</u>	<u>36,985,089</u>	<u>36,151,571</u>	<u>33,741,628</u>	<u>32,783,614</u>
	19,566,743	18,773,257	17,149,045	17,092,298	19,150,357
	3,399,942	2,585,719	2,828,518	2,649,181	-
	285,829	303,112	302,695	313,286	-
	-	-	-	-	-
	30,668	39,823	83,359	36,759	-
	2,464,305	2,147,254	2,032,654	1,928,715	1,810,251
	1,186,781	1,160,530	1,128,965	763,520	799,174
	30,302	38,473	15,406	28,693	9,956
	3,021,759	4,068,341	2,964,054	3,114,475	2,960,885
	819,137	763,580	811,992	706,964	650,201
	5,375	3,947	4,191	8,096	10,549
	4,306,601	3,849,408	3,469,462	3,171,344	2,912,896
	2,229,604	2,000,885	1,977,728	1,831,271	1,644,540
	231,582	194,032	1,993	1,977	1,674
	1,465,748	-	-	-	-
	34,554	22,624	31,953	26,944	244,658
	1,000,609	826,835	813,438	761,416	681,365
	250,258	266,839	282,742	429,066	-
	11,043	27,104	1,087,810	738,146	870,734
	65,123	587,948	247,948	247,948	247,948
	13,546	28,437	45,041	29,801	40,534
	-	-	-	-	-
	<u>40,419,509</u>	<u>37,688,148</u>	<u>35,278,994</u>	<u>33,879,900</u>	<u>32,035,722</u>
	(1,835,226)	(703,059)	872,577	(138,272)	747,892
	312,978	761,866	61,691	150,000	-
	(312,978)	(761,866)	(61,691)	(150,000)	-
	467	1,250	6,929	1,701	1,244
	-	-	-	-	-
	-	-	-	-	-
	-	-	600,000	-	-
	-	-	-	-	-
	-	-	-	-	-
	<u>467</u>	<u>1,250</u>	<u>606,929</u>	<u>1,701</u>	<u>1,244</u>
	-	-	-	-	-
\$	<u>(1,834,759)</u>	<u>(701,809)</u>	<u>\$ 1,479,506</u>	<u>\$ (136,571)</u>	<u>\$ 749,136</u>
	0.20%	1.66%	0.88%	0.84%	0.94%

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

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

Collection Year	Real Property (a)	Tangible Personal Property (b)		
	Assessed Value	Tangible	Public Utility (b)	Total
		Assessed Value		
2008	\$ 593,213,210	\$ 12,350,634	\$ 10,717,170	\$ 23,067,804
2007	582,798,810	24,701,268	13,835,580	38,536,848
2006	573,111,310	36,807,590	13,839,970	50,647,560
2005	503,307,470	47,559,910	14,660,530	62,220,440
2004	496,304,180	47,831,740	14,634,550	62,466,290
2003	488,821,390	54,682,960	14,689,080	69,372,040
2002	484,345,170	59,276,160	14,362,910	73,639,070
2001	478,045,190	57,695,600	18,950,130	76,645,730
2000	467,786,420	52,340,250	21,346,130	73,686,380
1999	380,596,690	55,995,070	21,233,540	77,228,610

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
\$ 616,281,014	\$ 1,787,166,102	34.48%	57.30
621,335,658	1,819,286,849	34.15%	57.50
623,758,870	1,840,051,126	33.90%	57.50
565,527,910	1,686,903,103	33.52%	57.50
558,770,470	1,667,877,103	33.50%	54.60
558,193,430	1,674,120,703	33.34%	54.60
557,984,240	1,678,399,623	33.25%	54.60
554,690,920	1,672,426,320	33.17%	54.60
541,472,800	1,631,278,149	33.19%	54.60
457,825,300	1,396,333,554	32.79%	54.60

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

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

Tax Year/ Collection Year	Overlapping Rates				Direct Rates			
	County	Township	Park District	Career Center	Voted		Unvoted	Total
					General	Bond		
2007/2008	11.90	18.10	1.75	2.10	48.20	2.70	6.40	57.30
2006/2007	11.90	18.10	1.75	2.10	48.20	2.90	6.40	57.50
2005/2006	11.50	18.10	1.75	2.10	48.20	2.90	6.40	57.50
2004/2005	11.65	18.10	1.75	2.10	48.20	2.90	6.40	57.50
2003/2004	11.70	18.10	1.75	2.10	48.20	-	6.40	54.60
2002/2003	11.70	18.10	1.75	2.10	48.20	-	6.40	54.60
2001/2002	11.70	18.10	1.75	2.10	48.20	-	6.40	54.60
2000/2001	10.85	17.10	1.90	2.10	48.20	-	6.40	54.60
1999/2000	10.85	17.10	1.90	2.10	48.20	-	6.40	54.60
1998/1999	10.85	17.10	1.90	2.10	48.20	-	6.40	54.60

Source: Mahoning County Auditor's Office

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

**PRINCIPAL REAL ESTATE PROPERTY TAX PAYERS
DECEMBER 31, 2007 AND DECEMBER 31, 2001**

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
P&S Equities	\$ 3,966,450	1	0.67%
Austintown Plaza Ltd.	3,379,830	2	0.57%
Gulch Ltd.	3,005,450	3	0.51%
West View Village Co.	2,819,220	4	0.48%
Hillbrook Apartments	2,504,530	5	0.42%
Westminster Associates	2,372,480	6	0.40%
35th Strouss Associates	2,351,960	7	0.40%
Austintown Realty Co.	2,094,720	8	0.35%
Scott H. Lee Managing TR & Retail Trust IV	1,925,010	9	0.32%
Austintown Properties Ltd.	1,813,770	10	0.31%
Total	\$ 26,233,420		4.43%

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

Source: Mahoning County Auditor's Office

Note: Information prior to 2001 is unavailable.

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

PRINCIPAL PERSONAL PROPERTY TAX PAYERS
DECEMBER 31, 2007 AND DECEMBER 31, 2001

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
GE Lighting Inc.	\$ 4,216,230	1	18.28%
Giant Eagle Inc.	3,928,420	2	17.03%
YSD Industries	3,552,410	3	15.40%
Hynes Industries	2,078,410	4	9.01%
Tamarkin Co.	2,068,880	5	8.97%
Roth Brothers Inc.	2,041,040	6	8.85%
Greenwood Chevrolet	1,888,320	7	8.19%
Eagle Industries	1,523,260	8	6.60%
Wean Incorporated	1,476,790	9	6.40%
Ohio Bell Telephone	1,437,000	10	6.23%
Total	\$ 24,210,760		104.93%

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

Source: Mahoning County Auditor's Office

Note: Information prior to 2001 is unavailable.

Note: Certain adjustments were made to the assessed valuations that are not reflected in the District's public utility assessed valuation at year-end. These adjustments will be reflected in the District's public utility assessed valuation in the next fiscal year.

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

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

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2007	\$ 21,285,244	\$ 2,472,362	\$ 23,757,606	\$ 20,302,467	95.38%
2006	21,398,775	2,206,308	23,605,083	20,896,817	97.65%
2005	21,278,874	2,394,420	23,673,294	20,522,828	96.45%
2004	20,221,343	N/A	N/A	N/A	N/A
2003	19,069,227	2,771,773	21,841,000	16,549,680	86.79%
2002	19,184,967	3,974,447	23,159,414	16,820,249	87.67%
2001	19,333,864	4,385,780	23,719,644	18,374,462	95.04%
2000	19,059,197	3,994,049	23,053,246	18,265,756	95.84%
1999	17,907,052	3,828,641	21,735,693	17,513,702	97.80%
1998	17,695,372	3,837,056	21,532,428	17,419,600	98.44%

Source: Mahoning County Auditor's Office

Note: 2004 delinquent levy information is unavailable

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 969,511	\$ 21,271,978	89.54%
669,922	21,566,739	91.36%
597,190	21,120,018	89.21%
N/A	N/A	N/A
1,168,977	17,718,657	81.13%
849,905	17,670,154	76.30%
1,493,695	19,868,157	83.76%
628,965	18,894,721	81.96%
547,787	18,061,489	83.10%
651,406	18,071,006	83.92%

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

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

Fiscal Year	Governmental Activities					(a) Total Primary Government	(b) Per Capita	(b) Per ADM
	General Obligation Bonds	Asbestos Abatement Loan	H.B. 264 Loan	Bond Anticipation Notes	Energy Conservation Notes			
2008	\$ 24,415,507	\$ 87,934	\$ 346,225	\$ -	\$ -	\$ 24,849,666	\$ 688	\$ 5,019
2007	24,777,884	113,057	364,663	-	-	25,255,604	699	5,260
2006	25,122,060	138,180	-	-	-	25,260,240	693	5,231
2005	25,430,483	163,303	-	-	-	25,593,786	696	5,287
2004	26,000,000	188,426	-	26,000,000	-	52,188,426	1,410	10,756
2003	-	213,549	-	-	220,000	433,549	12	84
2002	-	238,672	-	-	260,000	498,672	13	99
2001	-	263,795	-	-	822,825	1,086,620	29	215
2000	-	445,650	-	-	288,918	734,568	19	146
1999	-	668,475	-	-	314,041	982,516	30	193

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 FIVE FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2008	\$ 24,415,507	\$ 24,415,507	1.37%	\$ 676
2007	24,777,884	24,777,884	1.36%	686
2006	25,122,060	25,122,060	1.37%	689
2005	25,430,483	25,430,483	1.51%	692
2004	26,000,000	26,000,000	1.56%	703

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

Note: The District did not have general obligation bonds prior to 2004.

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Austintown Local School District	\$ 24,415,507	100.00%	\$ 24,415,507
	<u>24,415,507</u>		<u>24,415,507</u>
Overlapping:			
Mahoning County	30,140,744	15.00%	4,521,112
Total overlapping	<u>30,140,744</u>		<u>4,521,112</u>
Total direct and overlapping debt	<u>\$ 54,556,251</u>		<u>\$ 28,936,619</u>

Source: Ohio Municipal Advisory Council

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2008	\$ 54,351,455	\$ 24,075,000	\$ 951,567	\$ 23,123,433	\$ 31,228,022	42.54%
2007	53,366,610	24,525,000	790,568	23,734,432	29,632,178	44.47%
2006	56,138,298	25,122,060	632,232	24,489,828	31,648,470	43.62%
2005	50,897,512	25,430,483	442,702	24,987,781	25,909,731	49.09%
2004	50,289,342	26,000,000	26,835,632	(835,632)	51,124,974	-1.66%
2003	50,237,409	-	220,000	(220,000)	50,457,409	-0.44%
2002	50,218,582	-	13,248	(13,248)	50,231,830	-0.03%
2001	49,922,183	-	629,633	(629,633)	50,551,816	-1.26%
2000	48,732,552	-	65,936	(65,936)	48,798,488	-0.14%
1999	41,204,277	-	95,590	(95,590)	41,299,867	-0.23%

Source: Mahoning County Auditor and District financial records

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

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

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

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (1)	Per Capita Personal Income (2)	Median Family Income (2)	School Enrollment (3)	Unemployment Rates (4)		
					Mahoning County	Ohio	United States
2008	36,137	\$ 19,087	\$47,507	4,951	7.1%	6.6%	5.5%
2007	36,137	19,087	47,507	4,801	6.1%	6.1%	4.5%
2006	36,451	19,087	47,507	4,829	8.9%	5.9%	5.1%
2005	36,766	19,087	47,507	4,841	7.7%	5.9%	5.1%
2004	37,004	19,087	47,507	4,852	7.1%	6.2%	5.5%
2003	37,250	19,087	47,507	5,162	7.9%	6.2%	6.0%
2002	37,631	19,087	47,507	5,021	7.0%	5.7%	5.8%
2001	37,929	19,087	47,507	5,054	5.5%	4.4%	4.7%
2000	38,001	19,087	47,507	5,016	5.0%	4.0%	4.0%
1999	32,371	N/A	N/A	5,100	5.5%	4.3%	4.2%

Sources:

(1 & 2) U. S. Census Bureau

(3) District records

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

Note: N/A indicates the information is unavailable.

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

PRINCIPAL EMPLOYERS IN MAHONING COUNTY
DECEMBER 31, 2007 AND DECEMBER 31, 2003

Employer	December 31, 2007		
	Employees	Rank	Percentage of Total County Employment
HM Health Services	5,000	1	4.49%
Forum Health	3,725	2	3.34%
Youngstown State University	2,145	3	1.93%
Mahoning County	1,877	4	1.68%
Youngstown City Schools	1,500	5	1.35%
Infocision Management	1,071	6	0.96%
City of Youngstown	883	7	0.79%
U.S. Postal Service	765	8	0.69%
Austintown Local Schools	650	9	0.58%
Boardman Local Schools	640	10	0.57%
Total	18,256		16.39%
Total County Employment	111,400		

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

Source: Mahoning County Auditor's Office

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

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

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

STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY FUNCTION/PROGRAM
LAST TWO FISCAL YEARS

<u>Type</u>	<u>2008</u>	<u>2007</u>
Administration:	24.50	20.47
Certificated staff:		
Regular	229.87	228.00
Special	45.06	35.85
Vocational	3.00	3.00
Educational service personnel	22.00	22.00
Remedial specialist	1.00	9.00
Counseling	12.00	12.00
Library media	2.00	2.00
Audio visual	0.47	0.47
Curriculum specialist	2.00	-
Tutor	9.00	-
Professional staff:		
Nursing	4.00	4.00
Speech therapist	3.00	5.00
Technology:		
Library technician	1.00	1.00
Library aide	5.96	5.97
Instructional paraprofessional	11.12	12.49
Other technical	0.41	-
Office/clerical:		
Office clerical	36.16	36.27
Instructional paraprofessional	-	1.23
Other clerical	1.00	1.76
Other operations:		
Maintenance	10.00	9.00
Custodial/grounds	38.23	41.11
Transportation/drivers	39.00	39.00
Food service	28.19	25.43
Other	10.10	6.10
Total	<u>539.07</u>	<u>521.15</u>

Source: District records

Note: Information prior to 2007 is unavailable.

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

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

Function	2008	2007	2006	2005
Instruction:				
Regular and special				
Enrollment (students)	4,951	4,801	4,829	4,841
Graduates	351	400	372	370
Graduation rate	98.00%	97.10%	97.10%	98.40%
Support services:				
Board of education				
Regular meetings per year	13	12	12	12
Special meetings per year	18	10	17	13
Fiscal				
Nonpayroll checks issued	4,490	5,300	4,508	5,304
Operations and maintenance				
Square footage maintained	843,247	665,047	665,047	665,047
Pupil transportation				
Avg. students transported daily	4,354	4,620	4,778	5,306

Source: District records

Note: Information prior to 2005 is unavailable.

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

**CAPITAL ASSET STATISTICS
LAST SIX FISCAL YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities:						
Land	\$ 672,477	\$ 672,477	\$ 502,026	\$ 502,026	\$ 502,026	\$ 502,026
Construction in progress	-	26,648,963	15,268,495	2,732,638	434,000	-
Land improvements	3,395,671	1,100,565	103,598	89,327	103,714	104,859
Buildings/improvements	28,906,503	3,479,073	4,075,607	4,378,638	4,683,650	5,020,949
Furniture/equipment	1,670,808	769,156	204,511	151,014	116,824	107,182
Vehicles	414,195	557,930	726,184	667,523	835,018	769,832
Textbooks	739,524	414,550	-	-	-	-
Total governmental activities capital assets, net	<u>\$ 35,799,178</u>	<u>\$ 33,642,714</u>	<u>\$ 20,880,421</u>	<u>\$ 8,521,166</u>	<u>\$ 6,675,232</u>	<u>\$ 6,504,848</u>
Business-type activities:						
Furniture/equipment	\$ 35,288	\$ 41,238	\$ 45,878	\$ 21,436	\$ 14,163	\$ 16,342
Total business-type activities capital assets, net	<u>\$ 35,288</u>	<u>\$ 41,238</u>	<u>\$ 45,878</u>	<u>\$ 21,436</u>	<u>\$ 14,163</u>	<u>\$ 16,342</u>
Primary government:						
Land	\$ 672,477	\$ 672,477	\$ 502,026	\$ 502,026	\$ 502,026	\$ 502,026
Construction in progress	-	26,648,963	15,268,495	2,732,638	434,000	-
Land improvements	3,395,671	1,100,565	103,598	89,327	103,714	104,859
Buildings/improvements	28,906,503	3,479,073	4,075,607	4,378,638	4,683,650	5,020,949
Furniture/equipment	1,706,096	810,394	250,389	172,450	130,987	123,524
Vehicles	414,195	557,930	726,184	667,523	835,018	769,832
Textbooks	739,524	414,550	-	-	-	-
Total primary government capital assets, net	<u>\$ 35,094,942</u>	<u>\$ 33,269,402</u>	<u>\$ 20,926,299</u>	<u>\$ 8,542,602</u>	<u>\$ 6,689,395</u>	<u>\$ 6,521,190</u>

Source: District financial records.

Note: Amounts above are presented net of accumulated depreciation.

Note: 2007 amounts have been restated to properly account for the reappraisal of the District's capital assets.

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

**SCHOOL BUILDING INFORMATION
LAST FOUR FISCAL YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Fitch High School (1968/'78/2000/2007)				
Square feet	262,048	262,048	262,048	262,048
Enrollment	1,584	1,629	1,677	1,684
Austintown Middle School (1914/'22/'26/'46/'54/2002) (Mahoning Avenue Building)				
Square feet	102,600	102,600	102,600	102,600
Enrollment	-	866	842	850
Austintown Middle School (2008) (Racoon Road Building)				
Square feet	174,688	-	-	-
Enrollment	1,175	-	-	-
Frank Ohl Intermediate School (1960/'61/'92/2007)				
Square feet	89,485	89,485	89,485	89,485
Enrollment	768	666	687	726
Davis Elementary (1954/'57/2002)				
Square feet	32,958	32,958	32,958	32,958
Enrollment	229	295	262	253
Lloyd Elementary (1954/'57/'92)				
Square feet	33,013	33,013	33,013	33,013
Enrollment	392	407	422	423
Lynn Kirk Elementary (1958/'60)				
Square feet	35,136	35,136	35,136	35,136
Enrollment	319	371	341	342
Watson Elementary (1961)				
Square feet	61,435	61,435	61,435	61,435
Enrollment	419	440	453	442
Woodside Elementary (1948/'57)				
Square feet	33,372	33,372	33,372	33,372
Enrollment	322	312	360	332
District Board Office (2008)				
Square feet	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.

Information prior to 2005 is unavailable.

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities (2)		Enrollment
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil	
2008	\$ 48,426,577	\$ 9,781	\$ 46,217,961	\$ 9,335	4,951
2007	54,556,721	11,364	44,837,787	9,339	4,801
2006	55,847,439	11,565	43,822,712	9,075	4,829
2005	45,392,594	9,377	43,327,208	8,950	4,841
2004	43,070,607	8,877	42,597,700	8,779	4,852
2003	40,340,840	7,815	41,059,206	7,954	5,162
2002	37,071,763	7,383	N/A	N/A	5,021
2001	34,986,005	6,922	N/A	N/A	5,054
2000	33,602,151	6,699	N/A	N/A	5,016
1999	31,747,240	6,225	N/A	N/A	5,100

Source: District records

(1) Debt service totals have been excluded.

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

Percent Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
3.12%	326	15.19	94.80%
-0.58%	326	14.73	94.70%
-0.25%	329	14.68	94.30%
-0.23%	333	14.54	94.80%
-6.01%	331	14.66	94.50%
2.81%	333	15.50	94.00%
-0.65%	328	15.31	94.20%
0.76%	327	15.46	93.60%
-1.65%	322	15.58	93.70%
-0.93%	321	15.89	93.00%

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

**TEACHER EDUCATION AND EXPERIENCE
AS OF JUNE 30, 2008 AND JUNE 30, 2002**

<u>Degree</u>	<u>June 30, 2008</u>		<u>June 30, 2002</u>	
	<u>Number of Teachers</u>	<u>Percentage of Total</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Non-Degree	0	0.00%	1	0.30%
Bachelor's Degree	48	14.72%	58	17.68%
Bachelor's Degree + 15	49	15.03%	58	17.68%
Master's Degree	77	23.62%	68	20.73%
Master's Degree + 15	30	9.20%	20	6.10%
Master's Degree + 30	120	36.82%	121	36.90%
Ph.D.	2	0.61%	2	0.61%
	<u>326</u>	<u>100.00%</u>	<u>328</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>June 30, 2008</u>		<u>June 30, 2002</u>	
	<u>Number of Teachers</u>	<u>Percentage of Total</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5 Years	86	26.38%	96	29.27%
6 - 10 Years	65	19.94%	52	15.85%
11 - 15 Years	65	19.94%	38	11.58%
16 - 20 Years	22	6.75%	34	10.37%
21 - 25 Years	31	9.51%	41	12.50%
26 - 42 Years	57	17.48%	67	20.43%
	<u>326</u>	<u>100.00%</u>	<u>328</u>	<u>100.00%</u>

Source: District personnel records

Note: Information prior to 2002 is not available.

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

**TEACHER SALARIES
LAST TEN FISCAL YEARS**

Year	Teacher Salaries			State Average
	Austintown BA Min.	Austintown MA Max.	Average	
2008	\$29,443	\$67,276	\$51,148	\$53,410
2007	29,151	65,619	51,097	53,536
2006	28,440	64,018	50,252	51,197
2005	27,883	62,765	49,363	49,342
2004	27,883	62,765	48,919	47,495
2003	26,940	60,642	46,801	45,515
2002	26,029	58,591	N/A	44,266
2001	25,271	56,885	N/A	42,892
2000	24,535	55,228	N/A	41,713
1999	23,820	53,619	N/A	40,746

Sources: District records and Ohio Department of Education

Note: N/A indicates the information is unavailable.



Mary Taylor, CPA
Auditor of State

AUSTINTOWN LOCAL SCHOOL DISTRICT
MAHONING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 24, 2009