



**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2002**



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

---

**STATE OF OHIO**





**Auditor of State  
Betty Montgomery**

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January 21, 2003

The attached audit was conducted and prepared for release prior to the commencement of my term of office on January 13, 2003. Thus, I am releasing this audit under the signature of my predecessor.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

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**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Board of Education  
Amherst Exempted Village School District  
Lorain County  
185 Forest Street  
Amherst, Ohio 44001

We have audited the accompanying general-purpose financial statements of the Amherst Exempted Village School District, Lorain County, Ohio, (the District) as of and for the year ended June 30, 2002, 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 Amherst Exempted Village School District, Lorain County, Ohio, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types and non-expendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2002 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.

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. In our opinion, it is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

December 13, 2002



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**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

**Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2002**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits:</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 9,968,937	\$ 593,948	\$ 1,000,677	\$ 14,197,861
Receivables:				
Taxes	13,145,267	53,857	2,128,568	683,352
Accounts	1,138	-	-	-
Intergovernmental	1,701	11,644	-	-
Inventory held for resale	-	-	-	-
Equity in pooled cash and cash equivalents (restricted)	142,709	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-
<u>Other debits:</u>				
Amount available in debt service fund for retirement of general obligation bonds	-	-	-	-
Amount to be provided from general government resources	-	-	-	-
Total assets and other debits	<u>\$ 23,259,752</u>	<u>\$ 659,449</u>	<u>\$ 3,129,245</u>	<u>\$ 14,881,213</u>
<u>Liabilities, fund equity and other credits:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 67,242	\$ 24,157	\$ -	\$ 49,565
Contracts payable	-	-	-	1,720,312
Accrued wages	2,239,342	65,523	-	-
Compensated absences payable	43,830	1,489	-	-
Intergovernmental payable	498,341	14,396	-	-
Deferred revenue	11,412,272	59,257	1,820,300	592,423
Due to students	-	-	-	-
Capital leases payable	-	-	-	-
Energy conservation notes payable	-	-	-	-
Early retirement incentive payable	-	-	-	-
General obligation bonds payable	-	-	-	-
Total liabilities	<u>14,261,027</u>	<u>164,822</u>	<u>1,820,300</u>	<u>2,362,300</u>
<u>Fund equity and other credits:</u>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings:				
Unreserved	-	-	-	-
Fund balance:				
Reserved for encumbrances	207,685	38,813	-	10,856,882
Reserved for property taxes	1,732,995	6,244	308,268	90,929
Reserved for endowment	-	-	-	-
Reserved for debt service	-	-	1,000,677	-
Reserved for textbooks/instructional material	142,709	-	-	-
Unreserved:				
Undesignated	6,915,336	449,570	-	1,571,102
Total fund equity and other credits	<u>8,998,725</u>	<u>494,627</u>	<u>1,308,945</u>	<u>12,518,913</u>
Total liabilities, fund equity and other credits	<u>\$ 23,259,752</u>	<u>\$ 659,449</u>	<u>\$ 3,129,245</u>	<u>\$ 14,881,213</u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 260,079	\$ 139,383	\$ 220,000	\$ -	\$ -	\$ 26,380,885
-	-	329,826	-	-	16,340,870
-	-	-	-	-	1,138
-	-	-	-	-	13,345
27,196	-	-	-	-	27,196
-	-	50,000	-	-	192,709
131,125	-	-	32,525,370	-	32,656,495
-	-	-	-	1,000,677	1,000,677
-	-	-	-	31,072,508	31,072,508
<u>\$ 418,400</u>	<u>\$ 139,383</u>	<u>\$ 599,826</u>	<u>\$ 32,525,370</u>	<u>\$ 32,073,185</u>	<u>\$ 107,685,823</u>
\$ 524	\$ -	\$ 29,540	\$ -	\$ -	\$ 171,028
-	-	-	-	-	1,720,312
54,171	-	-	-	-	2,359,036
90,216	-	-	-	3,978,395	4,113,930
41,106	-	329,828	-	181,221	1,064,892
20,613	-	-	-	-	13,904,865
-	-	45,656	-	-	45,656
-	-	-	-	11,358	11,358
-	-	-	-	1,312,000	1,312,000
27,710	-	-	-	280,211	307,921
-	-	-	-	26,310,000	26,310,000
<u>234,340</u>	<u>-</u>	<u>405,024</u>	<u>-</u>	<u>32,073,185</u>	<u>51,320,998</u>
-	-	-	32,525,370	-	32,525,370
93,543	-	-	-	-	93,543
90,517	139,383	-	-	-	229,900
-	-	-	-	-	11,103,380
-	-	-	-	-	2,138,436
-	-	50,000	-	-	50,000
-	-	-	-	-	1,000,677
-	-	-	-	-	142,709
-	-	144,802	-	-	9,080,810
<u>184,060</u>	<u>139,383</u>	<u>194,802</u>	<u>32,525,370</u>	<u>-</u>	<u>56,364,825</u>
<u>\$ 418,400</u>	<u>\$ 139,383</u>	<u>\$ 599,826</u>	<u>\$ 32,525,370</u>	<u>\$ 32,073,185</u>	<u>\$ 107,685,823</u>

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

**Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Governmental Fund Types and Expendable Trust Fund  
For the Fiscal Year Ended June 30, 2002**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Revenues:</b>				
Property and other local taxes	\$ 11,159,083	\$ 48,718	\$ 1,729,029	\$ 547,335
Intergovernmental	12,204,020	883,994	227,477	132,159
Interest	955,145	1,316	3,549	-
Tuition and fees	178,551	127,634	-	-
Extracurricular activities	-	105,505	-	-
Gifts and donations	-	-	-	-
Miscellaneous	36,663	168,665	-	3,300
Total revenues	24,533,462	1,335,832	1,960,055	682,794
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	12,162,886	340,663	-	75,093
Special	1,995,466	156,267	-	7,787
Vocational	367,064	-	-	-
Other	2,750	-	-	-
<b>Support services:</b>				
Pupils	767,904	47,511	-	-
Instructional staff	1,169,006	120,257	-	-
Board of education	8,718	-	-	-
Administration	1,978,112	193,811	-	22,664
Fiscal	560,327	936	29,994	11,410
Operation and maintenance of plant	2,206,896	20,520	-	1,521,398
Pupil transportation	856,956	-	-	106,534
Operation of non-instructional services	21,003	220,911	-	16,899
Extracurricular activities	469,984	104,601	-	2,323
Capital outlay	-	-	-	13,560,486
Other services	-	10,000	-	-
<b>Debt service:</b>				
Principal retirement	-	-	-	15,846
Interest and fiscal charges	48,340	-	1,451,236	69,534
Total expenditures	22,615,412	1,215,477	1,481,230	15,409,974
Excess of revenues over (under) expenditures	1,918,050	120,355	478,825	(14,727,180)
<b>Other financing sources (uses):</b>				
Proceeds of notes	-	-	-	1,312,000
Proceeds from sale of fixed assets	1,963	-	-	-
Operating transfers in	-	23,925	-	26,983,454
Operating transfers out	(30,125)	-	(26,983,454)	-
Total other financing sources (uses)	(28,162)	23,925	(26,983,454)	28,295,454
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,889,888	144,280	(26,504,629)	13,568,274
Fund balances (deficits) at beginning of year	7,108,837	350,347	27,813,574	(1,049,361)
Fund balances at end of year	\$ 8,998,725	\$ 494,627	\$ 1,308,945	\$ 12,518,913

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type	Totals (Memorandum Only)
Expendable Trust	
\$ -	\$ 13,484,165
-	13,447,650
1,679	961,689
-	306,185
-	105,505
150,500	150,500
-	208,628
152,179	28,664,322
23,985	12,602,627
-	2,159,520
-	367,064
-	2,750
-	815,415
-	1,289,263
-	8,718
-	2,194,587
-	602,667
-	3,748,814
-	963,490
1,300	260,113
-	576,908
-	13,560,486
-	10,000
-	15,846
-	1,569,110
25,285	40,747,378
126,894	(12,083,056)
-	1,312,000
-	1,963
-	27,007,379
-	(27,013,579)
-	1,307,763
126,894	(10,775,293)
17,908	34,241,305
\$ 144,802	\$ 23,466,012

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

**Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
All Governmental Fund Types and Expendable Trust Fund  
For the Fiscal Year Ended June 30, 2002**

	Governmental Fund Types		
	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 10,794,946	\$ 11,659,836	\$ 864,890
Intergovernmental	11,010,265	12,202,548	1,192,283
Interest	955,145	955,145	-
Tuition and fees	178,551	178,551	-
Extracurricular activities	-	-	-
Gifts and donations	-	-	-
Miscellaneous	27,381	27,381	-
Total revenues	<u>22,966,288</u>	<u>25,023,461</u>	<u>2,057,173</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	12,531,942	12,071,018	460,924
Special	2,150,767	1,985,383	165,384
Vocational	360,100	356,305	3,795
Support services:			
Pupils	791,200	780,963	10,237
Instructional staff	1,212,009	1,142,458	69,551
Board of education	15,700	8,705	6,995
Administration	2,202,532	2,058,603	143,929
Fiscal	630,500	583,990	46,510
Operation and maintenance of plant	2,385,000	2,230,057	154,943
Pupil transportation	951,300	871,995	79,305
Operation of non-instructional services	36,498	26,603	9,895
Extracurricular activities	541,400	469,537	71,863
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	48,341	48,340	1
Other Services	-	-	-
Total expenditures	<u>23,857,289</u>	<u>22,633,957</u>	<u>1,223,332</u>
Excess of revenues over (under) expenditures	<u>(891,001)</u>	<u>2,389,504</u>	<u>3,280,505</u>
<u>Other financing sources (uses):</u>			
Proceeds of notes	-	-	-
Proceeds from sale of fixed assets	2,000	1,963	(37)
Refund of prior year expenditures	6,000	7,915	1,915
Refund of prior year receipts	(8,500)	(2,750)	5,750
Advances out	(7,109)	-	7,109
Operating transfers in	-	-	-
Operating transfers out	(32,500)	(30,125)	2,375
Total other financing sources (uses)	<u>(40,109)</u>	<u>(22,997)</u>	<u>17,112</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(931,110)	2,366,507	3,297,617
Fund balances at beginning of year	7,290,374	7,290,374	-
Prior year encumbrances appropriated	210,322	210,322	-
Fund balances at end of year	<u>\$ 6,569,586</u>	<u>\$ 9,867,203</u>	<u>\$ 3,297,617</u>

See accompanying notes to the general purpose financial statements.

Governmental Fund Types

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 47,555	\$ 50,436	\$ 2,881	\$ 1,900,383	\$ 1,819,752	\$ (80,631)
882,299	883,884	1,585	227,477	227,477	-
1,000	1,316	316	3,549	3,549	-
80,884	127,634	46,750	-	-	-
93,355	105,505	12,150	-	-	-
-	-	-	-	-	-
171,736	168,665	(3,071)	-	-	-
<u>1,276,829</u>	<u>1,337,440</u>	<u>60,611</u>	<u>2,131,409</u>	<u>2,050,778</u>	<u>(80,631)</u>
388,481	333,386	55,095	-	-	-
221,571	182,989	38,582	-	-	-
-	-	-	-	-	-
49,134	45,561	3,573	-	-	-
156,828	123,370	33,458	-	-	-
-	-	-	-	-	-
204,277	187,300	16,977	-	-	-
1,000	936	64	45,000	29,994	15,006
34,414	26,170	8,244	-	-	-
-	-	-	-	-	-
321,248	234,346	86,902	-	-	-
115,502	110,855	4,647	-	-	-
-	-	-	-	-	-
-	-	-	26,310,000	26,310,000	-
-	-	-	2,173,031	2,124,690	48,341
10,000	10,000	-	-	-	-
<u>1,502,455</u>	<u>1,254,913</u>	<u>247,542</u>	<u>28,528,031</u>	<u>28,464,684</u>	<u>63,347</u>
<u>(225,626)</u>	<u>82,527</u>	<u>308,153</u>	<u>(26,396,622)</u>	<u>(26,413,906)</u>	<u>(17,284)</u>
-	-	-	-	-	-
-	-	-	-	-	-
510	110	(400)	-	-	-
(8)	(8)	-	-	-	-
-	-	-	-	-	-
25,211	35,211	10,000	-	-	-
(11,285)	(11,286)	(1)	-	-	-
<u>14,428</u>	<u>24,027</u>	<u>9,599</u>	<u>-</u>	<u>-</u>	<u>-</u>
(211,198)	106,554	317,752	(26,396,622)	(26,413,906)	(17,284)
385,588	385,588	-	27,414,583	27,414,583	-
41,944	41,944	-	-	-	-
<u>\$ 216,334</u>	<u>\$ 534,086</u>	<u>\$ 317,752</u>	<u>\$ 1,017,961</u>	<u>\$ 1,000,677</u>	<u>\$ (17,284)</u>

(Continued)

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

**Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
All Governmental Fund Types and Expendable Trust Fund  
For the Fiscal Year Ended June 30, 2002**

	Governmental Fund Types		
	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 572,738	\$ 574,279	\$ 1,541
Intergovernmental	124,500	132,159	7,659
Interest	6,000	-	(6,000)
Tuition and fees	-	-	-
Extracurricular activities	-	-	-
Gifts and donations	-	-	-
Miscellaneous	3,500	3,300	(200)
Total revenues	<u>706,738</u>	<u>709,738</u>	<u>3,000</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,760,044	546,051	1,213,993
Special	17,868	7,787	10,081
Vocational	-	-	-
Support services:			
Pupils	-	-	-
Instructional staff	-	-	-
Board of education	-	-	-
Administration	27,041	22,664	4,377
Fiscal	13,189	11,410	1,779
Operation and maintenance of plant	2,010,024	2,005,245	4,779
Pupil transportation	104,861	209,340	(104,479)
Operation of non-instructional services	36,899	16,899	20,000
Extracurricular activities	7,323	2,323	5,000
Capital outlay	23,252,484	23,417,810	(165,326)
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Other Services	-	-	-
Total expenditures	<u>27,229,733</u>	<u>26,239,529</u>	<u>990,204</u>
Excess of revenues over (under) expenditures	<u>(26,522,995)</u>	<u>(25,529,791)</u>	<u>993,204</u>
<u>Other financing sources (uses):</u>			
Proceeds of notes	1,315,000	1,312,000	(3,000)
Proceeds from sale of fixed assets	-	-	-
Refund of prior year expenditures	-	-	-
Refund of prior year receipts	-	-	-
Advances out	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>1,315,000</u>	<u>1,312,000</u>	<u>(3,000)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(25,207,995)	(24,217,791)	990,204
Fund balances at beginning of year	25,210,569	25,210,569	-
Prior year encumbrances appropriated	578,822	578,822	-
Fund balances at end of year	<u>\$ 581,396</u>	<u>\$ 1,571,600</u>	<u>\$ 990,204</u>

See accompanying notes to the general purpose financial statements.



Fiduciary Fund Type Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 13,315,622	\$ 14,104,303	\$ 788,681
-	-	-	12,244,541	13,446,068	1,201,527
3,000	1,679	(1,321)	968,694	961,689	(7,005)
-	-	-	259,435	306,185	46,750
-	-	-	93,355	105,505	12,150
150,500	150,500	-	150,500	150,500	-
-	-	-	202,617	199,346	(3,271)
<u>153,500</u>	<u>152,179</u>	<u>(1,321)</u>	<u>27,234,764</u>	<u>29,273,596</u>	<u>2,038,832</u>
150,000	23,985	126,015	14,830,467	12,974,440	1,856,027
-	-	-	2,390,206	2,176,159	214,047
-	-	-	360,100	356,305	3,795
-	-	-	840,334	826,524	13,810
-	-	-	1,368,837	1,265,828	103,009
-	-	-	15,700	8,705	6,995
-	-	-	2,433,850	2,268,567	165,283
-	-	-	689,689	626,330	63,359
-	-	-	4,429,438	4,261,472	167,966
-	-	-	1,056,161	1,081,335	(25,174)
4,500	1,300	3,200	399,145	279,148	119,997
-	-	-	664,225	582,715	81,510
-	-	-	23,252,484	23,417,810	(165,326)
-	-	-	26,310,000	26,310,000	-
-	-	-	2,221,372	2,173,030	48,342
-	-	-	10,000	10,000	-
<u>154,500</u>	<u>25,285</u>	<u>129,215</u>	<u>81,272,008</u>	<u>78,618,368</u>	<u>2,653,640</u>
<u>(1,000)</u>	<u>126,894</u>	<u>127,894</u>	<u>(54,037,244)</u>	<u>(49,344,772)</u>	<u>4,692,472</u>
-	-	-	1,315,000	1,312,000	(3,000)
-	-	-	2,000	1,963	(37)
-	-	-	6,510	8,025	1,515
-	-	-	(8,508)	(2,758)	5,750
-	-	-	(7,109)	-	7,109
-	-	-	25,211	35,211	10,000
-	-	-	(43,785)	(41,411)	2,374
-	-	-	<u>1,289,319</u>	<u>1,313,030</u>	<u>23,711</u>
(1,000)	126,894	127,894	(52,747,925)	(48,031,742)	4,716,183
17,908	17,908	-	60,319,022	60,319,022	-
-	-	-	831,088	831,088	-
<u>\$ 16,908</u>	<u>\$ 144,802</u>	<u>\$ 127,894</u>	<u>\$ 8,402,185</u>	<u>\$ 13,118,368</u>	<u>\$ 4,716,183</u>

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

**Combined Statement of Revenues, Expenses and  
Changes in Retained Earnings/Fund Balances  
All Proprietary Fund Types and Similar Trust Fund  
For the Fiscal Year Ended June 30, 2002**

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
<u>Operating revenues:</u>				
Sales	\$ 787,467	\$ -	-	\$ 787,467
Other operating revenues	6,070	-	-	6,070
Total operating revenue	<u>793,537</u>	<u>-</u>	<u>-</u>	<u>793,537</u>
<u>Operating expenses:</u>				
Salaries	363,762	-	-	363,762
Fringe benefits	213,425	21,734	-	235,159
Purchased services	15,658	-	-	15,658
Materials and supplies	34,923	-	-	34,923
Cost of sales	423,834	-	-	423,834
Depreciation	6,485	-	-	6,485
Total operating expenses	<u>1,058,087</u>	<u>21,734</u>	<u>-</u>	<u>1,079,821</u>
Operating loss	<u>(264,550)</u>	<u>(21,734)</u>	<u>-</u>	<u>(286,284)</u>
<u>Non-operating revenues:</u>				
Federal donated commodities	69,036	-	-	69,036
Operating grants	123,672	-	-	123,672
Interest	5,399	3,718	-	9,117
Total non-operating revenues	<u>198,107</u>	<u>3,718</u>	<u>-</u>	<u>201,825</u>
Loss before operating transfers	<u>(66,443)</u>	<u>(18,016)</u>	<u>-</u>	<u>(84,459)</u>
Operating transfers in	<u>6,200</u>	<u>-</u>	<u>-</u>	<u>6,200</u>
Net loss	<u>(60,243)</u>	<u>(18,016)</u>	<u>-</u>	<u>(78,259)</u>
Retained earnings/fund balance at beginning of year	150,760	157,399	50,000	358,159
Retained earnings/fund balance at end of year	<u>\$ 90,517</u>	<u>\$ 139,383</u>	<u>\$ 50,000</u>	<u>\$ 279,900</u>

See accompanying notes to the general purpose financial statements.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

**Combining Statement of Cash Flows  
All Proprietary Fund Types and Similar Trust Fund  
For the Fiscal Year Ended June 30, 2002**

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
<u>Cash flows from operating activities:</u>				
Cash received from customers	\$ 787,467	\$ -	\$ -	\$ 787,467
Cash received from other operating sources	6,070	-	-	6,070
Cash received from quasi-external				
Cash payments to suppliers for goods and services	(404,878)	(21,734)	-	(426,612)
Cash payments to employees for services	(338,444)	-	-	(338,444)
Cash payments for employee benefits	(151,854)	-	-	(151,854)
Net cash used for operating activities	(101,639)	(21,734)	-	(123,373)
<u>Cash flows from noncapital financing activities:</u>				
Operating grants	141,174	-	-	141,174
Transfer in	6,200	-	-	6,200
Net cash provided by noncapital financing activities	147,374	-	-	147,374
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	(9,205)	-	-	(9,205)
Net cash provided by capital financing activities	(9,205)	-	-	(9,205)
<u>Cash flows from investing activities:</u>				
Interest on investments	5,399	3,718	-	9,117
Net cash provided by investing financing	5,399	3,718	-	9,117
Net increase (decrease) in cash and cash equivalents:	41,929	(18,016)	-	23,913
Cash and cash equivalents at beginning of year	218,150	157,399	50,000	425,549
Cash and cash equivalents at end of year	\$ 260,079	\$ 139,383	\$ 50,000	\$ 449,462
<u>Reconciliation of operating loss to net cash used for operating activities:</u>				
Operating loss	\$ (264,550)	\$ (21,734)	\$ -	\$ (286,284)
Adjustments to reconcile operating loss to net cash used for operating activities:				
Depreciation	6,485	-	-	6,485
Federal donated commodities	69,036	-	-	69,036
Change in assets and liabilities:				
(Increase) decrease in assets:				
Inventory	(1,059)	-	-	(1,059)
Increase (decrease) in liabilities:				
Accounts payable	518	-	-	518
Accrued wages	(4,438)	-	-	(4,438)
Compensated absences payable	22,511	-	-	22,511
Intergovernmental payable	41,106	-	-	41,106
Early retirement incentive	27,710	-	-	27,710
Deferred revenue	1,042	-	-	1,042
Total adjustments	162,911	-	-	162,911
Net cash used for operating activities	\$ (101,639)	\$ (21,734)	\$ -	\$ (123,373)

See accompanying notes to the general purpose financial statements.

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**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 1 - DESCRIPTION OF THE DISTRICT**

The Amherst Exempted Village School District, Lorain County, Ohio, (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 an exempted village school district as defined by Section 3311.04 of the Ohio Revised Code.

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the District's five instructional/support facilities staffed by 157 non-certificated employees and 247 certificated full time teaching personnel and administrators, who provide services to 3,930 students and other community members.

The District boundaries include the City of Amherst, Amherst Township, and a portion of the City of Lorain, an area extending roughly 32 miles. The District operates three elementary schools (K-6), one junior high school (7-8) and one high school (9-12).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting entity for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

**A. Reporting Entity**

The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For Amherst Exempted Village School District, this includes general operations, food service, preschool and student-related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organizations' governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organizations' resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District does not have any component units.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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

The following entities, which perform activities within the District's boundaries for the benefit of its residents, are excluded from the accompanying financial statements because the District is not financially accountable for these entities nor are they fiscally dependent on the District.

The Amherst Public Library provides the community with various educational and literary resources. This is a related organization and the District's participation is disclosed in Note 17 to the general purpose financial statements.

The District is not involved in the budgeting or the management of Parent-Teacher Organizations or booster clubs. The District is also not responsible for any debt and has no influence over these organizations or clubs.

Within District boundaries, St. Joseph School is operated through the Cleveland Catholic Diocese. Current state legislation provides auxiliary services funding to this parochial school. These monies are received and distributed on behalf of the parochial school by the Treasurer of the District, as directed by the parochial school. The accounting for this parochial school is reflected in the auxiliary services fund, a Special Revenue fund of the District.

The District participates in the Lake Erie Educational Computer Association, the Lake Erie Regional Council of Governments, the Ohio Schools Council, and the Lorain County Joint Vocational School District which are defined as jointly governed organizations. Jointly governed organizations are governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility by the participating governments. Information regarding these organizations is presented in Note 16.

**B. Basis of Presentation - 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 District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the District are grouped into the following generic fund types under the broad fund categories of governmental, proprietary and fiduciary.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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

*Governmental Fund Types:*

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and trust funds) are accounted for through governmental funds. The following are the District's governmental fund types:

General Fund - The general fund is the operating fund of the District and 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 general laws of Ohio.

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

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

Capital Projects Funds – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or 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 District's proprietary fund types:

Enterprise Fund – The Enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, 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 revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund – The Internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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

*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 governmental units and/or other funds. These include expendable trust funds, non-expendable trust funds, and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Non-expendable trust funds are accounted for in the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

*Account Groups:*

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the District, other than those accounted for in the proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the District except those accounted for in the proprietary or trust funds.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the combined balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. The full accrual basis of accounting is followed in the proprietary and similar trust funds.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of year-end.



**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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

**C. Measurement Focus and Basis of Accounting (Continued)**

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable at the end of the current fiscal year, and delinquent property taxes, the availability of which is indeterminable and which are intended to finance the subsequent fiscal year operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary and similar trust funds. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. There were no unbilled service charges receivable at year-end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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

**D. Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

*Tax Budget:*

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Lorain County Budget Commission for rate determination.

*Estimated Resources:*

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during the fiscal year.

*Appropriations:*

Upon receipt from the County Auditor of an amended Certificate of Estimated Resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditure, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The Appropriation Resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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

**D. Budgetary Data (Continued)**

The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions. Under Ohio law, advances are not required to be budgeted.

*Encumbrances:*

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year-end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the general purpose financial statements for enterprise funds.

*Lapsing of Appropriations:*

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

**E. Cash and Investments**

To improve cash management, all cash received by the District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short term investments. Individual fund integrity is maintained through District records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the combined balance sheet. During the fiscal year, investments were limited to Certificates of deposit and Star Ohio, the State Treasurer's Investment Pool. 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. Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds, unless the Board specifically allows the interest to be recorded in other funds. The Board of Education has passed a resolution to allow interest to also be recorded in other funds as listed in Note 4.

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 an original maturity 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 that are not purchased from the pool are reported as investments.

**F. Inventory**

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. Inventory in governmental funds was not significant at the end of the current fiscal period. Inventories of proprietary funds consist of donated food, purchased food, and supplies held for resale and are expensed when used.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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

**G. Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and 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 fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$500. 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 an asset's life 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 equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life of five to twenty years.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

**H. Restricted Assets**

Restricted assets in the general fund and the trust and agency fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets in the general fund include the amount required by state statute to be set-aside by the District for the purchase of textbooks, and other instructional materials. Restricted assets in the trust and agency fund represent an endowment for scholarships. A fund balances reserve had also been established. See Note 20 for the calculation of the year-end restricted asset balances and the corresponding fund balance reserves.

**I. Compensated Absences**

Employees earn vacation in accordance with the following guidelines:

Administrators	Twenty days per year
Certified	Ineligible for vacation
Non-certified	Ten to twenty days per year (depending on years of service)

For central office employees only, unlimited vacation may be accumulated.

Employees earn sick leave at a rate of one and one-quarter days per month and unlimited sick leave may be accumulated.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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

**I. Compensated Absences (Continued)**

Upon separation, employees are paid 100% of their accumulated unpaid vacation up to a maximum of thirty-five days. With board approval, employees can be paid in excess of thirty-five days or will be required to use their vacation in excess of thirty-five days when they terminate employment for any reason.

Certified employees with ten or more years of service are paid one third of their accumulated sick leave up to a maximum of eighty days upon retirement. Non-certified employees are paid one-half of their accumulated sick leave up to a maximum of eighty days only upon retirement.

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the District's past experience of making termination payments.

Accumulated vacation and sick leave of employees paid from governmental funds has been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is recorded in the General Long-Term Obligations Account Group. Vacation and sick leave for employees paid from proprietary funds are recorded as an expense and liability of the fund.

**J. Accrued Liabilities and Long-term Obligations**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually-required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the General Long-Term Obligations Account Group to the extent that they will not be paid with current available expendable financial resources. Bonds and capital leases are reported as a liability of the General Long-Term Obligations Account Group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

**K. 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.

Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

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

**L. Fund Balance Reserves**

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, textbooks, endowments and debt service.

**M. Contributed Capital**

Contributed capital represents resources from other funds, other governments, and private sources provided to the enterprise fund that are not subject to repayment. These assets are recorded at the fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year-end.

Because the District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1988, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

**N. Total Columns on General Purpose Financial Statements**

Total columns on the general purpose financial statements are captioned "Totals - (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.

**O. Estimates**

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

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

While the District is reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, All Governmental Fund Types and Expendable Trust Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

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Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING (Continued)**

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types.

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements.

<i>Excess of Revenues and Other Financing Sources Over (Under)</i>					
<i>Expenditures and Other Financing Uses</i>					
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
<i>GAAP Basis</i>	\$ 1,889,888	\$ 144,280	\$ (26,504,629)	\$ 13,568,274	\$ 126,894
<i>Revenue Accruals</i>	497,914	13,004	90,723	(26,956,510)	-
<i>Expenditure Accruals</i>	(265,738)	(110,593)	-	(23,455,814)	(23,985)
<i>Encumbrances (Budget Basis)</i>					
<i>Outstanding at year end</i>	<u>244,443</u>	<u>59,863</u>	<u>-</u>	<u>12,626,259</u>	<u>23,985</u>
<i>Budget Basis</i>	<u>\$ 2,366,507</u>	<u>\$ 106,554</u>	<u>\$ (26,413,906)</u>	<u>\$ (24,217,791)</u>	<u>\$ 126,894</u>

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts. Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
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Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)**

1. United States treasury bills, notes, bonds, or any other obligations 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 other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of settlement;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time.
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 area 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.

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

*Deposits:*

At year-end, the carrying amount of the District's deposits, including petty cash of \$150, was \$76,196, and the bank balance was \$138,143. Of the bank balance, \$131,816 was covered by federal depository insurance and \$6,327 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.



**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)**

*Investments:*

GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the District's investments be classified in categories of risk. 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.

Interest is legally required to be placed in the general fund; the Bond Retirement debt service fund; the Auxiliary special revenue fund; the Special Trust expendable trust fund; the Food Service enterprise fund; and the Self Insurance internal service fund. Interest revenue credited to the general fund amounted to \$955,145, which includes interest of \$651,776 assigned from other District funds.

The District has invested funds in STAR Ohio during 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2002. The District's investment in STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

The District invests in STAR Ohio, which is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form. The carrying value and market value of STAR Ohio investments was \$26,497,398 as of June 30, 2002.

The classification of equity in pooled cash on the combined financial statements is based on criteria set forth in GASB statement No. 9. Equity in pooled cash is defined to include investments with maturities of three months or less at the time of their purchase by the District.

**NOTE 5 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 85% of true value (with certain exceptions) and on real property at 35% of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25% of true value.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 5 - PROPERTY TAXES (Continued)**

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternative payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The District receives property taxes from Lorain County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30 are available to finance the current year operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, tangible personal property and public utility taxes which became measurable as of June 30. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 was \$1,732,995 in the general fund, \$90,929 in the Permanent Improvement capital projects fund, \$308,268 in the Bond Retirement debt service fund, \$6,244 in the Special Levy/Recreation special revenue fund and \$45,160 in the Library agency fund and is recognized as revenue.

The District, by resolution, authorizes the Treasurer to request advances from the County Auditor during the year and to make these funds available for appropriation.

There were no new levies passed during the current fiscal year. The assessed values upon which the current fiscal year taxes were collected are:

<u>Property Category</u>	<u>2002 Assessed Value</u>	<u>2001 Assessed Value</u>
<u>Real Property</u>		
Residential and Agricultural	\$ 343,537,060	\$ 335,760,400
Commercial and Industrial	65,502,790	65,650,990
Public Utilities	73,970	64,440
<u>Tangible Personal Property</u>		
General	35,237,490	32,860,930
Public Utilities	12,569,300	16,093,280
<u>Total</u>	<u>\$ 456,920,610</u>	<u>\$ 450,430,040</u>

The full tax rate for all District operations applied to real property for the fiscal year ended June 30, 2002 was \$64.86 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$31.70 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$37.05 per \$1,000 of assessed valuation for all industrial/commercial property.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 6 - RECEIVABLES**

Receivables at year end consisted of taxes, accounts (tuition and excess costs) and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. The general, and special revenue fund's intergovernmental receivable at June 30, consisted of \$1,701 and \$11,644 respectively.

**NOTE 7 - FIXED ASSETS**

A summary of the enterprise funds' fixed assets at year-end follows:

<i><u>Classification</u></i>	<i><u>Balance</u></i>
<i>Equipment</i>	\$ 346,850
<i>Less: accumulated depreciation</i>	<u>(215,725)</u>
<i>Net Fixed Assets</i>	<u>\$ 131,125</u>

A summary of the changes in general fixed assets during fiscal year 2002 follows:

<i><u>Asset Category</u></i>	<i><u>Balance at 7/1/2001</u></i>	<i><u>Additions</u></i>	<i><u>Deletions</u></i>	<i><u>Balance at 6/30/2002</u></i>
<i>Land and land improvements</i>	\$ 944,183	\$ 231,040	\$ -	\$ 1,175,223
<i>Buildings</i>	12,065,756	-	-	12,065,756
<i>Furniture, fixtures and equipment</i>	4,015,705	280,470	(5,792)	4,290,383
<i>Vehicles</i>	1,201,905	104,120	(82,578)	1,223,447
<i>Construction in progress</i>	<u>1,177,664</u>	<u>12,592,897</u>	<u>-</u>	<u>13,770,561</u>
<i>Totals</i>	<u>\$ 19,405,213</u>	<u>\$ 13,208,527</u>	<u>\$ (88,370)</u>	<u>\$ 32,525,370</u>

**NOTE 8 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

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

The District provides life and accidental death and dismemberment insurance to its employees. Full time certified employees are covered by \$30,000. Coverage for part time employees is prorated. Full time classified employees are covered by \$20,000 and part time employees are covered by \$5,000. All administrators carry coverage equal to one and one half times their salaries approximated to the nearest thousand.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 8 - RISK MANAGEMENT (Continued)**

The District has contracted with Lake Erie Regional Council of Governments (LERC) to provide employee health and medical benefits since December 1988. The program is a claims-servicing pool comprised of fourteen Lorain County School Districts. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for participating school districts. Claims are paid for all participants regardless of claims flow or individual account balance. Upon termination, the terminating school district would be liable for all outstanding claims beyond their individual account balance. The LERC Board of Directors has the right to return monies to an existing school district subsequent to settlement of all expenses and claims. This plan provides a medical/surgical plan with deductibles of \$150 for single and \$300 for family coverage.

The LERC's pool premiums are billed to each participating school district based on actuarially-determined rates. Should contributions prove to be insufficient to pay program costs of the insurance program in any given year, each participating member is notified of their deficiency and their premium is adjusted to cover its share of the additional cost of anticipated future claims.

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The District contributes to the School Employees Retirement System of Ohio (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 state statute per 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 from the School Employees Retirement System, 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute an actuarially determined rate of 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to the statutory maximum amounts, by the SERS Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$547,648, \$472,500 and \$407,817, respectively; 46% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$296,488 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. State Teachers Retirement System**

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer defined benefit pension plan. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3307 of the Ohio Revised Code. STRS 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 State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. State Teachers Retirement System (Continued)**

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute an actuarially determined rate of 14% of annual covered payroll. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,689,208, \$1,610,840, and \$1,552,446 respectively; 83% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$290,932 representing the unpaid contribution for fiscal year 2002 is recorded as a liability within the respective funds.

**C. Social Security System**

Effective July 1, 1991 all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to chose Social Security or the School Employees Retirement or the State Teachers Retirement Systems, as applicable. As of June 30, 2002 the District does not have any employees who are covered under the Social Security System.

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Benefit provisions and the obligations to contribute are established by the STRS based on authority granted by State statute. Most benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium.

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The retirement board currently allocates employer contributions equal to 4.50% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the District this amount equaled \$542,960 during the 2002 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$3.256 billion at June 30, 2001, (latest information available). For the year ended June 30, 2001, the net health care costs paid by the STRS were \$300,772,000 and eligible benefit recipients totaled 102,132.

For the School Employees Retirement System (SERS), coverage is made available to service retirees with ten or more years of qualifying service credit, 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% of the premium. For this fiscal year, employer contributions to fund health care benefits were 9.80% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14% contribution rate, provides for maintenance of the asset target level for the health care fund. For the District, the amount of employer contributions used to fund health care equaled \$428,682, which includes a surcharge of \$45,328 during the 2002 fiscal year.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
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Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)**

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2001, (latest information available) were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, the SERS's net assets available for payment of health care benefits was \$315.7 million, at cost. The number of participants receiving health care benefits was approximately 50,000.

**NOTE 11 – DEFERRED COMPENSATION PLAN**

The Board of Education offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan is optional and available to all school employees. It permits them to defer a portion of their salary until future years. All amounts of compensation deferred under the plan are the property of the individual employee and are available to the employee in accordance with Internal Revenue rules and regulations. The choice of the custodian and the investments is made by the individual participant.

**NOTE 12 – RETIREMENT INCENTIVE PLAN**

In 1989, the Board of Education adopted an Early Retirement Incentive Program for all employee groups. The Board purchased up to two years retirement service for 5% of both certified and classified staff members eligible to retire through the STRS or SERS system.

As of June 30, 2002 the Early Retirement Incentive Program liability is \$280,211. This liability will not be liquidated with expendable available financial resources and is reported in the General Long-Term Obligations Account Group.

The District pays the entire cost of the retirement incentive credit purchased for all eligible administrators and teachers. The cost of the retirement incentive credit purchased is the amount determined annually by the STRS actuary, which is paid annually over the amount of years purchased for each employee from the appropriate fund.

**NOTE 13 – CAPITALIZED LEASES – LESSEE DISCLOSURE**

In a prior year, the District entered into capitalized leases for the acquisition of copiers and computer equipment. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service in the combined financial statements for the governmental funds. These expenditures are reflected as function expenditures on a budgetary basis.

Principal payments in the current fiscal year totaled \$15,846. The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments at year-end.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 13 – CAPITALIZED LEASES – LESSEE DISCLOSURE (Continued)**

<i>Fiscal</i>	<i>Lease</i>
<u>Year</u>	<u>Payments</u>
2003	\$ 11,738
<i>Less: amount representing interest</i>	<u>(380)</u>
<i>Total</i>	<u>\$ 11,358</u>

**NOTE 14 - LONG TERM OBLIGATIONS**

Changes in long-term obligations of the District during the current fiscal year were as follows:

	<i>Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i>
	<u>July 1</u>			<u>June 30</u>
<b><u>General Long-Term Obligations</u></b>				
<i>General Obligations Bonds, 4.4-5.75% maturing on December 1, 2026</i>	\$ 26,310,000	\$ -	\$ -	\$ 26,310,000
<i>Energy Conservation Notes, 4.15-5.3% maturing on December 1, 2016</i>	-	1,312,000	-	1,312,000
<b><u>Other Obligations</u></b>				
<i>Long-term compensated absences</i>	3,497,438	781,957	(301,000)	3,978,395
<i>Employer pension obligations</i>	210,473	181,221	(210,473)	181,221
<i>Capital leases payable</i>	27,204	-	(15,846)	11,358
<i>Early retirement incentive</i>	<u>467,848</u>	<u>-</u>	<u>(187,637)</u>	<u>280,211</u>
<i>Total Other Obligations</i>	<u>4,202,963</u>	<u>963,178</u>	<u>(714,956)</u>	<u>4,451,185</u>
<i>Total General Long-Term Debt</i>	<u>\$ 30,512,963</u>	<u>\$ 2,275,178</u>	<u>\$ (714,956)</u>	<u>\$ 32,073,185</u>

The annual requirements to amortize the general obligation bonds and notes, including interest payments of \$18,486,953, are as follows:

	<i>General Obligation</i>	<i>Energy Conservation</i>	<i>Total</i>
	<u>Bonds</u>	<u>Notes</u>	
2003	\$ 1,946,533	\$ 77,495	\$ 2,024,028
2004	1,969,408	114,001	2,083,409
2005	1,989,533	136,200	2,125,733
2006	2,020,410	137,776	2,158,186
2007	2,047,200	134,249	2,181,449
2008-2012	10,563,031	675,168	11,238,199
2013-2017	10,232,012	564,875	10,796,887
2018-2022	7,876,062	-	7,876,062
2023-2027	<u>5,625,000</u>	<u>-</u>	<u>5,625,000</u>
<i>Total</i>	<u>\$ 44,269,189</u>	<u>\$ 1,839,764</u>	<u>\$ 46,108,953</u>

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 14 - LONG TERM OBLIGATIONS (Continued)**

General obligation bonds are direct obligations of the District for which its full faith and credit are pledged for repayment. Such obligations are to be repaid from voted and unvoted general property taxes. Bonds were issued to pay for the costs of constructing, furnishing and equipping a new Junior High School and constructing additions to, renovating, remodeling, furnishing, equipping and otherwise improving Marion L. Steele High School, the existing Walter G. Nord Junior High School and other facilities and improving their sites and acquiring sites for future school purposes. Property tax monies will be received into and the debt will be repaid from the Bond Retirement debt service fund.

The Energy Conservation Notes are also direct obligations of the District for which its full faith and credit are pledged for repayment. Such obligations are to be repaid from voted and unvoted general property taxes. These notes were issued in accordance with House Bill 264, and these proceeds were used to finance HVAC upgrades and other allowable energy conservation projects throughout the District. Property tax monies will be received into and the debt will be repaid from the Bond Retirement debt service fund.

Compensated absences, employer pension obligations and early retirement incentive will be paid from the General fund. Capital lease obligation will be paid from the Permanent Improvement capital projects fund.

**NOTE 15 – SHORT TERM OBLIGATIONS**

The District's bond anticipation note activity for the fiscal year ended June 30, 2002 was as follows:

<u>Permanent Improvement Fund</u>	<i>Balance at</i> <u>July, 1</u>	<u>Additions</u>	<u>Deletions</u>	<i>Balance at</i> <u>June 30</u>
2001 Junior High, 4.25% Notes, due July 31, 2001	\$ 26,310,000	\$ -	\$ (26,310,000)	\$ -

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

**Lake Erie Regional Council of Governments (LERC)**

The Lake Erie Regional Council of Governments (LERC) is a jointly governed organization among fourteen Districts. The jointly governed organization was formed for the purpose of promoting cooperative agreements and activities among its members in dealing with problems of mutual concern such as a media center, natural gas consumption, food service and health and life insurance. Each member provides operating resources to LERC on a per-pupil or actual usage charge except for insurance.



**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

The LERC assembly consists of a superintendent or designated representative from each participating school district and the fiscal agent. LERC is governed by a Board of Directors chosen from the general membership. The degree of control exercised by any participating school district is limited to its representation on the Board. In fiscal year 2002, the District paid to LERC \$2,047,922. Financial information can be obtained by contacting the Treasurer of the Educational Service Center of Lorain County, who serves as the fiscal agent, at 1885 Lake Avenue, Elyria, Ohio 44035.

**Lake Erie Education Computer Association (LEECA)**

The Lake Erie Education Computer Association (LEECA) is a jointly governed organization among thirty school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each member district supports LEECA based upon a per pupil charge dependent upon the software package utilized. The LEECA assembly consists of a superintendent or designated representative from each participating school district and a representative from the fiscal agent. LEECA is governed by a Board of Directors chosen from the general membership of the LEECA Assembly. The Board of Directors consists of a representative from the fiscal agent, the chairman of each of the operating committees, and at least one Assembly member from each county in which participating school districts are located. The degree of control exercised by any participating school district is limited to its representation on the Board. The District paid \$28,571 in fees to LEECA during fiscal year 2002. Financial information can be obtained by contacting the Treasurer of the Educational Service Center of Lorain County, who serves as the fiscal agent, at 1885 Lake Avenue, Elyria, Ohio 44035.

**Lorain County Joint Vocational School District**

The Lorain County Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each participating school district's elected board, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. In fiscal year 2002, the District did not pay any money to Lorain County Joint Vocational School District. Financial information can be obtained by contacting the Treasurer of the Lorain County Joint Vocational School District, Rt. 20 at Rt. 58, Oberlin, Ohio 44074.

**Ohio Schools Council**

The Ohio Schools Council is a jointly governed organization among ninety one school districts. The jointly governed organization was formed for the purpose of promoting cooperative agreements and activities among its members in dealing with problems of mutual concern such as a media center, gas consumption, driver education, food service and insurance. Each member provided operating resources to Ohio Schools Council on a per pupil or actual usage charge except for insurance.

The Ohio Schools Council assembly consists of a superintendent or designated representative from each participating district and the fiscal agent. Ohio Schools Council is governed by a board of directors chosen from the general membership. The degree of control exercised by any participating district is limited to its representation on the board. Financial information can be obtained by contacting Albert G. Vasek, Executive Secretary/Treasurer, at the Ohio Schools Council located at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

The District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

**NOTE 17 - RELATED ORGANIZATION**

The Amherst Public Library is a distinct political subdivision of the State of Ohio governed by a Board of Trustees. The Board of Trustees, appointed by the Board of Education, possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and issues tax-related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Library Board of Trustees. The Library is not considered part of the District and its operations are not included within the accompanying general purpose financial statements. Financial information can be obtained by contacting the Clerk-Treasurer of the Amherst Public Library at 211 Spring Street, Amherst, Ohio 44001.

**NOTE 18 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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 year end.

**B. School Funding**

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have in its future State funding and its financial operations.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 19 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The District maintains an enterprise fund to account for the operations of food service programs. The table below reflects in a summarized format the more significant financial data relating to the enterprise fund of the District as of and for the fiscal year ended June 30.

<u>Description</u>	<u>Food Service</u>
<i>Operating revenues</i>	\$ 793,537
<i>Depreciation expense</i>	6,485
<i>Operating loss</i>	(264,550)
<i>Operating grants</i>	123,672
<i>Donated commodities</i>	69,036
<i>Operating transfers in</i>	6,200
<i>Net income (loss)</i>	(60,243)
<i>Net working capital</i>	80,645
<i>Total assets</i>	418,400
<i>Compensated absences payable</i>	90,216
<i>Current contributed capital</i>	14,944
<i>Total equity</i>	184,060
<i>Encumbrances outstanding (budget basis) at June 30, 2002</i>	\$ 16,146

**NOTE 20 - STATUTORY RESERVES**

The District is required by State statute to annually set aside monies for the purchase of textbooks and other instructional materials, and for capital improvements. The amounts set-aside may be reduced by offset credits, which are monies received and restricted for the same specific purpose. Although the District had qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may only be used to reduce the set-aside requirements of future years for the purchase of textbooks. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the other set-asides. The District was required to set aside additional monies for textbooks and other instructional materials. Amounts not spent by year-end or reduced by offset credits must be held in cash at year-end and carried forward to be used for the same purposes in future years.

Although no longer required by state statute, a budget stabilization reserve may still be set-aside at the discretion of the District.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2002

**NOTE 20 - STATUTORY RESERVES (Continued)**

During the fiscal year ended June 30, 2002, the reserve activity was as follows:

	<i>Textbook Reserve</i>	<i>Capital Maintenance Reserve</i>
<i>Set-aside Cash Balance</i>		
<i>as of June 30, 2001</i>	\$ 69,754	\$ (65,045)
<i>Current Year Set-aside Requirement</i>	456,280	456,280
<i>Current Year Offset</i>	-	-
<i>Qualifying Disbursements</i>	<u>(383,325)</u>	<u>(474,572)</u>
<i>Total</i>	<u>\$ 142,709</u>	<u>\$ (83,337)</u>
<i>Cash Balance Carried</i>		
<i>Forward to FY2003</i>	<u>\$ 142,709</u>	<u>\$ -</u>

**NOTE 21 - CONSTRUCTION COMMITMENTS**

The District had major construction projects that are commitments of the Building capital projects fund. The projects involve the construction of a new junior high school and additions to the existing high school, junior high school, and other facilities. Bonds were issued in 2001 in order to finance the construction. As of June 30, 2002, the District has spent \$13,770,561 on these projects with a remaining commitment of \$12,074,530.

**NOTE 22 – CONTRIBUTED CAPITAL**

The Food Service enterprise fund reports contributed capital for fixed assets contributed by other funds of the District. Contributed capital was first recorded by the District as of fiscal year ended June 30, 1988. Amounts contributed prior to that fiscal year are not reasonably determinable and, therefore, were included in retained earnings. During the year, there were internal transactions that resulted in additions of contributed capital in the amount of \$14,944.

**NOTE 23 FUND DEFICITS**

As of June 30, 2002, one fund had a deficit fund balance. This deficit was caused by the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur. The Student-Managed Student Activity agency fund had a \$4,619 deficit at year-end.

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY  
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2002**

<b>Federal Agency</b>		Pass-through					
Pass-through Agency		Agency Awarding			Non-Cash		Non-Cash
<u>Federal Program</u>	<u>CFDA #</u>	<u>Number</u>	<u>Receipts</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Expenditures</u>	
<b>United States Department Of Education</b>							
Passed-through Ohio Department of Education							
Special Education Cluster:							
Special Education - Grants to States	84.027	45195 6B-SF	\$ 308,974	\$ -	\$ 275,376	\$ -	
Special Education - Pre-school Grants	84.173	45195 PG-S1	<u>17,793</u>	<u>-</u>	<u>16,708</u>	<u>-</u>	
Total Special Education Cluster			326,767	-	292,084	-	
Title 1 Grants to Local Educational Agencies	84.010	45195 C1-S1	186,982	-	200,159	-	
Innovative Education Program Strategies	84.298	45195 C2-S1	20,330	-	15,995	-	
Class Size Reduction Subsidy	84.340	45195 CR-S1	51,246	-	44,731	-	
Idea Technology Grant	84.352A	45195 AT-S1	3,449	-	-	-	
Entry Year Grant	84.276	45195 G2-S3	4,369	-	-	-	
Eisenhower Professional Development State Grant	84.281	45195 MS-S1	12,286	-	8,930	-	
Safe and Drug-Free Schools and Communities-State Grants	84.186	45195 DR-S1	<u>14,735</u>	<u>-</u>	<u>13,194</u>	<u>-</u>	
<b>Total United States Department of Education</b>			<u><b>620,164</b></u>	<u><b>-</b></u>	<u><b>575,093</b></u>	<u><b>-</b></u>	
<b>United States Department Of Agriculture</b>							
Passed-through Ohio Department of Education							
Child Nutrition Cluster:							
National School Lunch Program	10.555	43547 LL-P1	10,303	-	10,303	-	
National School Lunch Program	10.555	43547 LL-P4	<u>126,711</u>	<u>-</u>	<u>126,711</u>	<u>-</u>	
Total National School Lunch Program			<u>137,014</u>	<u>-</u>	<u>137,014</u>	<u>-</u>	
Food Distribution Program	10.550	43547 04-PU	<u>-</u>	<u>70,078</u>	<u>-</u>	<u>69,036</u>	
<b>Total Nutrition Cluster/Total United States Department of Agriculture</b>			<u><b>137,014</b></u>	<u><b>70,078</b></u>	<u><b>137,014</b></u>	<u><b>69,036</b></u>	
<b>Total Federal Financial Assistance</b>			<u><b>\$ 757,178</b></u>	<u><b>\$ 70,078</b></u>	<u><b>\$ 712,107</b></u>	<u><b>\$ 69,036</b></u>	

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

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
JUNE 30, 2002**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (Schedule) includes the federal grant activity of the District and is presented on the basis of cash receipts and disbursements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

**NOTE B - NATIONAL SCHOOL LUNCH PROGRAM**

Federal receipts from the U.S. Department of Agriculture are commingled with State grants and local revenues. It is assumed that federal monies are expended first.

**NOTE C - 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. Values may change from month to month and are entirely subjective. At June 30, 2002, the District had no significant food commodities in inventory.

CFDA – Catalog of Federal Domestic Assistance



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  
Amherst Exempted Village School District  
Lorain County  
185 Forest Street  
Amherst, Ohio 44001

We have audited the financial statements of the Amherst Exempted Village School District, Lorain County, Ohio, (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 13, 2002. 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 the 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of District in a separate letter dated December 13, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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 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 December 13, 2002.

This report is intended for the information and use of management, the 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long, sweeping underline.

**Jim Petro**  
Auditor of State

December 13, 2002





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Board of Education  
Amherst Exempted Village School District  
Lorain County  
185 Forest Street  
Amherst, Ohio 44001

### **Compliance**

We have audited the compliance of the Amherst Exempted Village School District, Lorain 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 its major federal programs for the year ended June 30, 2002. 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 is 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, Amherst Exempted Village School 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, 2002.

### **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. However, we noted matters involving the internal control over compliance that do not require inclusion in this report that we have reported to management of the District in a separate letter dated December 13, 2002.

This report is intended for the information and use of 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.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

December 13, 2002

**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT  
LORAIN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505**

June 30, 2002

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster: Special Education Grants to States – CFDA# 84.027 Special Education – Preschool Grants – CFDA# 84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	\$ 300,000
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

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**AMHERST EXEMPTED VILLAGE SCHOOL DISTRICT**

**LORAIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 6, 2003**