



**AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2011



Dave Yost • Auditor of State

**AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Amanda Clearcreek Local School District
Fairfield County
328 E. Main Street
Amanda, Ohio 43102

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Amanda Clearcreek Local School District, Fairfield County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Amanda Clearcreek Local School District, Fairfield County, Ohio, as of June 30, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during 2011 the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The federal awards receipts and expenditures schedule provides additional information required by the 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 basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

January 11, 2012

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)*

The discussion and analysis of the Amanda-Clearcreek Local School District's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- ▶ The assets of Amanda-Clearcreek Local School District exceeded its liabilities at June 30, 2011 by \$28,625,427. This balance was comprised of a \$26,872,992 balance in capital assets net of related debt and net asset amounts restricted for specific purposes and a balance of \$1,752,435 in unrestricted net assets.
- ▶ In total, net assets of governmental activities decreased by \$255,853, which represents a 0.89 percent decrease from 2010.
- ▶ General revenues accounted for \$11,396,799 or 72.37 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,351,146 or 27.63 percent of total revenues of \$15,747,945.
- ▶ The District had \$16,003,798 in expenses related to governmental activities; only \$4,351,146 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes and grants and entitlements) of \$11,396,799 and net assets carried over from the prior year were used to provide for the remainder of these programs.
- ▶ The District recognizes two major governmental funds: the General and Bond Retirement Funds. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$12,740,194 in revenues and \$12,092,362 in expenditures in fiscal year 2011.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34, and are organized so the reader can understand Amanda-Clearcreek Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: the government-wide financial statements, fund financial statements and notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)*

Reporting the District as a Whole

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The statement of net assets and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets are important because they serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. The cause of this change may be the result of several factors, some financial and some not. Nonfinancial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required but unfunded educational programs, and other factors. Ultimately, the District's goal is to provide services to our students, not to generate profits as commercial entities do.

The statement of activities presents information showing how the government's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In both of the government-wide financial statements, the District activities are shown as governmental activities. All of the District's programs and services are reported here including instructional services, support services and operation of non-instructional services. These services are funded primarily by taxes, tuition and fees, and intergovernmental revenues including federal and state grants and other shared revenues.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's two major governmental funds are the General and Bond Retirement Funds.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one of three categories: governmental, proprietary and fiduciary funds.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)*

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Fund

The District's only proprietary fund is an internal service fund. Since the internal service fund operates on a break-even, cost-reimbursement basis, the District reports it as a proprietary fund using the accrual basis of accounting. The internal service fund is included with governmental activities on the government-wide financial statements.

Fiduciary Funds

The District's fiduciary funds include a private purpose trust fund and an agency fund. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. Private purpose trust funds are held in a trustee capacity for individuals, private organizations, or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)*

Government-Wide Financial Analysis

Recall that the statement of net assets provides the perspective of the District as a whole, showing assets, liabilities, and the difference between them (net assets). Table 1 provides a summary of the District's net assets for 2011 compared to fiscal year 2010:

Table 1
Net Assets

	<u>Governmental Activities</u>	
	2011	2010
<u>Assets:</u>		
Current and Other Assets	\$8,468,703	\$7,630,667
Capital Assets, Net	28,576,751	30,058,572
<i>Total Assets</i>	<u>37,045,454</u>	<u>37,689,239</u>
<u>Liabilities:</u>		
Current Liabilities	4,819,403	4,735,752
Long-Term Liabilities	3,600,624	4,072,207
<i>Total Liabilities</i>	<u>8,420,027</u>	<u>8,807,959</u>
<u>Net Assets:</u>		
Invested in Capital Assets, Net of Related Debt	25,633,108	26,859,976
Restricted	1,239,884	1,273,541
Unrestricted	1,752,435	747,763
<i>Total Net Assets</i>	<u>\$28,625,427</u>	<u>\$28,881,280</u>

Current and other assets increased \$838,036 from fiscal year 2010 due to an increase in cash and cash equivalents held by the District.

Capital assets decreased \$1,481,821, which is due to depreciation that exceeded capital asset additions.

Current (other) liabilities increased \$83,651 or 1.77 percent, primarily due to an increase in deferred revenue related to property taxes receivable.

Long-term liabilities decreased by \$471,583 due to schedule debt payments made by the District.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)*

The District's largest portion of net assets is related to amounts invested in capital assets, net of related debt. The District used these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

The District's smallest portion of net assets is restricted assets. The restricted net assets are subject to external restrictions on how they may be used.

The remaining balance of \$1,752,435 is unrestricted. These net assets represent resources that may be used to meet the District's ongoing obligations to its students and creditors.

Table 2 shows the changes in net assets for fiscal year 2011 and provides a comparison to fiscal year 2010.

**Table 2
Changes in Net Assets**

	Governmental Activities 2011	Governmental Activities 2010
	<u>2011</u>	<u>2010</u>
<i>Revenues:</i>		
<i>Program Revenues:</i>		
Charges for Services and Sales	\$1,450,447	\$1,219,303
Operating Grants and Contributions	2,894,699	2,689,150
Capital Grants and Contributions	6,000	0
<i>General Revenues:</i>		
Property Taxes	2,898,969	2,922,696
Unrestricted Grants and Entitlements	8,336,121	8,574,302
Investment Earnings	24,439	35,083
Gain on Sale of Capital Assets	23,309	0
Miscellaneous	<u>113,961</u>	<u>475,046</u>
<i>Total Revenues</i>	<u>15,747,945</u>	<u>15,915,580</u>

(Continued)

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)*

Table 2
Changes in Net Assets

	<u>2011</u>	<u>2010</u>
<u>Expenses:</u>		
<i>Program Expenses:</i>		
<i>Instruction:</i>		
Regular	6,901,013	7,453,882
Special	2,201,530	2,015,445
Vocational	448,389	478,691
Student Intervention Services	175,859	130,932
Other	42,471	20,561
<i>Support Services:</i>		
Pupils	588,570	546,690
Instructional Staff	425,612	382,931
Board of Education	72,429	48,821
Administration	912,518	1,080,596
Fiscal	347,688	342,393
Business	33,946	35,752
Operation and Maintenance of Plant	1,418,070	1,459,669
Pupil Transportation	1,224,080	1,096,870
Central	20,512	17,186
<i>Operation of Non-Instructional Services:</i>		
Food Service	738,155	781,957
Extracurricular Activities	310,462	393,684
Interest and Fiscal Charges	142,494	153,868
<i>Total Expenses</i>	<u>16,003,798</u>	<u>16,439,928</u>
<i>Change in Net Assets</i>	(255,853)	(524,348)
Net Assets – Beginning of Year	<u>28,881,280</u>	<u>29,405,628</u>
Net Assets – End of Year	<u><u>\$28,625,427</u></u>	<u><u>\$28,881,280</u></u>

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)*

The most significant program expenses for the District are Regular Instruction, Special Instruction, Operation and Maintenance of Plant, Pupil Transportation, and Administration. These programs account for 79.09 percent of the total governmental activities. Regular Instruction, which accounts for 43.12 percent of the total, represents costs associated with providing general educational services. Special Instruction, which represents 13.76 percent of the total, represents costs associated with providing educational services for handicapped, disadvantaged and other special needs students. Operation and Maintenance of Plant, which represents 8.86 percent of the total, represents costs associated with operating and maintaining the District's facilities. Pupil Transportation, which represents 7.65 percent of the total, represents costs associated with providing transportation services for students between home and school and to school activities. Administration, which represents 5.70 percent of the total, represents costs associated with the overall administrative responsibility for each building and the District as a whole.

The majority of the funding for the most significant programs indicated above is from property taxes, operating grants, and grants and entitlements not restricted for specific programs. Property taxes, operating grants and grants and entitlements not restricted for specific programs accounts for 89.72 percent of total revenues for governmental activities.

Revenues decreased \$167,635 or 1.05 percent from the prior year, which is mostly due to the \$361,085 decrease in miscellaneous revenue.

The District's expenses decreased \$436,130 or 2.65 percent, which is mostly due to the \$552,869 decrease in Regular Instruction.

Governmental Activities

Over the past several fiscal years, the District has remained in stable financial condition. This has been accomplished through strong voter support and good fiscal management. The District is heavily dependent on property taxes and intergovernmental revenue and, like most Ohio schools, is hampered by a lack of revenue growth. Property taxes made up 18.41 percent and intergovernmental revenue made up 71.35 percent of the total revenue for the governmental activities in fiscal year 2011.

The Ohio Legislature passed H.B. 920 (1976) and changed the way property taxes function in the State. The overall revenue generated by a levy will not increase solely as a result of inflation. As an example, the District would receive from a home valued at \$100,000 and taxed at 1.0 mill, \$35.00 annually. If three years later the home were reappraised and the value increased to \$200,000 (and this increase in value is comparable to other property owners) the effective tax rate would become 0.5 mill and the District would still receive \$35.00 annually. Therefore, the District must regularly return to the voters to maintain a constant level of service.

The District's intergovernmental revenue consists of school foundation basic allowance, homestead and rollback property tax allocation, and federal and state grants. During fiscal year 2011, the District received \$8,705,564 through the State's foundation program, which represents 55.28 percent of the total revenue for the governmental activities. The District relies heavily on this state funding to operate at the current levels of service.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)*

Instruction accounts for 61.04 percent of governmental activity program expenses. Support services expenses make up 31.51 percent of governmental activities program expenses. The statement of activities shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2011 compared with fiscal year 2010. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Net Cost of Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2011	2011	2010	2010
<i>Program Expenses:</i>				
Instruction	\$9,769,262	6,778,697	\$10,099,511	7,380,959
Support Services	5,043,425	4,656,195	5,010,908	4,762,869
Operation of Non-Instructional Services	738,155	36,387	781,957	(7,748)
Extracurricular Activities	310,462	38,879	393,684	241,527
Interest and Fiscal Charges	142,494	142,494	153,868	153,868
Total Expenses	<u>\$16,003,798</u>	<u>\$11,652,652</u>	<u>\$16,439,928</u>	<u>\$12,531,475</u>

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. (See Note 2 for discussion of significant accounting policies and procedures). All governmental funds had total revenues and other financing sources of \$15,716,546 and expenditures and of \$15,146,356.

Total governmental funds fund balance increased by \$570,190. The increase in fund balance for the year was most significant in the General Fund, which had an increase of \$672,806, due to a reduction in expenditures.

The District should remain stable in fiscal years 2012 and 2013. However, projections beyond fiscal year 2013 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies or a meaningful change in state funding of public schools as directed by the Ohio Supreme Court.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)*

Budget Highlights - General Fund

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

During the course of fiscal year 2011, the District amended its General Fund budget several times. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors' flexibility for site management.

The District prepares and monitors a detailed cashflow plan for the General Fund. Actual cashflow is compared to monthly and year-to-date estimates, and a monthly report is prepared for top management and the Board of Education.

For the General Fund, the final budget basis revenue was \$12,291,100 representing a \$712,436 decrease from the original budget estimates of \$13,003,536. For the General Fund, the final budget basis expenditures were \$12,985,653 representing a \$303,753 increase from the original budget estimates of \$12,681,900. The final budget basis expenditures reflect a 2.40 percent increase from the original budgeted amount. Actual budgetary expenditures plus encumbrances were \$705,678 less than the final budgeted amount.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2011 the District had \$40.5 million invested in capital assets, of which all was in governmental activities. That total carries an accumulated depreciation of \$11.9 million. Table 4 shows fiscal year 2011 balances compared to fiscal year 2010.

Table 4
Capital Assets & Accumulated Depreciation at Year End

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
<i>Nondepreciable Capital Assets:</i>		
Land	\$292,457	\$306,573
 <i>Depreciable Capital Assets:</i>		
Land Improvements	2,707,262	2,707,262
Buildings and Improvements	34,173,676	34,173,676
Furniture, Fixtures and Equipment	1,057,815	1,044,835
Vehicles	1,401,157	1,499,799
Textbooks	887,213	887,213
Total Capital Assets	40,519,580	40,619,358
 <i>Less Accumulated Depreciation:</i>		
Land Improvements	1,104,524	977,230
Buildings and Improvements	8,311,514	7,242,152
Furniture, Fixtures and Equipment	585,671	485,807
Vehicles	1,121,687	1,115,508
Textbooks	819,433	740,089
Total Accumulated Depreciation	11,942,829	10,560,786
Capital Assets, Net	28,576,751	30,058,572

More detailed information pertaining to the District's capital asset activity can be found in the notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)*

Debt Administration

At June 30, 2011, the District had \$2,943,642 in long-term debt outstanding with \$266,921 due within one year. Table 5 summarizes the long-term debt outstanding for fiscal year 2011 compared to fiscal year 2010.

Table 5
Outstanding Debt, Governmental Activities at Year End

<u>Purpose</u>	<u>2011</u>	<u>2010</u>
School Construction Bonds	\$780,000	\$950,000
Refunding Bonds	2,084,998	2,119,998
Capital Leases	78,644	128,597
Total General Obligation Debt	<u>\$2,943,642</u>	<u>\$3,198,595</u>

More detailed information pertaining to the District's long-term debt activity can be found in the notes to the basic financial statements.

Current Issues

Although considered a low-wealth district, Amanda-Clearcreek Local School District is seeing a declining financial status due in part to declining enrollment over the past two years and the state's declining economy. As indicated in the preceding financial information, the District is dependent on property taxes. Property tax revenue does not increase solely as a result of inflation. There has been minimal increases in the state funding in recent years and planned decreases in future years. Therefore, in the long-term, the current program and staffing levels will be dependent on increased funding to meet inflation. Careful financial planning has permitted the District to provide a quality education for our students. The District passed a 1.5% earned income tax to eliminate the need for significant reductions in personnel and educational services.

The Ohio Supreme Court issued its fourth split decision regarding the State's school funding plan. The majority opinion identified aspects of the current plan that require modification if the plan is to be considered constitutional. However, the Court has in effect decided that they have, barring another lawsuit, completed their responsibility in the case. Ending the high court's involvement has left Ohio with a school funding system that has been determined to be unconstitutional but failed to provide the framework to fix it. At this time there can be no reasonable estimate of the impact on school funding.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)*

The State Legislature has also made several significant changes impacting local taxes:

In 2003, the Ohio Legislature modified the provisions of the 1999 HB283. This bill was designed to reduce the assessed valuation of the inventory component of personal property tax from 25 percent to 0 percent by 2041. The modification speeds up the reduction of assessed valuation to be completed in half the original time.

Effective May 1, 2001 a kilowatt hour (KWH) tax began being collected. 37.8 percent of these new dollars would be deposited in a new Property Tax Replacement Fund (PTRF). 70 percent of the PTRF will be paid to school districts that lost revenue as determined by the Ohio Department of Taxation. First, distribution will be made to cover costs of fixed sum levies such as debt issues and emergency levies. Next, fixed rate levies would be replaced through 2007; after this a phase out formula would begin.

The Amanda-Clearcreek Local School District does not anticipate any meaningful growth or loss in revenue as a result of these changes. Based on these factors, the Board of Education and the administration of the District must maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the District.

Residential growth has not been a major factor in the District over the past few years. Residential/agricultural property contributes over 96 percent of the District's real estate valuation.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it received. If you have any questions about this report or need additional information contact Mary Meadows, Treasurer of Amanda-Clearcreek Local School Board of Education, 328 East Main Street, Amanda, Ohio 43102.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Net Assets

June 30, 2011

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$3,803,413
Cash and Cash Equivalents with Fiscal Agent	773,190
Property Taxes Receivable	3,398,911
Intergovernmental Receivable	21,446
Accrued Interest Receivable	10,282
Inventory Held for Resale	15,375
<u>Restricted Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	155,652
Deferred Charges	290,434
Nondepreciable Capital Assets	292,457
Depreciable Capital Assets, Net	<u>28,284,294</u>
<i>Total Assets</i>	<u>37,045,454</u>
<u>Liabilities:</u>	
Accounts Payable	49,780
Accrued Wages and Benefits	1,330,018
Intergovernmental Payable	351,556
Accrued Interest Payable	9,962
Deferred Revenue	2,688,412
Claims Payable	248,542
Matured Compensated Absences Payable	141,133
<u>Long-Term Liabilities:</u>	
Due within One Year	304,593
Due in More Than One Year	<u>3,296,031</u>
<i>Total Liabilities</i>	<u>8,420,027</u>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	25,633,108
<u>Restricted for:</u>	
Capital Outlay	343,805
Debt Service	560,506
Other Purposes	335,573
Unrestricted	<u>1,752,435</u>
<i>Total Net Assets</i>	<u><u>\$28,625,427</u></u>

See accompanying notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2011

	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions		Capital Grants and Contributions
<u>Governmental Activities:</u>					
<i>Instruction:</i>					
Regular	\$6,901,013	\$770,204	\$698,064	\$0	(\$5,432,745)
Special	2,201,530	0	1,285,013	0	(916,517)
Vocational	448,389	0	151,938	0	(296,451)
Student Intervention Services	175,859	0	85,346	0	(90,513)
Other	42,471	0	0	0	(42,471)
<i>Support Services:</i>					
Pupils	588,570	0	0	0	(588,570)
Instructional Staff	425,612	0	61,337	0	(364,275)
Board of Education	72,429	0	0	0	(72,429)
Administration	912,518	5,200	0	0	(907,318)
Fiscal	347,688	0	0	0	(347,688)
Business	33,946	0	0	0	(33,946)
Operation and Maintenance of Plant	1,418,070	0	240,759	6,000	(1,171,311)
Pupil Transportation	1,224,080	0	64,834	0	(1,159,246)
Central	20,512	0	9,100	0	(11,412)
<i>Operation of Non-Instructional Services:</i>					
Food Service	738,155	403,460	298,308	0	(36,387)
Extracurricular Activities	310,462	271,583	0	0	(38,879)
Interest and Fiscal Charges	142,494	0	0	0	(142,494)
Total Governmental Activities	\$16,003,798	\$1,450,447	\$2,894,699	\$6,000	(11,652,652)

General Revenues:

Property Taxes Levied for:

General Purposes	2,566,244
Debt Service	289,218
Capital Outlay	43,507
Grants and Entitlements not Restricted to Specific Programs	8,336,121
Investment Earnings	24,439
Gain on Sale of Capital Assets	23,309
Miscellaneous	113,961

Total General Revenues

11,396,799

Change in Net Assets

(255,853)

Net Assets at Beginning of Year

28,881,280

Net Assets at End of Year

\$28,625,427

See accompanying notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Balance Sheet
Governmental Funds
June 30, 2011*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,914,410	\$523,651	\$957,799	\$3,395,860
Property Taxes Receivable	3,006,255	342,510	50,146	3,398,911
Intergovernmental Receivable	0	0	21,446	21,446
Accrued Interest Receivable	10,282	0	0	10,282
Interfund Receivable	5,106	0	0	5,106
Inventory Held for Resale	0	0	15,375	15,375
<i>Restricted Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	155,652	0	0	155,652
<i>Total Assets</i>	<u>\$5,091,705</u>	<u>\$866,161</u>	<u>\$1,044,766</u>	<u>\$7,002,632</u>
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$32,551	\$0	\$17,229	\$49,780
Accrued Wages and Benefits	1,199,287	0	130,731	1,330,018
Intergovernmental Payable	317,437	0	34,119	351,556
Interfund Payable	0	0	5,106	5,106
Deferred Revenue	2,784,877	318,559	46,323	3,149,759
Matured Compensated Absences Payable	131,677	0	9,456	141,133
<i>Total Liabilities</i>	<u>4,465,829</u>	<u>318,559</u>	<u>242,964</u>	<u>5,027,352</u>
<u>Fund Balances:</u>				
Restricted	155,652	547,602	836,697	1,539,951
Assigned	127,890	0	0	127,890
Unassigned	342,334	0	(34,895)	307,439
<i>Total Fund Balances</i>	<u>625,876</u>	<u>547,602</u>	<u>801,802</u>	<u>1,975,280</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,091,705</u>	<u>\$866,161</u>	<u>\$1,044,766</u>	<u>\$7,002,632</u>

See accompanying notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2011*

Total Governmental Funds Balances \$1,975,280

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

Capital assets used in governmental activities are not financial resources and
 therefore are not reported in the funds. 28,576,751

Some of the District's receivables will be collected after fiscal year-end, however are
 not available soon enough to pay for the current period's expenditures and
 therefore are deferred in the funds. These receivables consist of:
 Property taxes 461,347

Unamortized issuance costs represent deferred charges which do not provide current
 financial resources and are therefore not reported in the funds. 290,434

Some liabilities are not due and payable in the current period and therefore are
 not reported in the funds. These liabilities consist of:

General obligation bonds	(780,000)
Refunding bonds	(2,084,998)
Premium on refunding bonds	(290,435)
Accrued interest on bonds	(9,962)
Capital leases	(78,644)
Compensated absences	<u>(366,547)</u>

Total liabilities not reported in funds (3,610,586)

An internal service fund is used by management to charge the costs of insurance to individual
 funds. The assets and liabilities of the internal service fund are included in governmental
 activities in the statement of net assets. 736,157

Net Assets of Governmental Activities \$28,429,383

See accompanying notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$2,523,738	\$286,795	\$42,921	\$2,853,454
Intergovernmental	9,142,479	48,115	2,040,226	11,230,820
Interest	24,003	0	436	24,439
Tuition and Fees	757,831	0	0	757,831
Gifts and Donations	0	0	6,000	6,000
Rent	769	0	0	769
Extracurricular Activities	181,528	0	107,628	289,156
Charges for Services	0	0	403,460	403,460
Miscellaneous	109,846	0	3,346	113,192
<i>Total Revenues</i>	<u>12,740,194</u>	<u>334,910</u>	<u>2,604,017</u>	<u>15,679,121</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	5,125,673	0	719,929	5,845,602
Special	1,561,390	0	661,225	2,222,615
Vocational	467,614	0	0	467,614
Student Intervention Services	97,903	0	77,956	175,859
Other	45,366	0	0	45,366
<i>Support Services:</i>				
Pupils	582,227	0	2,643	584,870
Instructional Staff	342,715	0	56,497	399,212
Board of Education	55,556	0	0	55,556
Administration	932,868	0	3,157	936,025
Fiscal	366,546	0	0	366,546
Business	33,946	0	0	33,946
Operation and Maintenance of Plant	1,119,772	0	335,031	1,454,803
Pupil Transportation	1,099,584	0	2,712	1,102,296
Central	8,956	0	9,360	18,316
Operation of Non-Instructional Services	0	0	741,816	741,816
Extracurricular Activities	194,490	0	98,224	292,714
Capital Outlay	3,706	0	1,200	4,906
<i>Debt Service:</i>				
Principal Retirement	49,953	205,000	0	254,953
Interest	4,097	139,244	0	143,341
<i>Total Expenditures</i>	<u>12,092,362</u>	<u>344,244</u>	<u>2,709,750</u>	<u>15,146,356</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>647,832</u>	<u>(9,334)</u>	<u>(105,733)</u>	<u>532,765</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds from the Sale of Capital Assets	1,425	0	36,000	37,425
<i>Total Other Financing Sources (Uses)</i>	<u>1,425</u>	<u>0</u>	<u>36,000</u>	<u>37,425</u>
<i>Net Change in Fund Balances</i>	649,257	(9,334)	(69,733)	570,190
<i>Fund Balances at Beginning of Year, As Restated (See Note 3)</i>	<u>(23,381)</u>	<u>556,936</u>	<u>871,535</u>	<u>1,405,090</u>
<i>Fund Balances at End of Year</i>	<u><u>\$625,876</u></u>	<u><u>\$547,602</u></u>	<u><u>\$801,802</u></u>	<u><u>\$1,975,280</u></u>

See accompanying notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2011*

Net Change in Fund Balances - Total Governmental Funds \$570,190

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (1,467,705)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (14,116)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These revenues consist of:
Property taxes 45,515

Repayment of bond principal and capital leases are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 254,953

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 847

Bond issuance costs are reported as expenditures in the governmental funds when due, but in the statement of activities these costs are accrued as deferred charges. (24,203)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Compensated absences	192,427	
Premium on bonds issued	24,203	
Total expenditures not reported in the funds	216,630	216,630

The internal service fund used by management to charge the cost of insurance to individual funds is not reported in the government-wide statement of activities. Governmental expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among activities. 162,036

Change in Net Assets of Governmental Activities (\$255,853)

See accompanying notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund*

For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Property Taxes	\$2,612,036	\$2,505,212	\$2,622,551	\$117,339
Intergovernmental	9,455,000	8,778,093	9,189,240	411,147
Interest	35,000	21,845	22,867	1,022
Tuition and Fees	612,500	723,924	757,831	33,907
Extracurricular Activities	208,000	156,276	163,596	7,320
Rent	1,000	735	769	34
Miscellaneous	80,000	105,015	109,934	4,919
<i>Total Revenues</i>	<u>13,003,536</u>	<u>12,291,100</u>	<u>12,866,788</u>	<u>575,688</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	5,359,372	5,487,401	5,189,200	298,201
Special	1,612,142	1,650,892	1,561,178	89,714
Vocational	500,366	512,393	484,548	27,845
Student Intervention Services	114,802	117,562	111,173	6,389
Other	32,898	33,689	31,858	1,831
<i>Support Services:</i>				
Pupils	602,501	616,982	583,454	33,528
Instructional Staff	369,210	378,084	357,538	20,546
Board of Education	64,210	65,752	62,179	3,573
Administration	1,018,201	1,042,416	985,768	56,648
Fiscal	373,876	382,863	362,057	20,806
Business	36,920	37,811	35,756	2,055
Operation and Maintenance of Plant	1,212,857	1,242,009	1,174,515	67,494
Pupil Transportation	1,175,965	1,204,229	1,138,788	65,441
Central	3,705	3,794	3,588	206
Extracurricular Activities	201,145	205,956	194,764	11,192
Capital Outlay	3,730	3,820	3,611	209
<i>Total Expenditures</i>	<u>12,681,900</u>	<u>12,985,653</u>	<u>12,279,975</u>	<u>705,678</u>
<u>Other Financing Sources:</u>				
Proceeds from the Sale of Capital Assets	0	1,500	1,425	(75)
<i>Total Other Financing Sources</i>	<u>0</u>	<u>1,500</u>	<u>1,425</u>	<u>(75)</u>
Net Changes in Fund Balances	321,636	(693,053)	588,238	1,281,291
<i>Fund Balance at Beginning of Year</i>	1,258,784	1,258,784	1,258,784	0
Prior Year Encumbrances Appropriated	99,716	99,716	99,716	0
<i>Fund Balance at End of Year</i>	<u>\$1,680,136</u>	<u>\$665,447</u>	<u>\$1,946,738</u>	<u>\$1,281,291</u>

See accompanying notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Net Assets

Proprietary Fund

June 30, 2011

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Assets:</u>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$407,553
Cash and Cash Equivalents with Fiscal Agent	<u>773,190</u>
<i>Total Assets</i>	<u>1,180,743</u>
<u>Liabilities:</u>	
<i>Current Liabilities:</i>	
Claims Payable	<u>248,542</u>
<i>Total Current Liabilities</i>	<u>248,542</u>
<u>Net Assets:</u>	
Unrestricted	<u><u>\$932,201</u></u>

See accompanying notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Statement of Revenues,
Expenses and Change in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2011*

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Operating Revenues:</u>	
Charges for Services	<u>\$1,762,272</u>
<u>Operating Expenses:</u>	
Purchased Services	89,843
Claims	1,410,394
Other	<u>99,999</u>
<i>Total Operating Expenses</i>	<u>1,600,236</u>
<i>Change in Net Assets</i>	162,036
<i>Net Assets at Beginning of Year</i>	<u>770,165</u>
<i>Net Assets at End of Year</i>	<u><u>\$932,201</u></u>

See accompanying notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Cash Flows

Proprietary Fund

For the Fiscal Year Ended June 30, 2011

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Services Provided	\$1,762,272
Cash Payments for Goods and Services	(89,843)
Cash Payments for Claims	(1,454,763)
Other Cash Payments	<u>(99,999)</u>
<i>Net Increase in Cash and Cash Equivalents</i>	117,667
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>1,063,076</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$1,180,743</u></u>
<u>Reconciliation of Operating Income to Net Cash from Operating Activities:</u>	
Operating Income	\$162,036
<u>Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:</u>	
<i>Increase in Liabilities:</i>	
Claims Payable	<u>(44,369)</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$117,667</u></u>

See accompanying notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2011

	<u>Private Purpose Trust</u>	<u>Agency</u>
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	<u>\$18,190</u>	<u>\$129,743</u>
<u>Liabilities:</u>		
Intergovernmental Payable	0	\$32,697
Due to Students	<u>0</u>	<u>97,046</u>
<i>Total Liabilities</i>	<u>0</u>	<u>\$129,743</u>
<u>Net Assets:</u>		
Held in Trust For Scholarships	<u>\$18,190</u>	

See accompanying notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Change in Fiduciary Net Assets

Fiduciary Fund

For the Fiscal Year Ended June 30, 2011

	<u>Private Purpose Trust</u>
<i>Additions:</i>	
Gifts and Donations	\$12,446
<i>Deductions:</i>	
Payments in Accordance with Trust	<u>18,402</u>
<i>Change in Net Assets</i>	(5,956)
<i>Net Assets at Beginning of Year</i>	<u>24,146</u>
<i>Net Assets at End of Year</i>	<u><u>\$18,190</u></u>

See accompanying notes to the basic financial statements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Description of the School District

Amanda-Clearcreek Local School District (the District) is a body politic and corporate organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District is a local school district as defined by Ohio Revised Code Section 3311.03. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by state statute and/or federal guidelines.

The District was established through the consolidation of existing land areas and school districts. It is staffed by 98 non-certificated employees, 183 certificated full-time teaching personnel and 7 administrative employees who provide services to 1,739 students.

Reporting Entity

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; 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 has no component units.

The District is associated with two jointly governed organizations: the Metropolitan Education Council (MEC) and the South Central Ohio Insurance Consortium (SCOIC). The District is also associated with one insurance purchasing pool: Ohio School Plan (OSP). These organizations are presented in Notes 18 and 19 to the basic financial statements.

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 body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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

A. Basis of Presentation

The District's basic financial statement consists of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

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

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with self-balancing set of accounts. The funds of the District fall within three categories: governmental, proprietary and fiduciary.

Governmental Funds

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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

The following are the District's major governmental funds:

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

Bond Retirement Fund- This fund is used to account for financial resources accumulated for the payment of general long-term debt principal, interest and related costs.

The other governmental funds of the District account for grants and other resources of the District whose use is restricted to a particular purpose.

Proprietary Fund

The proprietary fund focus is on the determination of the change in net assets, financial position and cash flows and is classified as internal service. The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides health and dental benefits to employees.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's fiduciary funds include a private purpose trust fund that accounts for a trust held for scholarships and an agency fund which is used to account for student managed activities.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the financial statements of the fiduciary fund are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). 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 year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at the fiscal year-end: property taxes available for advance, accounts and grants.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

E. Cash and Cash Equivalents

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2011 amounted to \$23,303, which includes \$12,160 assigned from other District funds.

F. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used, consumed or sold.

On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption, and purchased food and donated food held for resale. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed, used or sold.

G. Capital Assets

General capital assets are associated with and generally arise from governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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

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

Description	Estimated Lives
Land Improvements	50 years
Buildings and Improvements	20 - 50 years
Furniture, Fixtures and Equipment	5 - 10 years
Vehicles	10 years
Textbooks	10 years

H. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable” and “Interfund Payable”. These amounts are eliminated in the governmental activities column of the statement of net assets.

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee’s rights to receive compensation are attributed 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. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payments in the future. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the District’s termination policy. The District records a liability for accumulated unused sick leave for classified and certified employees and administrators who have at least 10 years of service with the District.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees will be paid.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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

J. Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities and long-term liabilities are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination of benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Long-term bonds and capital leases are recognized as a liability on the fund financial statements when due.

K. Net Assets

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

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

L. Fund Balances

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent because they are either not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because either (a) constraints imposed by law through constitutional provisions, charter requirements or enabling legislation; or (b) constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal ordinances or resolutions of the Board of Education – the District’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action as when imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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

Assigned – amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Education, Superintendent and Treasurer have the authority to assign amount to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned – this is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

M. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the self-insurance service that is the primary activity of that fund.

N. Interfund Transactions

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

O. Estimates

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

P. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Any revisions that alter the total of any fund appropriations must be approved by the Board of Education.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2011.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES

Changes in Accounting Principles

For fiscal year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of certain funds and restatement of the School District's financial statements.

GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments and external investment pools. The implementation of this statement did not result in any change in the School District's financial statements.

Restatement of Prior Year's Fund Balances

During 2011, it was determined that the implementation of GASB Statement No. 54 had the following effect on fund balance of the major and nonmajor funds as they were previously reported.

	<u>General</u>	<u>Nonmajor Governmental Fund</u>
Fund Balances, June 30, 2010	(\$39,204)	\$887,358
GASB 54 Change in Fund Structure	<u>15,823</u>	<u>(15,823)</u>
Adjusted Fund Balances, June 30, 2010	<u>(\$23,381)</u>	<u>\$871,535</u>

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 4 - ACCOUNTABILITY

The following funds had deficit fund balance as of June 30, 2011:

	<u>Deficit Fund Balance</u>
Education Jobs Grant	\$19,739
IDEA Part B	700
Technology Grant	222
Title I	3,470
Improving Teacher Quality Grant	10,764

The deficits in these funds are the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. These deficits do not exist on the cash basis.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described earlier is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and modified accrual GAAP basis are that:

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 (budget basis) rather than as a reservation of fund balance.
4. Advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

<u>Net Change in Fund Balance</u>	
Budget Basis	\$611,787
<i>Adjustments:</i>	
Revenue Accruals	(126,594)
Expenditure Accruals	74,122
Encumbrances	<u>113,491</u>
GAAP Basis	<u><u>\$672,806</u></u>

NOTE 6 - DEPOSITS

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

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

Inactive deposits are public deposits that the Board has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must be either 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 moneys. Interim moneys are those moneys which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts including passbook accounts.

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 6 - DEPOSITS - (Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to fair value daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section, 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 (STAROhio);
7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim monies available for investment at any time; and
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 are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and GASB Statement No. 40, "Deposit and Investment Risk Disclosures."

Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 6 - DEPOSITS - (Continued)

At June 30, 2011, the carrying amount of all District deposits was \$4,107,014, which excludes \$577,146 cash with fiscal agent. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of June 30, 2011, \$3,681,615 of the District's bank balance of \$4,251,966 was exposed to custodial risk as discussed above while \$570,351 was covered by Federal Deposit Insurance. The \$3,681,615 exposed to custodial risk was collateralized with securities held by the District or its agency in the District's name.

NOTE 7 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half of tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in 2011 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property tax) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2009 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009 on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The District receives property taxes from Fairfield 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, 2011 are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 7 - PROPERTY TAXES- (Continued)

Accrued property taxes receivable represents the June 2011 personal property tax settlement, delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which become measurable as of June 30, 2011. 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 fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The total amount available as an advance at June 30, 2011 was \$229,667 and is recognized as revenue. Of this total amount, \$202,871 was available to the General Fund, \$23,326 was available to the Bond Retirement Fund, and \$3,470 was available to the Classroom Facilities Maintenance Nonmajor Special Revenue Fund.

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2010 Second- Half Collections		2011 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$141,006,130	96.90%	\$145,575,720	96.86%
Public Utility Personal	4,514,000	3.10%	4,719,520	3.14%
Total Assessed Value	<u>\$145,520,130</u>	<u>100.00%</u>	<u>\$150,295,240</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$37.80		\$37.80	

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 8 - CAPITAL ASSETS

Capital asset governmental activity for the fiscal year ended June 30, 2011 was as follows:

<u>Asset Category</u>	<u>Balance at July 1, 2010</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2011</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$306,573	\$0	(\$14,116)	\$292,457
<i>Depreciable Capital Assets:</i>				
Land Improvements	2,707,262	0	0	2,707,262
Buildings and Improvements	34,173,676	0	0	34,173,676
Furniture, Fixtures and Equipment	1,044,835	12,980	0	1,057,815
Vehicles	1,499,799	0	(98,642)	1,401,157
Textbooks	887,213	0	0	887,213
Total Depreciable Capital Assets	40,312,785	12,980	(98,642)	40,227,123
Total Capital Assets	40,619,358	12,980	(112,758)	40,519,580
<i>Accumulated Depreciation:</i>				
Land Improvements	(977,230)	(127,294)	0	(1,104,524)
Buildings and Improvements	(7,242,152)	(1,069,362)	0	(8,311,514)
Furniture, Fixtures and Equipment	(485,807)	(99,864)	0	(585,671)
Vehicles	(1,115,508)	(104,821)	98,642	(1,121,687)
Textbooks	(740,089)	(79,344)	0	(819,433)
Total Accumulated Depreciation	(10,560,786)	(1,480,685)	98,642	(11,942,829)
Total Net Capital Assets	<u>\$30,058,572</u>	<u>(\$1,467,705)</u>	<u>(\$14,116)</u>	<u>\$28,576,751</u>

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$1,284,568
Special	3,050
Vocational	608
<i>Support Services:</i>	
Pupils	6,100
Instructional Staff	20,068
Operation and Maintenance of Plant	9,520
Administration	3,920
Pupil Transportation	118,493
Central	2,196
Operation of Non-Instructional Services	10,728
Extracurricular Activities	21,434
	<hr/>
Total Depreciation Expense	<u><u>\$1,480,685</u></u>

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 9 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District has joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 19).

The types and amounts of coverage provided by the Ohio School Plan are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$64,832,871
Automobile Liability (\$1,000 deductible):	
Bodily Injury and Property Damage-combined single limit	2,000,000
Medical Payments - each person	5,000
General Liability:	
Each Occurrence	3,000,000
Aggregate Limit	5,000,000
Product-Complete Operations Aggregate Limit	3,000,000
Fire Legal Liability	500,000
Medical Expense Limit-per person/accident	10,000
Employers Liability-Stop Gap:	
Per Accident	3,000,000
Per Disease Each Employee	3,000,000
Per Disease Policy Limit	3,000,000
Employee Benefits Liability:	
Per Claim	3,000,000
Aggregate Limit	5,000,000
Excess Liability	
Each Occurrence	2,000,000
Aggregate Limit	2,000,000

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 9 - RISK MANAGEMENT - (Continued)

The School District joined four other school districts January 1, 1996, to form a regional council of governments in accordance with Ohio Revised Code Chapter 167 and entered into an agreement establishing the South Central Ohio Insurance Consortium for the purpose of carrying out a joint self-insurance program pursuant to Section 9.833 of the Ohio Revised Code, in an effort to minimize risk exposure and control claims and premium costs. SCOIC contracts with Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) for claims servicing. EBMC is the third party administrator for the consortium, with Safeco Life Insurance Company as the excess loss carrier. The individual excess loss coverage is \$35,000 individual deductible per person with a \$3,000,000 maximum lifetime reimbursement per person.

The South Central Ohio Insurance Consortium was established to accumulate balances sufficient to self-insure basic medical and prescription drug coverage and permit excess umbrella coverage for claims over a predetermined level. The Board's share and the employee's share of premium contributions are determined by the negotiated agreement for certificated employees and by the Board action for administrators and classified employees.

Premiums are paid to the South Central Ohio Insurance Consortium Fund and the Self Insurance Fund of the School District from the internal service fund. Claims payments are made on an as-incurred basis by the third party administrator with the balance of contributions remaining with the Fiscal Agent of the consortium.

The District is self insured for medical and pharmacy benefits but is not self insured for dental benefits. The risk for medical and pharmacy benefits remains with the member districts. The claims payable will be reported for medical and pharmacy claims as of June 30, 2011, and cash with fiscal agent for the balance of funds held by the Consortium that covers medical and pharmacy claims will be reported.

The claims liability reported at June 30, 2011, is based on an estimate provided by the third party administrator and the requirements of Government Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2010	\$281,762	\$1,148,631	\$1,137,482	\$292,911
2011	292,911	1,606,438	1,650,807	248,542

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 10 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

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

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2011, 11.81 percent of the annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended (by the SERS Retirement Board), up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$255,833, \$233,057, and \$264,788, respectively; 55.01 percent has been contributed for fiscal year 2011 and 100 percent for the fiscal years 2010 and 2009. \$140,743 representing the unpaid contribution for fiscal year 2011, is recorded as a liability in the statement of net assets.

State Teachers Retirement System

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

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

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

For fiscal year end June 30, 2011, plan members were required to contribute 10 percent of their annual covered salaries. The District is required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for members and employer. The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$768,779, \$728,106, and \$902,060, respectively; 84.52 percent has been contributed for fiscal year 2011 and 100 percent for the fiscal years 2010 and 2009. \$118,982 representing the unpaid contribution for fiscal year 2011, is recorded as a liability in the statement of net assets.

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 choose Social Security or the School Retirement System. As of June 30, 2011, four members of the Board of Education have elected to pay into Social Security.

NOTE 11 - POSTEMPLOYMENT BENEFITS

School Employees Retirement System

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2011, the actuarially determined amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 11 - POSTEMPLOYMENT BENEFITS - (Continued)

The District's contribution for health care (including surcharge) for the years ended June 30, 2011, 2010, and 2009 were \$74,707, \$52,061, and \$149,993, respectively.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2011, the actuarially required allocation is 0.76 percent. Amanda Clearcreek Local School District's contributions for the years ended June 30, 2011, 2010 and 2009 were, \$2,305, \$1,940, \$3,059, respectively; 100 percent has been contributed for years 2010 and 2009.

State Teachers Retirement System

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and give the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the years ended December 31, 2011, 2010, and 2009 were \$59,137, \$56,008 and \$69,389 respectively; 100 percent has been contributed for years 2010 and 2009.

NOTE 12 - EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Administrators are generally granted twenty days of vacation per year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who work less than 260 days per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 280 days for all employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 70 days for all employees. A bonus of 40 days is granted if retirement is by the State Teachers Retirement System standard in the first year eligible.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 13 - LONG-TERM LIABILITIES

The changes in the District's long-term liabilities during fiscal year 2011 were as follows:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Principal Outstanding at July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding at June 30, 2011</u>	<u>Amount Due In One Year</u>
<i>Governmental Activities:</i>							
School Construction Bonds	2000	5.45%	\$950,000	\$0	\$170,000	\$780,000	\$175,000
Refunding Bonds	2008	3.98%	2,119,998	0	35,000	2,084,998	40,000
Premium on Refunding Bonds			314,638	0	24,203	290,435	24,203
Capital Lease Payable			128,597	0	49,953	78,644	51,921
Compensated Absences Payable			558,974	289,747	482,174	366,547	13,469
Total Governmental Activities Long-Term Obligations			<u>\$4,072,207</u>	<u>\$289,747</u>	<u>\$761,330</u>	<u>\$3,600,624</u>	<u>\$304,593</u>

School Construction general obligation bonds were issued by the District on March 15, 2000 in amount of \$4,417,000 for the purpose of the constructing a K-12 facility. These bonds were issued for a period of 22 years at a rate of 5.45%, mature December 1, 2022, and are in full compliance with the general laws of the State of Ohio, particularly Sections 133.01 to 133.48, inclusive, of the Ohio Revised Code and Section 133.09 thereof. These bonds will be paid from the Bond Retirement Fund using property tax revenues.

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

Refunding General Obligation Bonds - During fiscal year 2008, the District issued \$2,219,998 of general obligation bonds for the current refunding of \$2,219,998 of the 2000 series bonds. The \$363,044 premium on the issuance of the refunding bonds is netted against this new debt and will be amortized over the life of this new debt, which has the same remaining life of the refunded debt of 15 years. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of \$684,826 and a reduction of \$401,410 in future debt service payments. The refunding bonds are retired through the Bond Retirement Fund using tax revenues.

Compensated absences will be paid from the fund from which the employee is paid. The capital lease payable will be paid from the General Fund.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 13 - LONG-TERM LIABILITIES - (Continued)

The District's overall legal debt margin was \$10,661,574 with an unvoted debt margin of \$150,295 at June 30, 2011.

The annual requirements to retire the general obligation bonds outstanding at June 30, 2011, are as follows:

Fiscal Year Ending June 30,	School Construction Bonds		Refunding Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$175,000	\$45,012	\$40,000	\$77,338	\$215,000	\$122,350
2013	190,000	33,150	40,000	76,087	230,000	109,237
2014	200,000	20,475	50,000	74,594	250,000	95,069
2015	215,000	6,988	50,000	72,875	265,000	79,863
2016	0	0	57,812	284,188	57,812	284,188
2017-2021	0	0	1,197,185	492,215	1,197,185	492,215
2022-2023	0	0	650,000	26,200	650,000	26,200
Total	\$780,000	\$105,625	\$2,084,998	\$1,103,496	\$2,864,998	\$1,209,121

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE

During the prior year, the District entered into a capital lease for the acquisition of a new computer and peripheral equipment. The lease agreement is accounted for as program/function expenditures in the General Fund with an offsetting amount reported as an other financing source, inception of capital lease. This lease meets 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 expenditures in the fund financial statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized in an amount equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability has been recorded as a long-term obligation. Principal payments in fiscal year 2011 totaled \$49,953.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE - (Continued)

The following is a schedule of the future minimum lease payments required under the capital leases and present value of the minimum lease payments as of June 30, 2011.

Fiscal Year Ending June 30,	Lease Payments
2012	\$54,050
2013	27,025
Total Debt Payments	81,075
Less: Amount Representing Interest	2,431
Total Principal	<u>\$78,644</u>

NOTE 15 - FUND BALANCES

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
<i>Restricted:</i>				
Set Asides	\$155,652	\$0	\$0	\$155,652
<i>Special Revenues:</i>				
Athletics	0	0	64,116	64,116
Facilities Maintenance	0	0	326,344	326,344
Food Service	0	0	99,998	99,998
Local Grants	0	0	140	140
State Grants	0	0	2,294	2,294
Debt Services	0	547,602	0	524,053
Capital Projects	0	0	343,805	343,805
<i>Assigned:</i>				
Encumbrances	113,491	0	0	113,491
Public School Support	14,399	0	0	14,399
<i>Unassigned</i>	342,334	0	(34,895)	330,988
Total Fund Balances	<u>\$625,876</u>	<u>\$547,602</u>	<u>\$801,802</u>	<u>\$1,975,280</u>

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 16 - STATUTORY SET-ASIDES

The District is required by State statute to annually set-aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Total</u>
Set-Aside Reserve Balance as of June 30, 2010	\$22,247	\$0	\$22,247
Current Year Set-Aside Requirement	264,808	264,808	529,616
Set-Aside Offset	0	(57,666)	(57,666)
Qualifying Disbursements	(131,403)	(280,463)	(411,866)
Totals	<u>155,652</u>	<u>(73,321)</u>	<u>82,331</u>
Set-Aside Reserve Balance as of June 30, 2011	<u>\$155,652</u>	<u>\$0</u>	<u>\$0</u>

The District had qualifying disbursements and offsets during the fiscal year that reduced the capital acquisition set-aside amounts below zero. Current year offsets and qualifying disbursements in excess of current year or accumulated set-aside requirements for textbooks may be used to reduce set-aside requirements in future years. Effective July 1, 2011, the textbook set-aside is no longer required and has been removed from the existing law.

NOTE 17 – ENCUMBRANCE COMMITMENTS

At June 30, 2011, the District had encumbrance commitments in the Governmental Funds as follows:

<u>Major Funds</u>	
General	\$113,491
<u>Nonmajor Funds</u>	
Permanent Improvement	5,000
Athletics and Bands	1,072
Data Communications	350
Title VI-B Grant	767
Total Nonmajor Funds	<u>7,189</u>
Total Encumbrances	<u>\$120,680</u>

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Education Council (MEC)

Metropolitan Education Council is a jointly governed organization created as a regional council of governments pursuant to State statutes. MEC is a not for profit educational council whose primary purpose and objective is to contribute to the educational services available to school districts in Franklin County and surrounding areas by cooperative action membership. The governing board consists of a representative from each of the Franklin County districts. Districts outside of Franklin County are associate members and each county selects a single district to represent them on the governing board. MEC is its own fiscal agent. The District does not have an ongoing financial interest in or ongoing financial responsibility for MEC. MEC provides computer services to the District. During 2011, the District paid \$44,167 to MEC for services provided.

South Central Ohio Insurance Consortium (SCOIC)

South Central Ohio Insurance Consortium is a regional council of governments organized under Ohio Revised Code Chapter 167. The SCOIC's primary purpose and objective is establishing and carrying out a cooperative health program for its member organizations. The governing board consists of the superintendent or other designee appointed by each of the members of the SCOIC. The District does not have an ongoing financial interest in or financial responsibility for the SCOIC other than claims paid on behalf of the District for District employees.

NOTE 19 - INSURANCE PURCHASING POOL

Ohio School Plan (OSP)

The District participates in the Ohio School Plan, an insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

NOTE 20 - CONTINGENCIES

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 June 30, 2011.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011*

NOTE 20 – CONTINGENCIES - (Continued)

Fiscal Year 2011 was the third consecutive year the District did not meet Adequate Yearly Progress; therefore, while the Ohio Department of Education (ODE) has substantially approved the District's fiscal year 2012 grants budget ODE has not yet paid the District any monies for Title I or Title VI-B for fiscal year 2012. In order for funding to be reinstated the District must first submit a plan to ODE outlining how the District will meet adequate yearly progress. Fiscal year 2012 costs to provide these services (mostly salaries and benefits) are currently being charged to the General fund; once the District's plan is approved by ODE, funding will be restored and the General fund will be reimbursed for these costs. Management believes its plan will be completed and submitted to ODE by mid-January 2012, and this funding will be restored soon thereafter.

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AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass Through Grantor Program Title	Grant Year	Federal CFDA Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
School Breakfast Program	2011	10.553	\$ 13,810	\$ 13,810
National School Lunch Program	2011	10.555	35,703	35,703
Cash Assistance:				
School Breakfast Program	2011	10.553	85,254	85,254
National School Lunch Program	2011	10.555	220,413	220,413
<i>Total Child Nutrition Cluster</i>			<u>355,180</u>	<u>355,180</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>355,180</u>	<u>355,180</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed Through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies				
Title I Grants to Local Educational Agencies	2010	84.010	33,521	33,521
Title I Grants to Local Educational Agencies	2011	84.010	220,081	187,148
ARRA- Title I Grants to Local Educational Agencies	2010	84.389	102,243	103,372
ARRA- Title I Grants to Local Educational Agencies	2011	84.389	3,330	3,514
<i>Total Title I Grants to Local Educational Agencies Cluster</i>			<u>359,175</u>	<u>327,555</u>
Special Education Grants to States:				
Special Education Grants to States	2011	84.027	305,535	305,535
ARRA- Special Education Grants to States	2011	84.391	142,619	147,394
<i>Total Special Education Cluster</i>			<u>448,154</u>	<u>452,929</u>
Education Technology State Grants	2011	84.318	1,114	1,336
Education Jobs Fund	2011	84.410	77,034	77,616
Improving Teacher Quality State Grants	2010	84.367	10,477	10,477
Improving Teacher Quality State Grants	2011	84.367	65,841	65,711
<i>Total Improving Teacher Quality State Grants</i>			<u>76,318</u>	<u>76,188</u>
ARRA- State Fiscal Stabilization Fund- Education State Grants	2010	84.394	0	3,272
ARRA- State Fiscal Stabilization Fund- Education State Grants	2011	84.394	734,937	734,937
<i>Total ARRA State Fiscal Stabilization Fund-Education State Grant</i>			<u>734,937</u>	<u>738,209</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>1,696,732</u>	<u>1,673,833</u>
TOTALS			<u>\$ 2,051,912</u>	<u>\$ 2,029,013</u>

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

**AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Amanda Clearcreek Local School District (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.



Dave Yost • Auditor of State

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

Amanda Clearcreek Local School District
Fairfield County
328 E. Main Street
Amanda, Ohio 43102

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Amanda Clearcreek Local School District, Fairfield County, Ohio (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 11, 2012, wherein we noted during 2011 the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2011-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2011-001.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated January 11, 2012.

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

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



Dave Yost
Auditor of State

January 11, 2012



Dave Yost • Auditor of State

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

Amanda Clearcreek Local School District
Fairfield County
328 E. Main Street
Amanda, Ohio 43102

To the Board of Education:

Compliance

We have audited the compliance of the Amanda Clearcreek Local School District, Fairfield County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of District's major federal programs for the year ended June 30, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Amanda Clearcreek Local School District, Fairfield County, Ohio complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings lists this instance as Finding 2011-002.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could directly and materially affect a major federal program, 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, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain **deficiency** in internal control over compliance that we consider to be a significant **deficiency**, described in the accompanying schedule of findings as item 2011-02. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Dave Yost
Auditor of State

January 11, 2012

**AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #84.010 & 84.389 Title I Grants to States CFDA #84.027 & 84.391 Title VI-B Special Education Grants to States CFDA #84.394 State Fiscal Stabilization Funds CFDA #10.553 and 10.555 Child Nutrition Cluster
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011
(Continued)**

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

FINDING NUMBER 2011-001

**Material Non-Compliance/Material Weakness –
Posting of Revenues**

Ohio Rev. Code Section 5705.10 states in part that all revenue from a source which the law prescribes shall be used for a particular purpose, shall be paid into the fund for a particular purpose.

We noted a \$23,483 receipt of Homestead and Rollback for the Bond Retirement Fund that was incorrectly posted to the General Fund. A correcting entry was posted to the financial statements and accounting records.

We recommend the District post all monies legally obligated to specific funds only to those funds to ensure compliance with state laws.

Official's Response:

An Official's response was not provided for this finding.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

**Material Non-Compliance/Significant Deficiency –
Cash Management –**

Finding Number	2011-002
CFDA Title and Number	84.389 – Title I ARRA 84.391- Special Education Grants to States ARRA 84.394- State Fiscal Stabilization Funds
Federal Award Number / Year	2011
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

34 C.F.R. 80.21 (c) prescribes the basic standards and methods under which a federal agency will make payments to grantees, and grantees will make payments to subgrantees and contractors. 34 C.F.R. 80.21(c) provides in part, that grantees shall be paid in advance, provided they have procedures in place to minimize the time elapsing between the transfer of funds and their disbursement by the grantee.

**AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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**Material Non-Compliance/Significant Deficiency –
Cash Management –**

Finding Number	2011-002
CFDA Title and Number	84.389 – Title I ARRA 84.391- Special Education Grants to States ARRA 84.394- State Fiscal Stabilization Funds
Federal Award Number / Year	2011
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

The District submitted assurances dated June 17, 2010 to the Ohio Department of Education which state: (1) when funded on an advance basis by ODE, the District agrees to minimize the time between the transfer of funds and the disbursement by the local entity in accordance with the Cash Management Act (31, CFR 205); (2) the District agrees to maintain cash balances which meet their immediate needs only; and (3) any interest earnings by the District will require repayment in accordance with OMB Circular A-102 Section_21(i) or OMB Circular A-102 Section_22(i), as applicable. (U.S. Department of Education codified OMB Circular A-102 requirements into 34 CFR 80.)

During fiscal year 2011, the District did not minimize the time between the transfer of funds and the disbursement for the following advances from ODE.

Grant	Grant Year	Receipt Amount	Date Received	Date Fully Expended	Number of Days Until Fully Expended
Title I Non-ARRA	2011	\$ 22,528	7/19/10	9/30/10	73
Title I Non-ARRA	2011	25,266	12/16/10	1/25/11	40
Title I Non-ARRA	2011	25,000	5/12/11	6/20/11	39
Title I Non-ARRA	2011	25,000	6/1/11	7/29/11	58
Title I Non-ARRA	2011	30,554	7/19/10	11/18/10	122
Title VI-B Non-ARRA	2011	63,367	3/17/11	5/10/11	54
Title VI-B ARRA	2011	18,091	12/16/10	1/25/11	40
State Fiscal Stabilization	2011	31,766	1/21/11	3/1/11	39
State Fiscal Stabilization	2011	26,984	3/18/11	4/21/11	34
State Fiscal Stabilization	2011	26,984	4/15/11	5/19/11	34

Imputed interest as a result of the above non-compliance resulted in an estimated \$204 of interest on federal monies.

**AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011
(Continued)**

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)
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**Material Non-Compliance/Significant Deficiency –
Cash Management –**

Finding Number	2011-002
CFDA Title and Number	84.389 – Title I ARRA 84.391- Special Education Grants to States ARRA 84.394- State Fiscal Stabilization Funds
Federal Award Number / Year	2011
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

We recommend the District fully expend federal grant receipts within thirty days of receipt. We also recommend the District consult with the Ohio Department of Education to determine whether the excess interest earned must be remitted to the U.S. Department of Education.

Official’s Response and Corrective Action Plan:

The Title I Non-ARRA violations for the months of May and June 2011 resulted from an audit adjustment made to the allowable expenses for that grant. The adjustment was received after the money had been requested from ODE. No additional money was requested after the audit adjustment and every effort was made to expend the resulting funds as quick as possible. Several of the other violations were the result of the timing of accounting entries. The funds had been expended in a timely manner but the payments were entered on a monthly basis rather than the semi-monthly schedule corresponding to the use of the funds.

Amanda-Clearcreek LSD is no longer receiving funds from the Title VI-B ARRA grant or State Fiscal Stabilization Grant. The Treasurer has begun to review the FINDET report in addition to the FINSUM report to more closely monitor the timing of use of Federal Funds. It is believed that this will help avoid issues where a payment made in the last week of the month would cause the funds to be spent outside the 30 day limitation.

Anticipated Completion Date: January 11, 2012
Responsible Contact: Mary Meadows, CPA, Treasurer



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Amanda Clearcreek Local School District
Fairfield County
328 E. Main Street
Amanda, Ohio 43102

To the Board of Education:

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

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

1. We noted the Board did not amend its anti-harassment policy to include violence within a dating relationship within its definition of harassment, intimidation or bullying. Ohio Rev. Code Section 3313.666 required the Board to amend its definition by September 28, 2010.

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

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

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

Dave Yost
Auditor of State

January 11, 2012

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Dave Yost • Auditor of State

AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT

FAIRFIELD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 9, 2012