



**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Board of Education  
Amanda-Clearcreek Local School District  
Fairfield County  
414 N. School Street  
Amanda, Ohio 43102

To: Board of Education

We have audited the accompanying general-purpose financial statements of the Amanda-Clearcreek Local School District, Fairfield County, Ohio (the District) as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Amanda-Clearcreek Local School District, Fairfield County, Ohio as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types 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 November 30, 2001 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 grants. 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.

We performed our audit to form an opinion on the general-purpose financial statements of the District, taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole

**JIM PETRO**  
Auditor of State

November 30, 2001

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**Amanda-Clearcreek Local School District  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 2001**

	Governmental Fund Types			Proprietary Fund Types		Fiduciary	Account Groups		Totals	
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	(Memorandum Only)
Assets and Other Debits:										
Equity in Pooled Cash and Investments	\$ 1,667,750	305,088	101,707	10,465,875	92,199	78,521	156,046	0	0	\$ 12,867,186
Cash with Fiscal Agent	0	0	0	0	0	21,682	0	0	0	21,682
Restricted Asset-Cash and Cash Equivalents	170,191	0	0	0	0	0	0	0	0	170,191
Taxes Receivable	1,809,547	41,432	337,947	216,861	0	0	0	0	0	2,405,787
Interfund Receivables	7	0	0	0	0	0	0	0	0	7
Intergovernmental Receivables	7,412	0	3	2	11,886	119,501	0	0	0	138,804
Accounts Receivable	2,195	1,220	0	0	22	42	301	0	0	3,780
Supplies Inventory	34,039	0	0	0	1,033	0	0	0	0	35,072
Inventory for Resale	0	0	0	0	6,059	0	0	0	0	6,059
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0	79,314	0	0	9,083,398	0	9,162,712
Amount Available in Debt Service Fund	0	0	0	0	0	0	0	0	101,710	101,710
Amount to be Provided for Retirement of General Long Term Debt	0	0	0	0	0	0	0	0	4,908,322	4,908,322
<b>Total Assets and Other Debits</b>	<b>\$ 3,691,141</b>	<b>347,740</b>	<b>439,657</b>	<b>10,682,738</b>	<b>190,513</b>	<b>219,746</b>	<b>156,347</b>	<b>9,083,398</b>	<b>5,010,032</b>	<b>\$ 29,821,312</b>

(Continued)

**Amanda-Clearcreek Local School District  
Combined Balance Sheet  
All Fund Types and Account Groups, Continued  
June 30, 2001**

	Governmental Fund Types			Proprietary Fund Types		Fiduciary	Account Groups		Totals	
	General	Special Revenue	Debt Service	Capital Project	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term	(Memorandum Only)
<b>Liabilities:</b>										
Interfund Payables	\$ 0	7	0	0	0	0	0	0	0	\$ 7
Intergovernmental Payable	127,643	3,337	0	0	12,129	0	0	0	67,248	210,357
Accounts Payable	112,243	15,391	0	22,370	2,639	0	1,277	0	0	153,920
Claims Payable	0	0	0	0	0	171,576	0	0	0	171,576
Accrued Salaries and Benefits	684,355	26,434	0	0	25,219	0	0	0	0	736,008
Deferred Revenue	1,725,361	39,615	323,447	206,882	4,134	0	0	0	0	2,299,439
Contracts Payable	0	0	0	115,412	0	0	0	0	0	115,412
Retainage Payable	0	0	0	5,379	0	0	0	0	0	5,379
Due to Others	0	0	0	0	0	0	141,762	0	0	141,762
General Obligation Bonds Payable	0	0	0	0	0	0	0	0	4,365,000	4,365,000
Compensated Absences Payable	19,482	0	0	0	6,884	0	0	0	577,784	604,150
<b>Total Liabilities</b>	<b>2,669,084</b>	<b>84,784</b>	<b>323,447</b>	<b>350,043</b>	<b>51,005</b>	<b>171,576</b>	<b>143,039</b>	<b>0</b>	<b>5,010,032</b>	<b>8,803,010</b>
<b>Fund Equity and Other Credits:</b>										
Investment in General Fixed Assets	0	0	0	0	0	0	0	9,083,398	0	9,083,398
Retained Earnings	0	0	0	0	139,508	48,170	0	0	0	187,678
<b>Fund Balances:</b>										
Reserved For Inventory	34,038	0	0	0	0	0	0	0	0	34,038
Reserved for Encumbrances	236,586	29,358	0	994,848	0	0	2,781	0	0	1,263,573
Reserved for Budget Stabilization	170,191	0	0	0	0	0	0	0	0	170,191
Reserved for Future Appropriation	91,578	1,817	14,500	9,979	0	0	0	0	0	117,874
Unreserved Fund Balance	489,664	231,781	101,710	9,327,868	0	0	10,527	0	0	10,161,550
<b>Total Fund Equity</b>	<b>1,022,057</b>	<b>262,956</b>	<b>116,210</b>	<b>10,332,695</b>	<b>0</b>	<b>0</b>	<b>13,308</b>	<b>0</b>	<b>0</b>	<b>11,713,188</b>
<b>Total Fund Equity and Other Credits</b>	<b>1,022,057</b>	<b>262,956</b>	<b>116,210</b>	<b>10,332,695</b>	<b>139,508</b>	<b>48,170</b>	<b>13,308</b>	<b>9,083,398</b>	<b>0</b>	<b>21,018,302</b>
<b>Total Liabilities, Fund Equity, and Other Credits</b>	<b>\$ 3,691,141</b>	<b>347,740</b>	<b>439,657</b>	<b>10,682,738</b>	<b>190,513</b>	<b>219,746</b>	<b>156,347</b>	<b>9,083,398</b>	<b>5,010,032</b>	<b>\$ 29,821,312</b>

See Accompanying Notes to the General Purpose Financial Statements.

**Amanda-Clearcreek Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**All Governmental Fund Types and Similar Fiduciary Funds**  
**Year Ended June 30, 2001**

	Governmental Fund Types				Fiduciary	Totals
	General	Special Revenue	Debt Service	Capital Projects	Fund Types Expendable Trust	(Memorandum) (Only)
<b>REVENUES:</b>						
Taxes	\$ 1,677,701	43,853	304,880	206,680	0	\$ 2,233,114
Tuition	159,871	0	0	0	0	159,871
Earnings on Investments	138,921	0	0	411,029	0	549,950
Extracurricular Activities	0	178,121	0	0	0	178,121
Classroom Materials and Fees	44,113	0	0	0	0	44,113
Miscellaneous	17,371	27,821	325	0	8,615	54,132
Revenue from State Sources						
Unrestricted Grants-in-Aid	6,265,550	25,000	38,730	25,979	0	6,355,259
Restricted Grants-in-Aid	98,806	99,926	0	5,712,510	0	5,911,242
Revenue for/on Behalf of District	1,158	0	0	0	0	1,158
Revenue from Federal Sources						
Unrestricted Grants-in-Aid	0	90,558	0	0	0	90,558
Restricted Grants-in-Aid	0	207,036	0	14,356	0	221,392
Total Revenue	<u>8,403,491</u>	<u>672,315</u>	<u>343,935</u>	<u>6,370,554</u>	<u>8,615</u>	<u>15,798,910</u>
<b>EXPENDITURES:</b>						
Instruction						
Regular	3,903,790	128,518	0	85,172	0	4,117,480
Special	639,556	298,069	0	0	0	937,625
Vocational	386,691	0	0	0	0	386,691
Other	33,439	0	0	0	0	33,439
Supporting Services						
Pupils	299,360	0	0	0	2,829	302,189
Instructional Staff	253,308	6,602	0	0	1,873	261,783
Board of Education	29,510	0	0	0	0	29,510
Administration	755,468	2,657	0	0	0	758,125
Fiscal Services	190,396	0	0	3,930	0	194,326
Business	18,356	0	0	0	0	18,356
Operation & Maintenance-Plant	650,790	729	0	4,876	0	656,395
Pupil Transportation	805,254	0	0	0	0	805,254
Central	0	19,800	0	0	0	19,800
Extracurricular Activities						
Academic & Subject Oriented	17,157	0	0	0	0	17,157
Occupation Oriented Activities	4	0	0	0	545	549
Sports Oriented	134,076	119,754	0	0	0	253,830
Co-Curricular Activities	5,659	0	0	0	0	5,659
Capital Outlay						
Site Acquisition	0	0	0	50,000	0	50,000
Site Improvement	3,820	0	0	20,395	0	24,215
Architecture & Engineering	0	0	0	667,880	0	667,880
Other Facility Acquisition & Construction	3,165	0	0	620,386	0	623,551
Debt Service						
Repayment of Debt	0	0	397,890	0	0	397,890
Total Expenditures	<u>8,129,799</u>	<u>576,129</u>	<u>397,890</u>	<u>1,452,639</u>	<u>5,247</u>	<u>10,561,704</u>
Excess of Revenues						
Over (Under) Expenditures	273,692	96,186	(53,955)	4,917,915	3,368	5,237,206
Other Financing Sources and Uses:						
Sale & Loss of Fixed Assets	703	210	0	0	0	913
Refund of Prior Years Expenditures	1,490	0	0	0	0	1,490
Total Other Financing Sources and Uses	<u>2,193</u>	<u>210</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,403</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditure and Other Uses	275,885	96,396	(53,955)	4,917,915	3,368	5,239,609
Increase in Inventory	1,814	0	0	0	0	1,814
Beginning Fund Balance	<u>744,358</u>	<u>166,560</u>	<u>170,165</u>	<u>5,414,780</u>	<u>9,940</u>	<u>6,505,803</u>
Ending Fund Balance	<u>\$ 1,022,057</u>	<u>262,956</u>	<u>116,210</u>	<u>10,332,695</u>	<u>13,308</u>	<u>\$ 11,747,226</u>

See Accompanying Notes to the General Purpose Financial Statements.

**Amanda-Clearcreek Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**All Governmental Fund Types and Similar Fiduciary Funds**  
**Year Ended June 30, 2001**

	General Fund			Special Revenue Funds		
	Revised		Variance	Revised		Variance
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$ 1,659,011	1,702,240	43,229	44,377	44,377	\$ 0
Tuition	85,000	165,410	80,410	0	0	0
Earnings on Investment	100,000	143,030	43,030	0	0	0
Extracurricular Activities	0	0	0	179,078	179,078	0
Classroom Materials and Fees	40,000	44,293	4,293	27,821	27,821	0
Miscellaneous	12,000	16,438	4,438	25,000	25,000	0
State Unrestricted Grants-in-Aid	5,403,000	6,265,529	862,529	99,926	99,926	0
State Restricted Grants-in-Aid	45,000	98,806	53,806	0	0	0
Revenue for/on Behalf of District	1,500	2,508	1,008	90,558	90,558	0
Federal Restricted Grants-in-Aid	0	0	0	201,533	207,036	5,503
<b>Total Revenue</b>	<b>7,345,511</b>	<b>8,438,254</b>	<b>1,092,743</b>	<b>668,293</b>	<b>673,796</b>	<b>5,503</b>
<b>Expenditures:</b>						
Regular Instruction	4,010,375	3,979,254	31,121	172,947	151,280	21,667
Special Instruction	592,740	588,241	4,499	344,989	297,514	47,475
Vocational Instruction	394,936	393,573	1,363	0	0	0
Other Instruction	33,439	33,439	0	0	0	0
Support Services-Pupils	299,642	297,944	1,698	0	0	0
Support Services-Instructional Staff	263,622	260,899	2,723	17,691	6,585	11,106
Support Services-Board of Education	36,700	32,359	4,341	0	0	0
Support Services-Administration	757,891	754,475	3,416	4,321	3,211	1,110
Fiscal Services	192,134	191,958	176	0	0	0
Support Services-Business	17,872	17,872	0	0	0	0
Operation & Maintenance-Plant	701,946	700,717	1,229	800	729	71
Support Services-Transportation	922,773	917,976	4,797	0	0	0
Support Services-Central/Community	0	0	0	21,789	19,800	1,989
Food Services Operations	0	0	0	0	0	0
Academic & Subject Oriented	17,735	17,102	633	0	0	0
Occupation Oriented Activities	0	0	0	0	0	0
Sports Oriented	139,585	134,552	5,033	200,151	143,150	57,001
Co-Curricular Activities	8,238	7,728	510	0	0	0
Site Acquisition	0	0	0	0	0	0
Site Improvement	7,679	4,001	3,678	0	0	0
Architecture & Engineering	0	0	0	0	0	0
Other Facilities Acq. & Construction	3,579	3,579	0	0	0	0
Repayment of Debt	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>8,400,886</b>	<b>8,335,669</b>	<b>65,217</b>	<b>762,688</b>	<b>622,269</b>	<b>140,419</b>
Excess of Revenue Over (Under) Expenditures	(1,055,375)	102,585	90,687	(94,395)	51,527	145,922
<b>Other Financing Sources (Uses):</b>						
Sale of Fixed Assets	500	1,009	0	210	210	0
Advances-In	6,732	6,732	0	0	0	0
Refund of Prior Years Expenditures	10,000	14,330	0	0	0	0
Advances-Out	0	0	0	0	(6,732)	(6,732)
<b>Total Other Financing Sources (Uses)</b>	<b>17,232</b>	<b>22,071</b>	<b>0</b>	<b>210</b>	<b>(6,522)</b>	<b>(6,732)</b>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,038,143)	124,656	90,687	(94,185)	45,005	139,190
Beginning Fund Balance	1,177,793	1,177,793	0	165,436	165,436	0
Prior Year Carry Over Encumbrances	241,725	241,725	0	50,449	50,449	0
<b>Ending Fund Balance</b>	<b>\$ 381,375</b>	<b>\$ 1,544,174</b>	<b>90,687</b>	<b>121,700</b>	<b>260,890</b>	<b>\$ 139,190</b>

See Accompanying Notes to the General Purpose Financial Statements

(Continued)

**Amanda-Clearcreek Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**All Governmental Fund Types and Similar Fiduciary Funds- Continued**  
**Year Ended June 30, 2001**

	Debt Service Funds			Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$ 308,000	308,169	169	207,613	209,465	\$ 1,852
Tuition	0	0	0	0	0	0
Earnings on Investment	0	0	0	404,000	411,099	7,099
Extracurricular Activities	0	0	0	0	0	0
Classroom Materials and Fees	0	0	0	0	0	0
Miscellaneous	0	325	325	0	0	0
State Unrestricted Grants-in-Aid	38,505	38,726	221	25,900	25,976	76
State Restricted Grants-in-Aid	0	0	0	5,712,510	5,712,510	0
Revenue for/on Behalf of District	0	0	0	0	0	0
Federal Restricted Grants-in-Aid	0	0	0	5,890	14,356	8,466
<b>Total Revenue</b>	<b>346,505</b>	<b>347,220</b>	<b>715</b>	<b>6,355,913</b>	<b>6,373,406</b>	<b>17,493</b>
<b>Expenditures:</b>						
Regular Instruction	0	0	0	99,403	98,884	519
Special Instruction	0	0	0	0	0	0
Vocational Instruction	0	0	0	0	0	0
Other Instruction	0	0	0	0	0	0
Support Services-Pupils	0	0	0	0	0	0
Support Services-Instructional Staff	0	0	0	0	0	0
Support Services-Board of Education	0	0	0	0	0	0
Support Services-Administration	0	0	0	0	0	0
Fiscal Services	0	0	0	5,000	3,930	1,070
Support Services-Business	0	0	0	0	0	0
Operation & Maintenance-Plant	0	0	0	5,402	3,193	2,209
Support Services-Transportation	0	0	0	0	0	0
Support Services-Central/Community	0	0	0	0	0	0
Food Service Operations	0	0	0	0	0	0
Academic & Subject Oriented	0	0	0	0	0	0
Occupation Oriented Activities	0	0	0	0	0	0
Sports Oriented	0	0	0	0	0	0
Co-Curricular Activities	0	0	0	0	0	0
Site Acquisition	0	0	0	50,000	50,000	0
Site Improvement	0	0	0	32,811	32,811	0
Architecture & Engineering	0	0	0	1,266,252	1,266,252	0
Other Facilities Acq. & Construction	0	0	0	1,544,780	1,094,634	450,146
Repayment of Debt	397,890	397,890	0	0	0	0
<b>Total Expenditures</b>	<b>397,890</b>	<b>397,890</b>	<b>0</b>	<b>3,003,648</b>	<b>2,549,704</b>	<b>453,944</b>
Excess of Revenue Over (Under) Expenditures	(51,385)	(50,670)	715	3,352,265	3,823,702	471,437
<b>Other Financing Sources (Uses):</b>						
Sale of Fixed Assets	0	0	0	0	0	0
Advances-In	0	0	0	0	0	0
Refund of Prior Years Expenditures	0	0	0	0	0	0
Advances-Out	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(51,385)	(50,670)	715	3,352,265	3,823,702	471,437
Beginning Fund Balance	152,377	152,377	0	5,512,535	5,512,535	0
Prior Year Carry Over Encumbrances	0	0	0	808	808	0
<b>Ending Fund Balance</b>	<b>\$ 100,992</b>	<b>101,707</b>	<b>715</b>	<b>8,865,608</b>	<b>9,337,045</b>	<b>\$ 471,437</b>

See Accompanying Notes to the General Purpose Financial Statements

(Continued)

**Amanda-Clearcreek Local School District**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Non-GAAP Basis)**  
**All Governmental Fund Types and Similar Fiduciary Funds- Continued**  
**Year Ended June 30, 2001**

	Expendable Trust Funds			Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$ 0	0	0	2,219,001	2,264,251	\$ 45,250
Tuition	0	0	0	85,000	165,410	80,410
Earnings on Investment	0	0	0	504,000	554,129	50,129
Extracurricular Activities	0	0	0	179,078	179,078	0
Classroom Materials and Fees	0	0	0	67,821	72,114	4,293
Miscellaneous	8,615	8,615	0	45,615	50,378	4,763
State Unrestricted Grants-in-Aid	0	0	0	5,567,331	6,430,157	862,826
State Restricted Grants-in-Aid	0	0	0	5,757,510	5,811,316	53,806
Revenue for/on Behalf of District	0	0	0	92,058	93,066	1,008
Federal Restricted Grants-in-Aid	0	0	0	207,423	221,392	13,969
<b>Total Revenue</b>	<b>8,615</b>	<b>8,615</b>	<b>0</b>	<b>14,724,837</b>	<b>15,841,291</b>	<b>1,116,454</b>
<b>Expenditures:</b>						
Regular Instruction	620	0	620	4,283,345	4,229,418	53,927
Special Instruction	0	0	0	937,729	885,755	51,974
Vocational Instruction	0	0	0	394,936	393,573	1,363
Other Instruction	0	0	0	33,439	33,439	0
Support Services-Pupils	3,571	2,839	732	303,213	300,783	2,430
Support Services-Instructional Staff	16,570	10,010	6,560	297,883	277,494	20,389
Support Services-Board of Education	0	0	0	36,700	32,359	4,341
Support Services-Administration	0	0	0	762,212	757,686	4,526
Fiscal Services	0	0	0	197,134	195,888	1,246
Support Services-Business	0	0	0	17,872	17,872	0
Operation & Maintenance-Plant	0	0	0	708,148	704,639	3,509
Support Services-Transportation	0	0	0	922,773	917,976	4,797
Support Services-Central/Community	0	0	0	21,789	19,800	1,989
Food Service Operations	250	51	199	250	51	199
Academic & Subject Oriented	0	0	0	17,735	17,102	633
Occupation Oriented Activities	4,378	2,030	2,348	4,378	2,030	2,348
Sports Oriented	0	0	0	339,736	277,702	62,034
Co-Curricular Activities	0	0	0	8,238	7,728	510
Site Acquisition	0	0	0	50,000	50,000	0
Site Improvement	0	0	0	40,490	36,812	3,678
Architecture & Engineering	0	0	0	1,266,252	1,266,252	0
Other Facilities Acq. & Construction	0	0	0	1,548,359	1,098,213	450,146
Repayment of Debt	0	0	0	397,890	397,890	0
<b>Total Expenditures</b>	<b>25,389</b>	<b>14,930</b>	<b>10,459</b>	<b>12,590,501</b>	<b>11,920,462</b>	<b>670,039</b>
Excess of Revenue Over (Under) Expenditures	(16,774)	(6,315)	10,459	2,134,336	3,920,829	446,415
<b>Other Financing Sources (Uses):</b>						
Sale of Fixed Assets	0	0	0	710	1,219	509
Advances-In	0	0	0	6,732	6,732	0
Refund of Prior Years Expenditures	0	0	0	10,000	14,330	4,330
Advances-Out	0	0	0	0	(6,732)	(6,732)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,442</b>	<b>15,549</b>	<b>(1,893)</b>
<b>Excess of Revenues &amp; Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>						
	(16,774)	(6,315)	10,459	2,151,778	3,936,378	444,522
Beginning Fund Balance	9,109	9,109	0	7,017,250	7,017,250	0
Prior Year Carry Over Encumbrances	7,724	7,724	0	300,706	300,706	0
<b>Ending Fund Balance</b>	<b>\$ 59</b>	<b>10,518</b>	<b>10,459</b>	<b>9,469,734</b>	<b>11,254,334</b>	<b>\$ 444,522</b>

See Accompanying Notes to the General Purpose Financial Statements.

**Amanda-Clearcreek Local School District**  
**Combined Statement of Revenues, Expenses, and Changes in Retained Earnings**  
**All Proprietary Fund Types**  
**Year Ended June 30, 2001**

	Proprietary Fund Types		
	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
Operating Revenues:			
Charges for Services	\$ 293,291	\$ 683,060	\$ 976,351
Total Operating Revenue	293,291	683,060	976,351
Operating Expenses:			
Personal Services - Salary	155,236	0	155,236
Employee Benefits	63,075	0	63,075
Purchased Services	0	92,299	92,299
Supplies and Materials	187,967	0	187,967
Other Services	0	654,218	579,750
Depreciation	1,469	0	1,469
Total Operating Expenses	<u>407,747</u>	<u>746,517</u>	<u>1,154,264</u>
Operating Income (Loss)	(114,456)	(63,457)	(177,913)
Non-Operating Revenues:			
Earnings on Investment	3,143	0	3,143
Loss on Disposal of Assets	(319)	0	(319)
State Restricted Grants-In-Aid	4,200	0	4,200
Federal Unrestricted Grants-in-Aid	90,364	0	90,364
Federal Restricted Grants-In-Aid	22,931	0	22,931
Total Non-Operating Revenues	<u>120,319</u>	<u>0</u>	<u>120,319</u>
Net Income	5,863	(63,457)	(57,594)
Beginning Retained Earnings	<u>133,645</u>	<u>111,627</u>	<u>245,272</u>
Retained Earnings at End of Year	<u>\$ 139,508</u>	<u>48,170</u>	<u>\$ 187,678</u>

See Accompanying Notes to the General Purpose Financial Statements.

**Amanda-Clearcreek Local School District  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types  
 Year Ended June 30, 2001**

	Proprietary Fund Types		Totals (Memorandum) (Only)
	Enterprise Funds	Internal Service Funds	
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ (114,456)	(63,457)	\$ (177,913)
Adjustment to Reconcile Operating Loss			
To Net Cash Provided by Operating Activities:			
Depreciation	1,469	0	1,469
Net (Increase) Decrease in Assets:			
Accounts Receivable	39	(42)	(3)
Intergovernmental Receivable	588	95,553	96,141
Inventory	(1,451)	0	(1,451)
Net Increases (Decreases) in Liabilities:			
Due to Other Funds	(115)	0	(115)
Intergovernmental Payable	8,088	0	8,088
Accounts Payable	2,494	(48,899)	(46,405)
Deferred Revenue	922	0	922
Claims Payable	0	(1,658)	(1,658)
Accrued Wages and Benefits	1,129	0	1,129
Compensated Absences	1,466	0	1,466
Total Adjustments	<u>14,629</u>	<u>44,954</u>	<u>59,583</u>
Net Cash Provided by Operating Activities	(99,827)	(18,503)	(118,330)
Cash Flows from Noncapital Activities:			
Earnings on Investments	3,143	0	3,143
Grants from State Sources	4,200	0	4,200
Grants from Federal Sources	90,364	0	90,364
Federal Commodities	<u>22,931</u>	<u>0</u>	<u>22,931</u>
Net Cash Provided by Noncapital Activities	120,638	0	120,638
Net Increase in Cash & Cash Equivalents	20,811	(18,503)	2,308
Cash and Cash Equivalents at Beginning of Year	<u>71,388</u>	<u>118,706</u>	<u>190,094</u>
Cash and Cash Equivalents at End of Year	<u>\$ 92,199</u>	<u>100,203</u>	<u>\$ 192,402</u>

See Accompanying Notes to the General Purpose Financial Statements.

**Amanda-Clearcreek Local School District**  
**Fairfield County**  
**Notes to the General Purpose Financial Statements**  
**June 30, 2001**

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**Note 1. Summary of Significant Accounting Policies**

The financial statements of the Amanda-Clearcreek Local School District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

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 a local district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

Average daily membership (ADM) as of October 1, 2000, was 1,585. The District employed 102 certified employees and 63 classified employees. The District is supervised by the Fairfield County Educational Service Center, a separate entity.

The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities and functions for which the district is financially accountable. This report includes all activities considered by management to be part of the District by virtue of Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards.

Section 2100 indicates that the reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity.

It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

**Amanda-Clearcreek Local School District  
Fairfield County  
Notes to the General Purpose Financial Statements  
June 30, 2001**

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**Note 1. Summary of Significant Accounting Policies (continued)**

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Management believes the financial statements included in this report represent all of the funds of the District over which the Board of Education is financially accountable.

**B. Fund Accounting**

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. Governmental Fund Types are accounted for on a flow of current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of "available spendable resources" during the period.

General Fund - This 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 to the District for any purpose provided it is expended or transferred according to the bylaws of the District and the laws of the State of Ohio.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Amanda-Clearcreek Local School District  
Fairfield County  
Notes to the General Purpose Financial Statements  
June 30, 2001**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**B. Fund Accounting (continued)**

Governmental Fund Types

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital assets or facilities (other than those financed by proprietary and trust funds).

Proprietary Fund Types

Proprietary funds are used to account for the District's ongoing activities which are similar to those found in the private sector. The following are the proprietary fund types:

Enterprise Funds - These funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent 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 where it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - These funds account for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. The following are the fiduciary fund types:

Expendable Trust Funds - These funds account for resources, including both principal and earnings, which must be expended according to the provision of a trust agreement. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

Agency Funds - These funds are purely custodial and thus do not involve measurement of results of operations.

Account Groups

Account Groups are financial reporting devices to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not affect expendable available financial resources. The following are the account groups:

**Amanda-Clearcreek Local School District  
Fairfield County  
Notes to the General Purpose Financial Statements  
June 30, 2001**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**B. Fund Accounting (continued)**

Account Groups

General Fixed Assets Account Group - This account group is used to account for all of the District's fixed assets other than those accounted for in the Proprietary funds.

General Long-Term Debt Account Group - This account group is used to account for all of the District's long-term obligations other than those accounted for in the Proprietary Funds.

**C. Measurement Focus/Basis of Accounting**

The modified accrual basis of accounting is followed for Governmental and Expendable Trust Funds. The measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination. Under the basis of accounting:

- 1) Only current assets and current liabilities are generally included on their balance sheets.
- 2) Operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.
- 3) Revenues are recognized when they become both measurable and available to finance expenditures for the current period.
  - a) Revenue accrued at the end of the year may include grants, fines, fees, interest and tuition.
  - b) Property taxes measurable as of June 30, 2001 and delinquent property taxes, whose availability is indeterminate, and are not intended to finance fiscal year 2001 operations, have been recorded as deferred revenues.
- 4) Expenditures are recognized in the period in which the fund liability is incurred with the following exceptions: general long term obligation principal and interest are reported only when due; the current costs of accumulated unpaid vacation and sick leave are reported in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

The Proprietary Funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

Agency fund assets and liabilities are recognized on the modified accrual basis of accounting.

**Amanda-Clearcreek Local School District  
Fairfield County  
Notes to the General Purpose Financial Statements  
June 30, 2001**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**D. Budget and Budgetary Accounting**

All governmental and proprietary fund types are subject to annual expenditure budgets. The Board follows the procedures outlined below in establishing the expenditure budget data reported in the general purpose financial statements:

- 1) A Tax Budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by January 20th of each year, for the fiscal year commencing the following July 1st. The Board of Education normally adopts the Tax Budget at its regular board meeting in January.
- 2) The County Budget Commission certifies its actions to the District by March 1st. As part of this certification, the District receives the Official Certificate of Estimated Resources which states the projected receipts of each fund. During the month of July, this certificate is amended to include any unencumbered balances from the preceding fiscal year.
- 3) An annual appropriation measure must be passed by the Board of Education by October 1st of each year for the period July 1st to June 30th. Unencumbered appropriations lapse at year-end and the encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. The Board of Education usually adopts three month temporary appropriations at its regular board meeting in June. The Annual Appropriation Resolution is usually adopted at the October regular board meeting. The appropriation measure may be amended or supplemented during the year as new information becomes available. Individual building and/or departments may transfer funds within their budgets upon review and approval of the Board of Education. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations in any fund at the object level.
- 4) The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Non-GAAP Basis--All Governmental Fund Types" in accordance with the budget basis of accounting.

The major differences between the budgetary basis of accounting and GAAP 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 encumbered (budget basis) as opposed to when the liability is incurred (GAAP basis);
- c) Encumbrances are recorded as the equivalent of expenditures (budget basis) as opposed to a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis); and

**Amanda-Clearcreek Local School District  
Fairfield County  
Notes to the General Purpose Financial Statements  
June 30, 2001**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**D. Budget and Budgetary Accounting (continued)**

- d) For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Encumbrances - As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

**E. Cash and Investments**

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 combined balance sheet. During fiscal year 2001, investments were limited to a NOW account, certificates of deposit and State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

Under existing Ohio statutes all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. For the District, all investment earnings accrue to the General Fund, Capital Projects Funds and Enterprise Fund as authorized by board resolution. Interest revenue credited during the fiscal year amounted to \$553,093.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, 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.

**F. Taxes Receivable**

The financial statements reflect taxes receivable as of June 30, 2001. GAAP permits the recognition of revenue from any property tax assessment in the fiscal period levied, provided the funds are "available." "Available" means then due, or past due and receivable within the current period or expected to be collected soon thereafter. While these taxes have been assessed, the majority are not due at June 30, 2001 and

**Amanda-Clearcreek Local School District  
Fairfield County  
Notes to the General Purpose Financial Statements  
June 30, 2001**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**F. Taxes Receivable (continued)**

accordingly have been recorded as deferred revenue in the accompanying financial statements. Taxes that become delinquent remain recorded in deferred revenue until they are determined to be uncollectible.

**G. Inventories**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventories are determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of the governmental fund type inventories are recorded as expenditures when purchased (purchase method) rather than when consumed. Reported inventories in these funds are equally offset by a fund balance reserve which indicates they are unavailable for appropriation.

Inventories of proprietary funds consist of donated food, purchased food, and general supplies, and are expended when used.

**H. Fixed Assets**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The District does not possess any infrastructure.

The costs of normal maintenance and repairs, that do not add to the value of the asset or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method over an estimated useful life (five to twenty years) of the assets.

**I. Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis and entitlements, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

**Amanda-Clearcreek Local School District  
Fairfield County  
Notes to the General Purpose Financial Statements  
June 30, 2001**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**I. Intergovernmental Revenues (continued)**

The District currently participates in several State and Federal programs, categorized as follows:

Entitlements:

General Fund

State Foundation Program  
School Bus Funding

Special Revenue Funds

Educational Management Information Systems

Capital Projects Funds

School Net Grant  
Classroom Facilities

Non-Reimbursable Grants:

Special Revenue Funds

DPIA  
Data Communications  
Ohio Reads  
Title I  
Title VI  
Title VI-B  
Title VI-R  
Tech Prep  
Textbook Subsidy  
Professional Development  
Miscellaneous State and Federal Grants

Reimbursable Grants:

General Fund

Driver Education Reimbursement  
Vocational Education Reimbursement  
Tutor Reimbursement

Proprietary Funds

National School Lunch Program  
Government Donated Commodities

Grants and entitlements amounted to approximately 79.9% of the District's governmental fund type operating revenue during the 2001 fiscal year.

**Amanda-Clearcreek Local School District  
Fairfield County  
Notes to the General Purpose Financial Statements  
June 30, 2001**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**J. Short-Term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds." Short-term interfund loans are classified as "interfund receivables/payables." At June 30, 2001, the District had \$7 in "Interfund Receivables/Payables".

**K. Compensated Absences**

The District accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments, as well as other employees who are expected to become eligible in the future to receive such payments.

To calculate the liability, these accumulations are reduced to the maximum amount allowed as a termination payment. Accruals for those employees who are expected to become eligible in the future are based on assumptions concerning the probability that individual employees or class or group of employees will become eligible to receive termination payments. All employees projected to be eligible were included in the calculation of the long-term compensated absences accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met: 1.) The employees' rights to receive compensation are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee; and 2.) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

For governmental funds, the District records a liability for accumulated unused vacation and sick leave when earned. The current portion of these unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid.

The remainder is reported in the general long-term debt account group. In proprietary funds, compensated absences are expensed when earned with the amount reported as a fund liability.

**L. Long-Term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**Amanda-Clearcreek Local School District  
Fairfield County  
Notes to the General Purpose Financial Statements  
June 30, 2001**

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**Note 1. Summary of Significant Accounting Policies (continued)**

**M. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**N. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. A fund balance reserve has also been established.

**O. Fund Balance Reserves**

Reserved Fund Balances indicate that portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund Balances are reserved for encumbrances, supplies inventory, budget reserve (stabilization) and future appropriation.

The reserve for future appropriation represents the amount of the property taxes available for advance and recognized as revenue. The District is prohibited by law from appropriating the advance, since it was not received, for the current fiscal year. The unreserved portions of fund equity reflected for the Governmental Funds are available for use within the specific purposes of those funds.

**P. Memorandum Only - Total Columns**

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Q. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**Amanda-Clearcreek Local School District  
Fairfield County  
Notes to the General Purpose Financial Statements  
June 30, 2001**

**Note 2. Budgetary Basis of Accounting**

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type:

Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Governmental Fund Types and Expendable Trust Funds					
	Governmental Fund Types				
	General Fund	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$ 275,885	96,396	(53,955)	4,917,915	\$ 3,368
Increase (Decrease):					
Due to Revenues:					
Net Adjustments to Revenue Accruals	34,763	1,481	3,285	2,852	0
Due to Expenditures:					
Net Adjustments to Expenditure	(205,870)	(46,140)	0	(1,097,065)	(9,683)
Due to Other Sources/Uses	19,878	(6,732)	0	0	0
Budget Basis	<u>\$ 124,656</u>	<u>45,005</u>	<u>(50,670)</u>	<u>3,823,702</u>	<u>\$ (6,315)</u>

**Note 3. Accountability and Compliance**

Pursuant to Section 117.11(A) of the Revised Code, independent auditors performed tests of compliance with various provisions of local, state and/or federal laws, as appropriate.

**Note 4. Cash and Investments**

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

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

Inactive deposits are public deposits the Board of Education has identified as not required for use within the current period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts. Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

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**Note 4. Cash and Investments (continued)**

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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 (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, *Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*.

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**Note 4. Cash and Investments (continued)**

**Deposits:** At year end, the carrying amount of the District's deposits was \$12,992,389 and the bank balance was \$13,203,598. Of the bank balance:

1. \$400,000 was covered by Federal Depository Insurance Corporation (FDIC); and
2. \$12,803,598 was collateralized by the financial institution's public entity deposit pool.

**Investments:** The District's investments are required to be categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. STAR Ohio investments are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category			Reported Amount	Fair Value
	1	2	3		
STAR Ohio				\$ 66,670	\$ 66,670

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash	Investments
GASB Statement No. 9	\$ 13,059,059	\$ 0
Investments:		
STAR Ohio	(66,670)	66,670
Total Cash and Cash Equivalents	<u>\$ 12,992,389</u>	<u>\$ 66,670</u>

**Amanda-Clearcreek Local School District  
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**Note 5. Property Tax**

Property taxes are levied, assessed and collected on a calendar year basis. They include amounts levied against all real, public utility, and tangible personal property located in the District. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the Fairfield County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation for the District was completed in 1995, an update was done in 1998. The next revaluation is scheduled for 2001. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31, (although the Fairfield County Auditor usually files for an extension in sending out tax bills so payment is then due by February 14th). If paid semi-annually, the first payment is usually due February 14, with the remainder payable June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before December 31 of that calendar year. Tangible personal property used in business (except for public utilities) is currently assessed for taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers may pay annually or semi-annually, the first payment is due April 30, with the remainder payable by September 28.

Public utility real and public utility personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The Fairfield County Treasurer collects property tax on behalf of the District. The Fairfield County Auditor remits the collected taxes to the District. Tax settlements are made each March and August for real property taxes and each June and October for personal property.

Taxes available for advance and recognized as revenue, but not received by the District prior to June 30, are reflected as a reservation of fund balance. The District is prohibited by law from appropriating the property taxes recognized as revenue in accordance with Ohio Revised Code Section 5705.35 since an advance of tax revenue was not received by the end of the fiscal year.

The full tax rate at the fiscal year ended June 30, 2001 for operations was \$30.30 per \$1,000 of assessed valuation and \$3.00 per \$1,000 of assessed valuation for permanent improvements. The assessed values of real and tangible personal property on which the fiscal year 2001 taxes were collected were as follows:

Real Property-Commercial/Industrial	\$	3,027,010
Real Property-Residential/Agricultural		79,560,350
Real Property-Minerals		17,780
Personal Property-General		2,858,645
Personal Property-Public Utilities		4,191,640
Total Assessed Value	<u>\$</u>	<u>89,655,425</u>

**Amanda-Clearcreek Local School District  
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**Note 6. Receivables**

Receivables at June 30, 2001 consisted of taxes, accounts (miscellaneous), 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 guarantee of Federal funds.

A summary of the principal items of Intergovernmental Receivables follows:

General Fund:	
Grad Program	\$ 7,392
Tax Rollback	20
Total General Fund	7,412
Debt Service Fund:	
Tax Rollback	3
Total Debt Service Fund	3
Capital Projects Funds:	
Tax Rollback	2
Total Capital Projects Funds	2
Enterprise Fund:	
Food Service Fund	11,886
Internal Service Fund	119,501
Total Enterprise Fund	\$ 131,387
Grand Total	\$ 138,804

**Note 7. Fixed Assets**

The following is a summary of the proprietary funds property, plant and equipment at June 30, 2001:

Furniture and Equipment	\$ 170,744
Less: Accumulated Depreciation	(91,430)
Net Fixed Assets	\$ 79,314

**Amanda-Clearcreek Local School District  
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**Note 7. Fixed Assets (continued)**

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year 2001:

	General Fixed Assets June 30, 2000	Additions	Deletions	General Fixed Assets June 30, 2001
Land and Improvements	\$ 702,246	50,000	0	\$ 752,246
Buildings	2,740,473	0	0	2,740,473
Construction in Progress	326,799	1,379,623	0	1,706,422
Furniture and Equipment	2,522,200	183,359	98,853	2,606,706
Vehicles	1,164,121	145,350	31,920	1,277,551
Total General Fixed Assets	<u>\$ 7,455,839</u>	<u>1,758,332</u>	<u>130,773</u>	<u>\$ 9,083,398</u>

**Note 8. Defined Benefit Pension Plans**

**A. School Employees Retirement System**

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, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 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 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund the pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amount, by the SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$175,752, \$160,176 and \$162,144 respectively; 45.68 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$104,476 representing the unpaid contribution for fiscal year 2001, including the surcharge, is recorded as a liability within the respective funds and the general long-term obligations account group.

**Amanda-Clearcreek Local School District  
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**Note 8. Defined Benefit Pension Plans (continued)**

**B. State Teachers Retirement System**

The District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides basic retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2001, plan members are required to contribute 9.3 percent of their annual covered salaries. The District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, 6 percent was used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$605,736, \$563,040 and \$511,008, respectively; 83.33 percent has been contributed for fiscal year 2001, and 100 percent for fiscal years 2000 and 1999. \$100,958 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

**Note 9. Postemployment Benefits**

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund, a decrease of 3.5 percent for fiscal year 2001. For the District, this amount equaled \$194,701 for fiscal year 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3,419 million. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

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**Note 9. Postemployment Benefits (continued)**

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent for fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. For the District, the amount to fund health care benefits, including surcharge, during the 2001 fiscal year equaled \$95,687.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2000, (the latest information available), were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 57,000 participants receiving health care benefits.

**Note 10. Compensated Absences**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Only administrative and support personnel who are under a full year contract (260 days) are eligible for vacation time. The administrators are generally granted twenty days of vacation per year.

Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment.

The classified personnel accumulate vacation based on the following schedule:

Years Service	Vacation Days
1-9	1 -10 days
10-19	10-15 days
20 and beyond	16-20 days

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave shall accumulate during active employment on a continuous year-to-year basis. Maximum sick leave accumulation for classified employees is 225 days and for certified employees it is 250 days.

For classified employees, retirement severance is paid to each employee retiring from the District at a per diem rate of the annual salary at the time of retirement if the employee has been employed by the District for a minimum of ten consecutive years at the time of retirement. Any employee receiving retirement severance pay shall be entitled to a dollar amount equivalent to one-fourth of all accumulated sick leave credited to that employee up to fifty days. A bonus of twenty days is granted if retirement is by the State Teachers Retirement standards.

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**Note 11. Risk Management**

A. General Risk

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. The District has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers. General liability insurance is maintained in the amount of \$2,000,000 for each occurrence and \$5,000,000 in the aggregate.

The District maintains fleet insurance in the amount of \$2,000,000 for any one accident or loss and a rider for volunteers.

The District maintains replacement cost insurance on buildings and contents in the amount of \$19,964,400.

B. Workers' Compensation-Public Entity Risk Pool

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

C. Health Insurance

The District has established an internal service "self-insurance" fund, in conjunction with a formalized risk management program, in an effort to minimize risk exposure and control claims and premium costs.

This self-insurance fund was established February, 1997 for the purpose of accumulating balances sufficient to self-insure basic medical, dental, vision, and prescription drug coverage and permit excess umbrella coverage for claims over a pre-determined level. Board and employee premium contributions are determined by negotiated agreement. Amounts are paid into this fund from the General Fund, Lunchroom Fund, and certain Special Revenue Funds (Grants). Claims payments are made on an as-incurred basis, thus no "reserve" remains with the insurance carrier.

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**Note 11. Risk Management (continued)**

Expenses for claims are recorded as other expenses when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using expected future investment assumptions as determined by the third party administrator. These liabilities are reported at their present value of \$82,521 at June 30, 2001. A summary of changes in self-insurance claims for the year ended June 30, 2001 follows:

	FY 2001	FY2000
Claim Liabilities at July 1	\$ 173,234	\$ 68,799
Incurred Claims	652,560	625,799
Claims Paid	<u>(654,218)</u>	<u>(521,364)</u>
Claim Liabilities at June 30	<u>\$ 171,576</u>	<u>\$ 173,234</u>

Monies are provided from each fund based on a per-employee charge and are recorded as charges for services in the Self-Insurance Fund and as an expenditure in the disbursing fund.

The following is a summary of payments made to the Self-Insurance Fund:

Total Contributed by Funds	\$ 472,405
Fiscal Agent Fee	663
Employee Contributions	<u>123,092</u>
Total Contributions	<u>\$ 596,160</u>

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**Note 12. Notes and Long-Term Debt**

As of June 30, 2001, the District had no outstanding short term obligations. During the fiscal year 2000, the District issued and retired \$4,417,000 of bond anticipation notes in the Capital Projects Fund.

A summary of changes in long-term obligations for the year ended June 30, 2001, are as follows:

	Balance July 1, 2000	Additions	Deletions	Balance June 30,2001
Intergovernmental Payable	\$ 72,790	0	5,542	\$ 67,248
General Obligation Bonds Payable	4,457,000	0	92,000	4,365,000
Compensated Absences Payable	502,788	74,996	0	577,784
	<u>\$ 5,032,578</u>	<u>74,996</u>	<u>97,542</u>	<u>\$ 5,010,032</u>

General Obligation Bonds:

General Obligation Bonds were issued by the District on March 15, 2000 in the amount of \$4,417,000 for the purpose of the constructing a K-12 facility. These bonds were issued for a period of 22 years at a rate of 5.45%, mature December 1, 2022, and are in full compliance with the general laws of the State of Ohio, particularly Sections 133.01 to 133.48, inclusive, of the Revised Code and Section 133.09 thereof.

These bonds were issued to provide a partial cash match for the classroom facilities assistance program of \$24,738,919 for which the District was approved by the State Department of Education. As a requirement of the classroom facilities assistance program, the District was required to pass a 4.5 mill levy to the District's residents. The 4.5 mill levy, of which .5 mill must be set aside and used for facilities maintenance, will be in effect for twenty-two years.

The annual maturities of the general obligations bonds as of June 30, 2001, and related interest payments are as follows:

	Principal	Interest	Payment
FY2002	\$ 100,000	243,325	\$ 343,325
FY2003	105,000	238,709	343,709
FY2004	120,000	233,417	353,417
FY2005	125,000	227,536	352,536
FY2006 and Thereafter	3,915,000	2,375,883	6,290,883
	<u>\$ 4,365,000</u>	<u>3,318,870</u>	<u>\$ 7,683,870</u>

**Amanda-Clearcreek Local School District  
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**Note 13. Interfund Transactions**

At June 30, 2001, the District had short-term interfund loans which are classified as "interfund receivables/payables." An analysis of interfund balances is as follows:

	Receivables	Payables	
General Fund	\$ 7	\$ 0	
Special Revenue Fund	0	7	
	\$ 7	\$ 7	

**Note 14. Jointly Governed Organizations**

Metropolitan Educational Council (MEC) - MEC is a not-for-profit educational council whose primary purpose and objective is to contribute to the educational services available to school districts in Franklin County and surrounding areas by cooperative action membership. The governing board consists of a representative from each of the Franklin County districts. Districts outside of Franklin County are associate members and each county selects a single district to represent them on the governing board. MEC is its own fiscal agent. The District does not have an ongoing financial interest in or ongoing financial responsibility for MEC. MEC provides computer services to the District.

**Note 15. Contingencies**

A. Grants

The District received financial assistance from federal and state 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 general fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2001.

B. Litigation

The District is not a party to any legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending at June 30, 2001.

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**Note 16. School Funding Decision**

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

**Note 16. School Funding Decision (continued)**

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 30, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001 the Court granted this motion for reconsideration. The Court may reexamine and redetermine any issue upon such reconsideration.

As of the date of these financial statements, the district is unable to determine what effect, if any, this decision and reconsideration will have on its future State funding and on its financial operations.

**Note 17. Statutory Reserves**

The District is required by state law to set aside certain general fund revenue amounts, as defined, into the textbook and capital reserves. Although Ohio Rev. Code Section 5705.29 has been repealed, the District has chosen to maintain the budget reserve, as allowable under Senate Bill 345. The budget reserve is comprised of two parts: the Bureau of Workers Compensation refund/rebate and reserves established under Ohio Rev. Code Section 5705.29. Expenditures from the budget reserve are limited as to their use by state law. During the fiscal year ended June 30, 2001, the reserve activity was as follows:

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**Note 17. Statutory Reserves (continued)**

	Textbook Acquisition	Capital Acquisition	Budget Stabilization	Total
Set aside Cash Balance as of June 30, 2000	\$ 0	0	148,474	\$ 148,474
Current Year Set-Aside Requirement	159,447	159,447	0	318,894
Current Year Offsets	0	0	21,717	21,717
Qualifying Disbursements	<u>(487,898)</u>	<u>(297,073)</u>	<u>0</u>	<u>(784,971)</u>
Total	<u>(328,451)</u>	<u>(137,626)</u>	<u>170,191</u>	<u>(295,886)</u>
Cash Balance Carried Forward to FY2002	<u>\$ 0</u>	<u>0</u>	<u>170,191</u>	
Amount Restricted for Budget Stabilization				<u>\$ 170,191</u>
Total Restricted Assets				<u>\$ 170,191</u>

The District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero. The amount in excess of current set-aside requirement may be used to reduce the set-aside requirement of future years.

**Note 18 . Changes in Accounting Principles and Restatement of Fund Balance**

For fiscal year 2001, the District has implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* and GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*, which changes how the District report certain types of revenues. The implementation of these pronouncements resulted in no change to the prior year's ending fund balances/retained earnings.

**AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2001**

Federal Grantor/ Pass-Through Grantor/ Program Grant Title	Federal CFDA Number	Pass-through Agency Awarding Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. Department of Agriculture</b>						
<i>Passed through Ohio Department of Education:</i>						
<i>Child Nutrition Cluster:</i>						
Food Distribution (See Note "B")	10.550			\$ 22,950		\$22,029
National School Lunch Program	10.555	04-PU 00/01	90,952	-	90,952	-
<b>Total U.S Department of Agriculture</b>			<b>90,952</b>	<b>22,950</b>	<b>90,952</b>	<b>22,029</b>
<b>U.S. Department of Education</b>						
<i>Passed through Ohio Department of Education</i>						
Title I	84.010	C1-S1 00/01	158,826	-	151,463	-
Drug Free Federal Subsidy	84.186	DR-S1 01	1,852	-	1,543	-
Eisenhower Professional Development	84.281	MS-S1 01	11,210	-	1,029	-
Innovative Education Program	84.298	C2-S1 01	7,365	-	8,388	-
Title VI R	84.340	CR-S1 01	27,783	-	22,967	-
<i>Special Education Cluster:</i>						
Title VI B	84.027	6B-SF 01 P	90,558	-	90,558	-
<b>Total U.S. Department of Education</b>			<b>297,594</b>	<b>-</b>	<b>275,948</b>	<b>-</b>
<b>Total Federal Assistance</b>			<b>\$388,546</b>	<b>\$22,950</b>	<b>\$ 366,900</b>	<b>\$22,029</b>

The notes to the Schedule of Federal Awards Receipts and Expenditures are an integral part of this statements.

**AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2001**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and 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**

Nonmonetary 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, 2001, the District had no significant food commodities in inventory.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED  
BY GOVERNMENT AUDITING STANDARDS**

Board of Education  
Amanda-Clearcreek Local School District  
Fairfield County  
414 N. School Street  
Amanda, Ohio 43102

To: Board of Education

We have audited the financial statements of Amanda-Clearcreek Local School District, Fairfield County, Ohio ( the District ) as of and for the year ended June 30, 2001, and have issued our report thereon dated November 30, 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 30, 2001.

This report is intended for the information and use of the audit committee, management, Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

November 30, 2001



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**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education  
Amanda-Clearcreek Local School District  
Fairfield County  
414 N. School Street  
Amanda, Ohio 43102

To: Board of Education

**Compliance**

We have audited the compliance of the Amanda-Clearcreek Local School District, Fairfield County, Ohio (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 each of its major federal programs for the year ended June 30, 2001. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program are the responsibility of the District's management. 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 a major federal program. An audit includes examining, on a test basis, evidence about the 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 the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2001.

**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

November 30, 2001

**AM,ANDA CLEARCREEK LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
JUNE 30, 2001**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under § .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs:</i>	<b>Nutrition Cluster:</b> 10.550 Food Distribution 10.555 National School Lunch
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None

**3. FINDINGS RELATED AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT**

**FAIRFIELD 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  
DECEMBER 27, 2001**