



Dave Yost • Auditor of State



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

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FAIRFIELD COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Amanda-Clearcreek Local School District  
Fairfield County  
328 East Main Street  
Amanda, Ohio 43102

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Amanda-Clearcreek Local School District, Fairfield County, Ohio (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Amanda-Clearcreek Local School District, Fairfield County, Ohio, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Schedule of Federal Award Receipts and Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected the schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule 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 schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2016, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

March 16, 2016

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**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)*

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The management 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, 2015. 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 and deferred outflows of resources for Amanda-Clearcreek Local School District exceeded its liabilities and deferred inflows of resources at June 30, 2015 by \$17,610,157. This balance was comprised of a \$22,855,181 balance in net investment in capital assets and net position amounts restricted for specific purposes and a deficit balance of \$5,245,024 in unrestricted net position.
- < In total, net position of governmental activities increased by \$1,946,214, which represents a 12.42 percent increase from 2014.
- < General revenues accounted for \$14,282,229 or 75.29 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,687,868 or 24.71 percent of total revenues of \$18,970,097.
- < The District had \$17,023,883 in expenses related to governmental activities; only \$4,687,868 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 \$14,282,229 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 \$16,826,613 in revenues and \$13,778,613 in expenditures in fiscal year 2015.

**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, 2015  
(Unaudited)*

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**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 position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. These statements include all assets and deferred outflows of resources, liabilities and deferred inflows of resources 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 position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases and decreases in net position 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 District's net position changed during the recent fiscal year. All changes in net position 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 objectives. 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, 2015  
(Unaudited)*

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**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 District'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 two agency funds. 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, 2015  
(Unaudited)*

**Government-Wide Financial Analysis**

Recall that the statement of net position provides the perspective of the District as a whole, showing assets and deferred outflows, liabilities and deferred inflows, and the difference between them (net position). Table 1 provides a summary of the District's net position for 2015 compared to fiscal year 2014:

Table 1  
**Net Position at Year End**

	<u>Governmental Activities</u>	
	2015	Restated 2014
<b><u>Assets:</u></b>		
Current and Other Assets	\$18,604,015	\$16,014,000
Capital Assets, Net	23,566,489	24,701,444
<i>Total Assets</i>	<u>42,170,504</u>	<u>40,715,444</u>
<b><u>Deferred Outflows of Resources:</u></b>		
Pension	1,248,388	1,054,376
<i>Total Deferred Outflows of Resources</i>	<u>1,248,388</u>	<u>1,054,376</u>
<b><u>Liabilities:</u></b>		
Current Liabilities	1,998,784	1,904,401
Long-Term Liabilities:		
Due Within One Year	196,845	405,921
Due in More Than One Year:		
Net Pension Liability	15,311,326	18,184,610
Other Amounts	2,568,798	2,592,447
<i>Total Liabilities</i>	<u>20,075,753</u>	<u>23,087,379</u>
<b><u>Deferred Inflows of Resources:</u></b>		
Property Taxes	2,976,294	3,018,498
Pension	2,756,688	0
<i>Total Deferred Inflows of Resources</i>	<u>5,732,982</u>	<u>3,018,498</u>
<b><u>Net Position:</u></b>		
Net Investment in Capital Assets	21,265,985	22,009,332
Restricted	1,589,196	1,051,006
Unrestricted	(5,245,024)	(7,396,395)
<i>Total Net Position</i>	<u>\$17,610,157</u>	<u>\$15,663,943</u>

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)*

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During 2015, the District adopted GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net pension and subtracting deferred outflows related to pension. Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB Statement No. 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB Statement No. 68, the net pension liability equals the District's proportionate share of each plan's collective:

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

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

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

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)*

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In accordance with GASB Statement No. 68, the District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB Statement No. 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position of June 30, 2014, from \$32,794,177 to \$15,663,943.

Current and other assets increased \$2,590,015 from fiscal year 2014 due to an increase in cash and cash equivalents held by the District.

Capital assets decreased \$1,134,955, which is due to current year depreciation.

Current (other) liabilities increased by \$94,383 or 4.96 percent, primarily due to an increase in accrued wages.

Long-term liabilities decreased by \$3,106,009 or 14.66 percent as a result of net pension liability.

The District's largest portion of net position is related to amounts included as net investment in capital assets. 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 position is unrestricted, and carries a deficit balance of \$5,245,024. Unrestricted net position represents resources that may be used to meet the District's ongoing obligations to its students and creditors.

The remaining balance of \$1,589,196 is restricted assets. The restricted net position is subject to external restrictions on how they may be used.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2015*  
*(Unaudited)*

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Table 2 shows the changes in net position for fiscal year 2015 and provides a comparison to fiscal year 2014.

Table 2  
**Changes in Net Position**

	<b><u>Governmental Activities</u></b>	
	<u>2015</u>	<u>Restated 2014</u>
<b><u>Revenues:</u></b>		
<i>Program Revenues:</i>		
Charges for Services and Sales	\$1,606,102	\$1,444,659
Operating Grants and Contributions	3,081,766	1,851,357
<i>General Revenues:</i>		
Property Taxes	2,822,244	3,579,953
Income Taxes	2,422,386	2,287,676
Unrestricted Grants and Entitlements	8,835,183	9,695,060
Investment Earnings	12,682	26,807
Miscellaneous	189,734	132,958
<b><i>Total Revenues</i></b>	<b><u>18,970,097</u></b>	<b><u>19,018,470</u></b>

(Continued)

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2015*  
*(Unaudited)*

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Table 2  
**Changes in Net Position (Continued)**

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>Restated 2014</u>
<b><u>Expenses:</u></b>		
<i>Program Expenses:</i>		
<i>Instruction:</i>		
Regular	6,894,964	6,974,093
Special	3,029,068	2,834,788
Vocational	382,814	317,823
Student Intervention Services	55,769	5,402
Other	66,685	36,566
<i>Support Services:</i>		
Pupils	710,553	738,381
Instructional Staff	467,012	398,667
Board of Education	259,358	168,211
Administration	854,762	1,189,561
Fiscal	561,819	406,517
Business	16,765	18,180
Operation and Maintenance of Plant	1,487,367	1,452,232
Pupil Transportation	1,034,134	1,114,212
Central	135,809	42,404
<i>Operation of Non-Instructional Services:</i>		
Food Service	730,216	801,507
Extracurricular Activities	265,976	269,286
Interest and Fiscal Charges	70,812	131,695
<i>Total Disbursements</i>	<u>17,023,883</u>	<u>16,899,525</u>
<i>Change in Net Position</i>	1,946,214	2,118,945
Net Position - Beginning of Year, Restated	<u>15,663,943</u>	<u>(N/A)</u>
Net Position- End of Year	<u><u>\$17,610,157</u></u>	<u><u>\$15,663,943</u></u>

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)*

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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB Statement No. 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$1,054,376 computed under GASB Statement No. 27. GASB Statement No. 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB Statement No. 68, pension expense represents additional amounts earned, adjusted by deferred inflows/ outflows. The contractually required contribution is no longer a component of pension expense. Under GASB Statement No. 68, the 2015 statements report pension expense of \$794,110. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB Statement No. 68	\$17,023,883
Pension expense under GASB Statement No. 68	(794,110)
2015 contractually required contribution	1,104,718
Adjusted 2015 program expenses	<u>17,334,491</u>
Total 2014 program expenses under GASB Statement No. 27	<u>16,899,525</u>
Increase in program expenses not related to pension	<u><u>\$434,966</u></u>

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 78.13 percent of the total governmental activities. Regular Instruction, which accounts for 40.50 percent of the total, represents costs associated with providing general educational services. Special Instruction, which represents 17.79 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 8.74 percent of the total, represents costs associated with operating and maintaining the District's facilities. Pupil Transportation, which represents 6.07 percent of the total, represents costs associated with providing transportation services for students between home and school and to school activities. Administration, which represents 5.02 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, income taxes, operating grants and contributions, and grants and entitlements not restricted for specific programs. These revenues accounts for 90.47 percent of total revenues for governmental activities.

The District had a program revenue increase of \$1,391,852, which is primarily the result of the increase in operating grants and contributions. The District had a decrease in general revenues of \$1,440,225 primarily due to decreases in property taxes revenue and grants and entitlements not restricted for specific programs revenue.

The District's expenses increased \$124,358 or 7.36 percent due to an increase in Special 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 14.88 percent and intergovernmental revenue made up 62.82 percent of the total revenue for the governmental activities in fiscal year 2015.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
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(Unaudited)*

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 was 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 2015, the District received \$9,582,467 through the State's foundation program, which represents 50.51 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.

Instruction accounts for 61.26 percent of governmental activity program expenses. Support services expenses make up 39.78 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 2015 compared with fiscal year 2014. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3  
**Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
<i>Program Expenses:</i>				
Instruction	\$10,429,300	\$7,527,117	\$10,168,672	\$7,892,589
Support Services	5,527,579	4,542,510	5,528,365	5,409,515
Operation of Non-Instructional Services	730,216	56,663	801,507	83,499
Extracurricular Activities	265,976	93,913	269,286	86,211
Interest and Fiscal Charges	<u>70,812</u>	<u>70,812</u>	<u>131,695</u>	<u>131,695</u>
Total Expenses	<u>\$17,023,883</u>	<u>\$12,291,015</u>	<u>\$16,899,525</u>	<u>\$13,603,509</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 \$19,835,366 and expenditures and other financing uses of \$16,954,601.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)*

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Total governmental funds fund balance increased by \$2,880,765. The increase in fund balance for the year was most significant in the General Fund, which had an increase of \$2,345,025, due to an increase in revenues that exceeded the increase in expenditures for the year.

The District should remain stable in fiscal years 2016 and 2017. However, projections beyond fiscal year 2017 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.

**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 2015, 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 \$16,721,822 representing an \$866,888 or 5.47 percent increase from the original budget estimates of \$15,854,934. For the General Fund, the final budget basis expenditures were \$15,048,178 representing a \$1,744,958 increase from the original budget estimates of \$13,303,220. The final budget basis expenditures reflect a 13.12 percent increase from the original budgeted amount, which is primarily due to increases in the Special Instruction and Operation and Maintenance of Plant. Actual budgetary expenditures plus encumbrances were \$1,039,375 or 6.91 percent less than the final budgeted amount.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)*

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**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2015 the District had \$40.8 million invested in capital assets, of which all was in governmental activities. That total carries an accumulated depreciation of \$17.2 million. Table 4 shows fiscal year 2015 balances compared to fiscal year 2014.

Table 4  
**Capital Assets & Accumulated Depreciation at Year End**

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
<i>Nondepreciable Capital Assets:</i>		
Land	\$292,457	\$292,457
<i>Depreciable Capital Assets:</i>		
Land Improvements	2,707,262	2,707,262
Buildings and Improvements	34,193,552	34,193,552
Furniture, Fixtures and Equipment	1,061,766	1,069,364
Vehicles	1,626,037	1,448,846
Textbooks	887,213	887,213
Total Capital Assets	<u>40,768,287</u>	<u>40,598,694</u>
<i>Less Accumulated Depreciation:</i>		
Land Improvements	(1,616,716)	(1,488,819)
Buildings and Improvements	(12,578,324)	(11,514,218)
Furniture, Fixtures and Equipment	(844,971)	(805,963)
Vehicles	(1,274,574)	(1,201,037)
Textbooks	<u>(887,213)</u>	<u>(887,213)</u>
Total Accumulated Depreciation	<u>(17,201,798)</u>	<u>(15,897,250)</u>
Capital Assets, Net	<u>\$23,566,489</u>	<u>\$24,701,444</u>

More detailed information pertaining to the District's capital asset activity can be found in the Note 10 of the basic financial statements.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)*

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**Debt Administration**

At June 30, 2015, the District had \$2,106,881 in long-term debt outstanding with \$116,815 due within one year. Table 5 summarizes the long-term debt outstanding for fiscal year 2015 compared to fiscal year 2014.

Table 5  
**Outstanding Debt, Governmental Activities at Year End**

<u>Purpose</u>	<u>2015</u>	<u>2014</u>
School Construction Bonds	\$0	\$215,000
Refunding Bonds	1,904,998	1,954,998
Capital Leases	<u>201,883</u>	<u>256,906</u>
Total General Obligation Debt	<u>\$2,106,881</u>	<u>\$2,426,904</u>

More detailed information pertaining to the District's long-term debt activity can be found in the Note 15 of the basic financial statements.

**Current Issues**

Although considered a low-wealth district, Amanda-Clearcreek Local School District has remained in stable financial condition. As indicated in the preceding financial information, the District is dependent on property taxes as well as the 1.5% earned income tax. Property tax revenue does not increase solely as a result of inflation. Therefore, the District must regularly return to the voters to maintain a constant level of service. There have 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 its students.

The Ohio Legislature biennial budget for Fiscal Year 2016 and 2017 included a modified version of the current funding formula. The State sets the calculation and distribution parameters such as the per-pupil amounts and the state/district share of the funding and calculation methodology pursuant to provisions of AM. SUB HB 64. In this budget are the nine components with 3 newly added components. These additions are Capacity Aid, 3<sup>rd</sup> grade Reading Bonus, and Graduation Bonus. The District had estimated a decline in state funding beginning in Fiscal Year 2016 due to declining enrollment and declining state share of the core funding. Due the District's Agriculture values drastically increasing at the last re-appraisal, the state views us as a "richer" district compared to last year. Hence, the funding formula decreases the District's funding share. The District's State share of core funding for Fiscal Year 2015 is 67.2% and is expected to decline to 60.8% in fiscal year 2016. However, the 3 new components will offset our decrease in funding and the District will see a slight increase of overall funding. The District will be formula funded for Fiscal year 2016 and relies heavily on this state funding to operate at the current levels of service.

Residential growth has not been a major factor in the District over the past few years, however recent growth has caused the income tax base to increase.

***AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT***

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2015  
(Unaudited)*

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**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 Jill Bradford, Treasurer of Amanda-Clearcreek Local School Board of Education, 328 East Main Street, Amanda, Ohio 43102.

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2015

	<u>Governmental Activities</u>
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$13,429,262
Cash and Cash Equivalents with Fiscal Agent	564,537
Property Taxes Receivable	3,706,570
Income Tax Receivable	737,176
Intergovernmental Receivable	156,686
Accrued Interest Receivable	3,335
Inventory Held for Resale	6,449
Nondepreciable Capital Assets	292,457
Depreciable Capital Assets, Net	<u>23,274,032</u>
<i>Total Assets</i>	<u>42,170,504</u>
<b><u>Deferred Outflows of Resources:</u></b>	
Pension	<u>1,248,388</u>
<i>Total Deferred Outflows of Resources</i>	<u>1,248,388</u>
<b><u>Liabilities:</u></b>	
Accounts Payable	88,144
Accrued Wages and Benefits	1,328,761
Intergovernmental Payable	298,108
Accrued Interest Payable	6,016
Claims Payable	208,210
Matured Compensated Absences Payable	69,545
<i>Long-Term Liabilities:</i>	
Due within One Year	196,845
Due in More Than One Year:	
Net Pension Liability	15,311,326
Other Amounts	<u>2,568,798</u>
<i>Total Liabilities</i>	<u>20,075,753</u>
<b><u>Deferred Inflows of Resources:</u></b>	
Property Taxes	2,976,294
Pension	<u>2,756,688</u>
<i>Total Deferred Inflows of Resources</i>	<u>5,732,982</u>
<b><u>Net Position:</u></b>	
Net Investment in Capital Assets	21,265,985
<i>Restricted for:</i>	
Capital Outlay	816,008
Debt Service	590,682
Other Purposes	182,506
Unrestricted	<u>(5,245,024)</u>
<i>Total Net Position</i>	<u>\$17,610,157</u>

See accompanying notes to the basic financial statements.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Statement of Activities*

*For the Fiscal Year Ended June 30, 2015*

	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b><u>Governmental Activities:</u></b>				
<i>Instruction:</i>				
Regular	\$6,894,964	\$1,091,166	\$141,982	(\$5,661,816)
Special	3,029,068	0	1,485,726	(1,543,342)
Vocational	382,814	0	112,081	(270,733)
Student Intervention Services	55,769	0	26,228	(29,541)
Other	66,685	0	0	(66,685)
<i>Support Services:</i>				
Pupils	710,553	0	18,421	(692,132)
Instructional Staff	467,012	0	100,167	(366,845)
Board of Education	259,358	0	0	(259,358)
Administration	854,762	4,827	9,678	(840,257)
Fiscal	561,819	0	0	(561,819)
Business	16,765	0	0	(16,765)
Operation and Maintenance of Plant	1,487,367	0	0	(1,487,367)
Pupil Transportation	1,034,134	0	844,776	(189,358)
Central	135,809	0	7,200	(128,609)
<i>Operation of Non-Instructional Services:</i>				
Food Service	730,216	338,046	335,507	(56,663)
Extracurricular Activities	265,976	172,063	0	(93,913)
Interest and Fiscal Charges	70,812	0	0	(70,812)
<i>Total Governmental Activities</i>	<u>\$17,023,883</u>	<u>\$1,606,102</u>	<u>\$3,081,766</u>	<u>(12,336,015)</u>

**General Revenues:**

*Property Taxes Levied for:*

General Purposes	2,477,470
Debt Service	298,738
Capital Outlay	46,036

*Income Taxes Levied for:*

General Purposes	2,422,386
Grants and Entitlements not Restricted to Specific Programs	8,835,183
Investment Earnings	12,682
Miscellaneous	189,734

*Total General Revenues*

14,282,229

Change in Net Position

1,946,214

*Net Position at Beginning of Year, Restated*

15,663,943

*Net Position at End of Year*

\$17,610,157

See accompanying notes to the basic financial statements.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Balance Sheet  
Governmental Funds  
June 30, 2015*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$11,382,417	\$532,243	\$1,064,919	\$12,979,579
Property Taxes Receivable	3,333,892	323,287	49,391	3,706,570
Income Taxes Receivable	737,176	0	0	737,176
Intergovernmental Receivable	40,671	0	116,015	156,686
Accrued Interest Receivable	3,335	0	0	3,335
Interfund Receivable	111,094	0	0	111,094
Inventory Held for Resale	0	0	6,449	6,449
<i>Total Assets</i>	<u>\$15,608,585</u>	<u>\$855,530</u>	<u>\$1,236,774</u>	<u>\$17,700,889</u>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$87,380	\$0	\$764	\$88,144
Accrued Wages and Benefits	1,231,445	0	97,316	1,328,761
Intergovernmental Payable	283,719	0	14,389	298,108
Interfund Payable	0	0	111,094	111,094
Matured Compensated Absences Payable	69,545	0	0	69,545
<i>Total Liabilities</i>	<u>1,672,089</u>	<u>0</u>	<u>223,563</u>	<u>1,895,652</u>
<b><u>Deferred Inflows of Resources:</u></b>				
Property Taxes	3,041,820	294,119	44,925	3,380,864
<i>Total Deferred Inflows of Resources</i>	<u>3,041,820</u>	<u>294,119</u>	<u>44,925</u>	<u>3,380,864</u>
<b><u>Fund Balances:</u></b>				
Restricted	0	561,411	1,016,635	1,578,046
Assigned	339,780	0	0	339,780
Unassigned/(Deficit)	10,554,896	0	(48,349)	10,506,547
<i>Total Fund Balances</i>	<u>10,894,676</u>	<u>561,411</u>	<u>968,286</u>	<u>12,424,373</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$15,608,585</u>	<u>\$855,530</u>	<u>\$1,236,774</u>	<u>\$17,700,889</u>

See accompanying notes to the basic financial statements.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2015*

<b>Total Governmental Fund Balances</b>		\$12,424,373
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		23,566,489
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		404,570
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:		
Refunding bonds	(1,904,998)	
Premium on refunding bonds	(193,623)	
Accrued interest on bonds	(6,016)	
Capital leases	(201,883)	
Compensated absences	<u>(465,139)</u>	
Total liabilities not reported in funds		(2,771,659)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred Outflows - Pension	1,248,388	
Deferred Inflows - Pension	(2,756,688)	
Net Pension Liability	<u>(15,311,326)</u>	
Total		(16,819,626)
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 position.		<u>806,010</u>
<i>Net Position of Governmental Activities</i>		<u><u>\$17,610,157</u></u>

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, 2015*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>				
Property Taxes	\$2,620,935	\$315,391	\$48,212	\$2,984,538
Income Tax	2,422,386	0	0	2,422,386
Intergovernmental	10,499,252	46,880	1,350,870	11,897,002
Interest	11,313	0	1,369	12,682
Tuition and Fees	1,074,050	0	0	1,074,050
Gifts and Donations	0	0	19,947	19,947
Extracurricular Activities	21,943	0	172,063	194,006
Charges for Services	0	0	338,046	338,046
Miscellaneous	176,734	0	13,000	189,734
<i>Total Revenues</i>	<u>16,826,613</u>	<u>362,271</u>	<u>1,943,507</u>	<u>19,132,391</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	5,574,047	0	139,992	5,714,039
Special	2,434,392	0	609,934	3,044,326
Vocational	330,037	0	0	330,037
Student Intervention Services	27,801	0	28,185	55,986
Other	66,488	0	0	66,488
<i>Support Services:</i>				
Pupils	689,920	0	16,428	706,348
Instructional Staff	367,562	0	93,855	461,417
Board of Education	247,174	0	0	247,174
Administration	868,743	0	11,738	880,481
Fiscal	533,198	31,280	0	564,478
Business	16,765	0	0	16,765
Operation and Maintenance of Plant	1,214,453	0	227,519	1,441,972
Pupil Transportation	1,148,811	0	0	1,148,811
Central	137,040	0	1,650	138,690
Operation of Non-Instructional Services	0	0	736,106	736,106
Extracurricular Activities	46,626	0	201,332	247,958
Capital Outlay	4,292	0	30,131	34,423
<i>Debt Service:</i>				
Principal Retirement	55,023	265,000	0	320,023
Interest	16,241	79,863	0	96,104
<i>Total Expenditures</i>	<u>13,778,613</u>	<u>376,143</u>	<u>2,096,870</u>	<u>16,251,626</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,048,000</u>	<u>(13,872)</u>	<u>(153,363)</u>	<u>2,880,765</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	0	0	702,975	702,975
Transfers Out	(702,975)	0	0	(702,975)
<i>Total Other Financing Sources (Uses)</i>	<u>(702,975)</u>	<u>0</u>	<u>702,975</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	2,345,025	(13,872)	549,612	2,880,765
<i>Fund Balances at Beginning of Year</i>	8,549,651	575,283	418,674	9,543,608
<i>Fund Balances at End of Year</i>	<u>\$10,894,676</u>	<u>\$561,411</u>	<u>\$968,286</u>	<u>\$12,424,373</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, 2015*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$2,880,765</b>		
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(1,134,955)		
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	(162,294)		
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 position.	320,023		
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	1,089		
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 Premium on bonds issued	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="text-align: right;">(111,501)</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">24,203</td> </tr> </table>	(111,501)	24,203
(111,501)			
24,203			
Total expenditures not reported in the funds	(87,298)		
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of governmental activities reports these amounts as deferred outflows of resources.	1,104,718		
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(794,110)		
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.	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="text-align: right; border-top: 1px solid black;">(181,724)</td> </tr> </table>	(181,724)	
(181,724)			
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$1,946,214</u></u>		
 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, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Property Taxes	\$3,555,000	\$3,364,566	\$2,576,612	(\$787,954)
Income Tax	2,067,390	2,449,205	2,449,205	0
Intergovernmental	9,372,544	9,740,053	10,500,891	760,838
Interest	14,000	19,000	19,781	781
Tuition and Fees	806,000	1,007,644	1,074,050	66,406
Miscellaneous	40,000	141,354	153,003	11,649
<i>Total Revenues</i>	<u>15,854,934</u>	<u>16,721,822</u>	<u>16,773,542</u>	<u>51,720</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	5,780,273	5,611,190	5,483,368	127,822
Special	2,070,576	2,712,968	2,552,402	160,566
Vocational	319,911	372,535	343,301	29,234
Student Intervention Services	3,305	27,435	28,136	(701)
Other	35,000	63,069	66,488	(3,419)
<i>Support Services:</i>				
Pupils	669,748	789,418	706,804	82,614
Instructional Staff	292,722	348,906	343,100	5,806
Board of Education	161,408	272,208	266,336	5,872
Administration	973,848	1,019,988	964,121	55,867
Fiscal	413,614	461,409	500,124	(38,715)
Business	22,297	22,297	21,477	820
Operation and Maintenance of Plant	1,229,233	1,855,084	1,300,021	555,063
Pupil Transportation	1,233,459	1,333,395	1,240,724	92,671
Central	64,623	115,873	137,360	(21,487)
Extracurricular Activities	30,112	37,312	50,749	(13,437)
Capital Outlay	3,091	5,091	4,292	799
<i>Total Expenditures</i>	<u>13,303,220</u>	<u>15,048,178</u>	<u>14,008,803</u>	<u>1,039,375</u>
<i>Excess of Revenues Over Expenditures</i>	<u>2,551,714</u>	<u>1,673,644</u>	<u>2,764,739</u>	<u>1,091,095</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	0	124,202	124,202	0
Transfers Out	0	(651,275)	(699,245)	(47,970)
Advances Out	0	0	(111,094)	(111,094)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(527,073)</u>	<u>(686,137)</u>	<u>(159,064)</u>
Net Changes in Fund Balances	2,551,714	1,146,571	2,078,602	932,031
<i>Fund Balance at Beginning of Year</i>	8,501,517	8,501,517	8,501,517	0
Prior Year Encumbrances Appropriated	443,480	443,480	443,480	0
<i>Fund Balance at End of Year</i>	<u>\$11,496,711</u>	<u>\$10,091,568</u>	<u>\$11,023,599</u>	<u>\$932,031</u>

See accompanying notes to the basic financial statements.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Statement of Net Position*

*Proprietary Fund*

*June 30, 2015*

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	<u>Governmental Activities</u>
	<u>Internal Service</u>
<b><u>Assets:</u></b>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	\$449,683
Cash and Cash Equivalents with Fiscal Agent	<u>564,537</u>
<i>Total Assets</i>	<u>1,014,220</u>
<b><u>Liabilities:</u></b>	
<i>Current Liabilities:</i>	
Claims Payable	<u>208,210</u>
<i>Total Current Liabilities</i>	<u>208,210</u>
<b><u>Net Position:</u></b>	
Unrestricted	<u><u>\$806,010</u></u>

See accompanying notes to the basic financial statements.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Statement of Revenues,  
Expenses and Change in Fund Net Position  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2015*

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	<u>Governmental Activities</u>
	<u>Internal Service</u>
<b><u>Operating Revenues:</u></b>	
Charges for Services	<u>\$2,088,024</u>
<i>Total Operating Revenues</i>	<u>2,088,024</u>
<b><u>Operating Expenses:</u></b>	
Purchased Services	142,584
Claims	2,024,427
Other	<u>102,737</u>
<i>Total Operating Expenses</i>	<u>2,269,748</u>
<i>Change in Net Position</i>	(181,724)
<i>Net Position at Beginning of Year</i>	<u>987,734</u>
<i>Net Position at End of Year</i>	<u><u>\$806,010</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, 2015*

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	<u>Governmental Activities</u>
	<u>Internal Service</u>
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>	
<b><u>Cash Flows from Operating Activities:</u></b>	
Cash Received from Interfund Services Provided	\$2,088,024
Cash Payments for Goods and Services	(4,514)
Cash Payments for Claims	<u>(2,263,669)</u>
<i>Net Cash from Operating Activities</i>	<u>(180,159)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(180,159)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>1,194,379</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$1,014,220</u></u>
<b><u>Reconciliation of Operating (Loss)</u></b>	
<b><u>to Net Cash from Operating Activities:</u></b>	
Operating (Loss)	(\$181,724)
<b><u>Adjustments to Reconcile Operating Income (Loss)</u></b>	
<b><u>to Net Cash from Operating Activities:</u></b>	
<i>(Decrease) in Liabilities:</i>	
Claims Payable	<u>1,565</u>
<i>Net Cash from Operating Activities</i>	<u><u>(\$180,159)</u></u>

See accompanying notes to the basic financial statements.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Statement of Fiduciary Net Position*

*Fiduciary Funds*

*June 30, 2015*

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	<u>Private Purpose Trust</u>	<u>Agency</u>
<b><u>Assets:</u></b>		
Equity in Pooled Cash and Cash Equivalents	\$24,271	\$135,233
<b><u>Liabilities:</u></b>		
Intergovernmental Payable	0	\$34,561
Due to Students	0	100,672
<i>Total Liabilities</i>	0	\$135,233
<b><u>Net Position:</u></b>		
Held in Trust For Scholarships	\$24,271	

See accompanying notes to the basic financial statements.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Statement of Change in Fiduciary Net Position*

*Fiduciary Fund*

*For the Fiscal Year Ended June 30, 2015*

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	<u>Private Purpose Trust</u>
<b><i>Additions:</i></b>	
Gifts and Donations	<u>\$27,088</u>
<b><i>Deductions:</i></b>	
Payments in Accordance with Trust	<u>15,139</u>
<i>Change in Net Position</i>	(15,139)
<i>Net Position at Beginning of Year</i>	<u>12,322</u>
<i>Net Position at End of Year</i>	<u><u>(\$2,817)</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, 2015*

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**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 74 non-certificated employees, 100 certificated full-time teaching personnel and 7 administrative employees who provide services to 1,544 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 Educational Technology Association 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 21 and 22 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 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, 2015*

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

**A. Basis of Presentation**

The District's basic financial statements consist of government-wide financial statements, including a statement of net position 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 position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. 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 position 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 a 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 and deferred inflows is reported as fund balance.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**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 or assigned to a particular purpose.

**Proprietary Fund**

The proprietary fund focus is on the determination of the change in net position, 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 position and changes in net position. 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 agency funds which are used to account for student managed activities and a worker's compensation clearing account.

**C. Measurement Focus**

**Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and liabilities and deferred inflows associated with the operation of the District are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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

**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 deferred outflows and current liabilities and deferred inflows 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.

Like the government-wide statements, the proprietary fund is accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of this fund are included on the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (revenues) and decreases (expenses) in total fund assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

The private purpose trust fund is reported using the economic resource measurement focus.

**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 outflows/inflows of resources, 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, income 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 Notes 7 and 8). 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.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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

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 Outflows/Inflows of Resources**

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to pension are explained in Note 12.

In addition to the liabilities, the statements of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, intergovernmental and pension. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 12).

**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 2015 amounted to \$11,313, which includes \$382 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.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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

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 position 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.

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

**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.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

---

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

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.

**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 judgments, 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. Pensions**

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

**L. Net Position**

Net Position represents the difference between assets and liabilities. Net investment in capital assets, 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 Position is 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 position is available.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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

**M. 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.

**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.

**N. 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.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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

**O. 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.

**P. 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.

**Q. Budgetary Process**

All funds, other than the agency funds, 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.

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 2015.

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.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2015*

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**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

For fiscal year 2015, the District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions”, GASB Statement No. 69, “Government Combinations and Disposals of Government Operations”, GASB Statement No. 70, “Accounting and Financial Reporting for Non-exchange Financial Guarantees” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of GASB Statement Nos. 68 and 71 had the following effect on net position as reported June 30, 2014:

Net Position June 30, 2014	\$32,794,177
<i>Adjustments:</i>	
Net Pension Liability	(18,184,610)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>1,054,376</u>
Restated Net Position June 30, 2014	<u><u>\$15,663,943</u></u>

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

The implementation of GASB Statement Nos. 69 and 70 had no effect on the prior period net position of the District.

**NOTE 4 - ACCOUNTABILITY**

The following funds had a deficit fund balance as of June 30, 2015:

	<u>Deficit Fund Balance</u>
Cafeteria	\$43,012
Improving Teacher Quality	5,337

The deficits in these funds are the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

**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 restricted, committed or assigned fund balance.
4. Advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Certain funds are maintained as separate funds for accounting and budgetary purposes (budget basis) but do not meet the criteria for separate reporting in the financial statements (GAAP basis) and are reported in the General Fund in accordance with GASB Statement No. 54.

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	\$2,078,602
<i>Adjustments:</i>	
Revenue Accruals	31,128
Expenditure Accruals	(92,167)
Encumbrances	338,121
Other Uses	(16,838)
<i>Perspective Difference:</i>	
Activity of Funds Reclassified For GAAP Reporting Purposes	<u>2,450</u>
GAAP Basis	<u><u>\$2,341,296</u></u>

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**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 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;
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);

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 6 - DEPOSITS** - (Continued)

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.

At June 30, 2015, the carrying amount of all District deposits was \$13,588,766, which excludes \$564,537 cash with fiscal agent. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of June 30, 2015, \$13,233,473 of the District's bank balance of \$13,733,473 was exposed to custodial risk as discussed above while \$500,000 was covered by Federal Deposit Insurance. The \$13,233,473 exposed to custodial risk was collateralized with securities held by the District or its agency in the District's name. The District's policy on custodial risk requires that deposits follow the Ohio Revised Code.

**NOTE 7 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, 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.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

**NOTE 7 - PROPERTY TAXES**- (Continued)

Public utility property tax revenue received in calendar year 2015 represents collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien December 31, 2013, were levied after April 1, 2014 and are collected in 2015 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.

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, 2015 are available to finance fiscal year 2015 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents the June 2015 personal property tax settlement, delinquent taxes outstanding and real property, and public utility taxes which become measurable as of June 30, 2015. 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 inflows of resources for that portion not intended to finance current year operations. The total amount available as an advance at June 30, 2015 was \$325,706 and is recognized as revenue. Of this total amount, \$292,072 was available to the General Fund, \$29,168 was available to the Bond Retirement Fund, and \$4,466 was available to the Classroom Facilities Maintenance Nonmajor Special Revenue Fund.

The assessed values upon which the fiscal year 2015 taxes were collected are:

	2014 Second - Half Collections		2015 First - Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$165,947,190	97.03%	\$166,591,160	96.93%
Public Utility Personal	5,081,760	2.97%	5,273,600	3.07%
Total Assessed Value	<u>\$171,028,950</u>	<u>100.00%</u>	<u>\$171,864,760</u>	<u>100.00%</u>
Total rate per \$1,000 of assessed valuation	\$37.80		\$37.80	

**NOTE 8 - SCHOOL INCOME TAXES**

The District currently benefits from a 1.5% income tax, which is assessed on earned income only for all residents of the District. The District apportions all the proceeds to the General Fund. During fiscal year 2015, the District received \$2,422,386 from the school income tax.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 9 - RECEIVABLES**

Receivables at June 30, 2015 consisted of property and income taxes, interfund, accrued interest and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	
General Fund	\$40,671
<i>Nonmajor Special Revenue Funds:</i>	
Straight A Grant	780
Title I	82,159
Title VI-B	11,531
Improving Teacher Quality	21,545
<i>Total Nonmajor Special Revenue Funds</i>	<u>116,015</u>
Total Intergovernmental Receivables	<u><u>\$156,686</u></u>

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

**NOTE 10 - CAPITAL ASSETS**

Capital asset governmental activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance at July 1, 2014</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2015</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$292,457	\$0	\$0	\$292,457
<i>Depreciable Capital Assets:</i>				
Land Improvements	\$2,707,262	\$0	\$0	\$2,707,262
Buildings and Improvements	\$34,193,552	\$0	\$0	\$34,193,552
Furniture, Fixtures and Equipment	\$1,069,364	\$0	(\$7,598)	\$1,061,766
Vehicles	\$1,448,846	\$177,191	\$0	\$1,626,037
Textbooks	<u>887,213</u>	<u>0</u>	<u>0</u>	<u>887,213</u>
Total Depreciable Capital Assets	<u>40,306,237</u>	<u>177,191</u>	<u>(7,598)</u>	<u>40,475,830</u>
Total Capital Assets	<u>40,598,694</u>	<u>177,191</u>	<u>(7,598)</u>	<u>40,768,287</u>
<i>Accumulated Depreciation:</i>				
Land Improvements	(\$1,488,819)	(\$127,897)	\$0	(\$1,616,716)
Buildings and Improvements	(\$11,514,218)	(\$1,064,106)	\$0	(\$12,578,324)
Furniture, Fixtures and Equipment	(\$805,963)	(\$46,606)	\$7,598	(\$844,971)
Vehicles	(\$1,201,037)	(\$73,537)	\$0	(\$1,274,574)
Textbooks	<u>(887,213)</u>	<u>0</u>	<u>0</u>	<u>(887,213)</u>
Total Accumulated Depreciation	<u>(15,897,250)</u>	<u>(1,312,146)</u>	<u>7,598</u>	<u>(17,201,798)</u>
Total Net Capital Assets	<u>\$24,701,444</u>	<u>(\$1,134,955)</u>	<u>\$0</u>	<u>\$23,566,489</u>

Of the capital assets, \$270,073 is assets that are under capital lease.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 10 - CAPITAL ASSETS** - (Continued)

Depreciation expense was charged to governmental functions as follows:

*Instruction:*

Regular	\$1,184,706
Special	2,211
Vocational	622

*Support Services:*

Pupils	2,900
Instructional Staff	2,492
Administration	155
Operation and Maintenance of Plant	6,968
Pupil Transportation	83,943
Central	90
Operation of Non-Instructional Services	9,862
Extracurricular Activities	18,197
Total Depreciation Expense	<u><u>\$1,312,146</u></u>

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 11 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has 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 District pays this annual premium to the OSP (See Note 22).

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

Building and Contents-replacement cost (\$1,000 deductible)	\$69,820,870
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

Settled claims have not exceeded this coverage in any of the past three years. There has been no significant change in coverage from last year.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 11 - RISK MANAGEMENT** - (Continued)

The 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 (the 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. The Consortium contracts with a third-party administrator 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 from the internal service fund of the District. 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, dental and pharmacy 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, 2015, 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, 2015, 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>
2014	\$390,932	\$1,724,443	\$1,908,730	\$206,645
2015	206,645	2,024,427	2,022,862	208,210

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 12 – DEFINED BENEFIT PENSION PLANS**

**Net Pension Liability**

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

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

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

**Plan Description - School Employees Retirement System (SERS)**

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

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2015*

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**NOTE 12 – DEFINED BENEFIT PENSION PLANS - (Continued)**

Age and service requirements for retirement are as follows:

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

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

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

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

**Funding Policy** – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$349,811 for fiscal year 2015. Of this amount \$54,616 is reported as an intergovernmental payable.

**Plan Description - State Teachers Retirement System (STRS)**

**Plan Description** – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 12 – DEFINED BENEFIT PENSION PLANS - (Continued)**

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**Funding Policy** – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

**NOTE 12 – DEFINED BENEFIT PENSION PLANS** - (Continued)

The District’s contractually required contribution to STRS was \$754,907 for fiscal year 2015. Of this amount \$125,296 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$3,346,346	\$11,964,980	\$15,311,326
Proportion of the Net Pension Liability	0.06612100%	0.04919111%	
Pension Expense	\$272,588	\$521,522	\$794,110

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$28,481	\$115,189	\$143,670
District contributions subsequent to the measurement date	<u>349,811</u>	<u>754,907</u>	<u>1,104,718</u>
Total Deferred Outflows of Resources	<u>\$378,292</u>	<u>\$870,096</u>	<u>\$1,248,388</u>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	<u>\$543,121</u>	<u>\$2,213,567</u>	<u>\$2,756,688</u>
Total Deferred Inflows of Resources	<u>\$543,121</u>	<u>\$2,213,567</u>	<u>\$2,756,688</u>

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

**NOTE 12 – DEFINED BENEFIT PENSION PLANS** - (Continued)

\$1,104,718 reported as deferred outflows of resources related to pension resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2016	(\$128,588)	(\$524,594)	(\$653,182)
2017	(128,588)	(524,595)	(653,183)
2018	(128,588)	(524,594)	(653,182)
2019	<u>(128,876)</u>	<u>(524,595)</u>	<u>(653,471)</u>
Total	<u><u>(\$514,640)</u></u>	<u><u>(\$2,098,378)</u></u>	<u><u>(\$2,613,018)</u></u>

**Actuarial Assumptions - SERS**

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

**NOTE 12 – DEFINED BENEFIT PENSION PLANS** - (Continued)

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

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

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

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

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

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

**NOTE 12 – DEFINED BENEFIT PENSION PLANS** - (Continued)

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$4,774,242	\$3,346,346	\$2,145,363

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

**NOTE 12 – DEFINED BENEFIT PENSION PLANS** - (Continued)

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -**

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

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
District's proportionate share of the net pension liability	\$17,129,174	\$11,964,980	\$7,597,810

**NOTE 13 - POSTEMPLOYMENT BENEFITS**

**School Employees Retirement System**

**Postemployment Benefits** – In addition to a cost-sharing multiple employer defined benefit pension plan the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)**

**Health Care Plan** – ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code Section 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. For the year ended June 30, 2015, the health care allocation is 0.82 percent. An addition health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2015, the minimum compensation level was established at \$20,450. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contributions assigned to health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$21,764, \$35,685 and \$33,957, respectively.": 60; "\*\*\*\*\*  
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The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care are included in its Comprehensive Annual Financial Report. The report can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

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***State Teachers Retirement System***

**Plan Description** – State Teachers Retirement System of Ohio (STRS Ohio) administers a pension plan that is comprised of: a Defined Benefits Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefits Plan and the Defined Contribution Plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 13 - POSTEMPLOYMENT BENEFITS** - (Continued)

Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 0 percent of covered payroll was allocated to post-employment health care for the year ended June 30, 2015. The 14 percent employer contribution rate is the maximum rate established under Ohio law. The District's contributions for health care for the fiscal years ended June 30, 2015, 2014 and 2013 were \$0, \$54,675, and \$54,950 respectively. 100% has been contributed for all years.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free (888) 227-7877.

**NOTE 14 - 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, 2015*

**NOTE 15 - LONG-TERM LIABILITIES**

The changes in the District's long-term liabilities during fiscal year 2015 were as follows:

	Issue Date	Interest Rate	Principal Outstanding at July 1, 2014	Additions	Deductions	Principal Outstanding at June 30, 2015	Amount Due In One Year
<i>Governmental Activities:</i>							
School Construction Bonds	2000	5.45%	\$215,000	\$0	\$215,000	\$0	\$0
Refunding Bonds	2008	3.98%	1,954,998	0	50,000	1,904,998	57,813
Premium on Refunding Bonds			217,826	0	24,203	193,623	24,203
Total Bonds			<u>2,387,824</u>	<u>0</u>	<u>289,203</u>	<u>2,098,621</u>	<u>82,016</u>
Net Pension Liability							
STRS			14,252,606	0	2,287,626	11,964,980	0
SERS			3,932,004	0	585,658	3,346,346	0
Total Net Pension Liability			<u>18,184,610</u>	<u>0</u>	<u>2,873,284</u>	<u>15,311,326</u>	<u>0</u>
Capital Lease Payable			256,906	0	55,023	201,883	59,002
Compensated Absences Payable			353,638	289,624	178,123	465,139	55,827
Total Governmental Activities Long-Term Obligations			<u>\$21,182,978</u>	<u>\$289,624</u>	<u>\$3,395,633</u>	<u>\$18,076,969</u>	<u>\$196,845</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 were not defeased and will be retired through the Bond Retirement Fund using tax revenues.

The District pays obligations related to employee compensation from the fund benefitting from their service. 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.

The District's overall legal debt margin was \$13,562,830 with an unvoted debt margin of \$171,865 at June 30, 2015.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 15 - LONG-TERM LIABILITIES** - (Continued)

The annual requirements to retire the general obligation bonds outstanding at June 30, 2015, are as follows:

Year Ending June 30	Refunding Bonds	
	Principal	Interest
2016	\$57,813	\$284,187
2017	47,185	294,815
2018	275,000	66,500
2019	285,000	55,300
2020	295,000	43,700
2021-2023	945,000	58,100
Total	<u>\$1,904,998</u>	<u>\$802,602</u>

**NOTE 16 - CAPITAL LEASES - LESSEE DISCLOSURE**

Previously, 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 another financing source, inception of capital lease. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service 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 2015 totaled \$55,023.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 16 - 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, 2015.

Fiscal Year	Ending	Lease
June 30,		Payments
2016		\$71,264
2017		71,264
2018		71,264
2019		11,877
Total		225,669
Less: Amount Representing Interest		23,786
Total Principal		<u>\$201,883</u>

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2015*

**NOTE 17 – 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 District had no committed fund balance. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Restricted:</i>				
<i>Special Revenues:</i>				
Facilities Maintenance	\$0	\$0	\$115,674	\$115,674
District Managed Activities	0	0	13,310	13,310
Local Grants	0	0	168	168
State Grants	0	0	23,345	23,345
Federal Grants	0	0	48,130	48,130
Debt Service	0	561,411	0	561,411
Capital Projects	0	0	816,008	816,008
<i>Total Restricted</i>	<u>0</u>	<u>561,411</u>	<u>1,016,635</u>	<u>1,578,046</u>
<i>Assigned:</i>				
<i>Encumbrances:</i>				
Regular	35,663	0	0	35,663
Special	71,479	0	0	71,479
Vocational	1,214	0	0	1,214
Pupils	14,066	0	0	14,066
Board of Education	54,478	0	0	54,478
Administration	6,905	0	0	6,905
Fiscal	2,702	0	0	2,702
Business	3,235	0	0	3,235
Operation and Maintenance of Plant	62,927	0	0	62,927
Pupil Transportation	62,624	0	0	62,624
Central	3,890	0	0	3,890
Public School Support	20,597	0	0	20,597
<i>Total Assigned</i>	<u>339,780</u>	<u>0</u>	<u>0</u>	<u>339,780</u>
<i>Unassigned</i>	<u>10,554,896</u>	<u>0</u>	<u>(48,349)</u>	<u>10,506,547</u>
<b>Total Fund Balances</b>	<u><u>\$10,894,676</u></u>	<u><u>\$561,411</u></u>	<u><u>\$968,286</u></u>	<u><u>\$12,424,373</u></u>

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

**NOTE 18 - INTERFUND ACTIVITY**

As of June 30, 2015, receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$111,094	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Title VI-B	0	16,915
Title I	0	75,682
Improving Teacher Quality	0	18,497
Total Nonmajor Special Revenue Funds	0	111,094
Total	\$111,094	\$111,094

The balance of \$111,094 due to the General Fund from the funds listed is a result of negative cash balances in these funds. The General Fund is responsible for any deficit in these funds and interfund transactions were established to cover these expenditures. The purpose for these interfund balances is to eliminate the negative cash balances in these funds.

<u>Transfers From</u>	<u>Transfers To</u>	
	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Project Funds</u>
General	\$51,700	\$651,275

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, and (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 19 - STATUTORY SET-ASIDES**

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2015:

	<u>Capital Acquisition</u>
Set-Aside Balance as of June 30, 2014	\$0
Current Year Set-Aside Requirement	285,818
Current Year Offset	(106,773)
Qualifying Disbursements	<u>(341,244)</u>
Total	<u>(162,199)</u>
Set-Aside Reserve Balance as of June 30, 2015	<u><u>\$0</u></u>

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

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2015*

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**NOTE 20 – ENCUMBRANCE COMMITMENTS**

At June 30, 2015, the District had encumbrance commitments in the Governmental Funds as follows:

<u>Major Funds</u>	
General	\$339,780
Public School Support (rolls into Gen	266
<u>Nonmajor Funds</u>	
Permanent Improvement	100,000
Classroom Facilities Maintenance	9,084
Athletics	1,310
Straight A Grant	15,031
Idea - B	5,893
Title I	75,748
<i>Total Nonmajor Funds</i>	<u>207,066</u>
Total Encumbrances	<u><u>\$547,112</u></u>

**NOTE 21 - JOINTLY GOVERNED ORGANIZATIONS**

**Metropolitan Educational Technology Association (META)**

The District is a participant in META, which is a computer consortium. META is an association which serves 121 school districts. The organization was formed by a merger of TRECA Educational Solutions and Metropolitan Educational Council. During 2015, the District paid \$52,408 for services with META. Financial information can be obtained from Mike Carder, who serves as CEO, 100 Executive Drive, Marion, Ohio, 43302.

**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. To obtain financial information, write to the Liberty Union-Thurston Local School District, David Butler, who serves as Treasurer, at 1108 S. Main Street, Baltimore, Ohio 43105.

**AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2015*

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**NOTE 22 - 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 23 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2015, if applicable, cannot be determined at this time.

**B. Litigation**

The District is involved in no pending litigation that would have a material effect on the financial condition of the District.

**C. School Foundation**

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

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**REQUIRED SUPPLEMENTARY INFORMATION**

**AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT**  
*Schedule of the District's Proportionate Share of Net Pension Liability*  
*Last Two Fiscal Years (1)*

	<u>2014</u>	<u>2013</u>
<b><u>School Employees Retirement System of Ohio</u></b>		
District's Proportion of the Net Pension Liability	0.06612100%	0.06612100%
District's Proportionate Share of the Net Pension Liability	\$3,346,346	\$3,932,004
District's Covered-Employee Payroll	\$2,480,924	\$2,622,943
District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	134.88%	149.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%
<b><u>State Teachers Retirement System of Ohio</u></b>		
District's Proportion of the Net Pension Liability	0.04919111%	0.04919111%
District's Proportionate Share of the Net Pension Liability	\$11,964,980	\$14,252,606
District's Covered-Employee Payroll	\$5,467,464	\$5,441,768
District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	218.84%	261.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.71%	69.30%

(1) Information prior to 2013 is not available.

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

**AMANDA CLEARCREEK LOCAL SCHOOL DISTRICT**

*Schedule of the District's Contributions*

*Last Two Fiscal Years (1)*

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	<u>2015</u>	<u>2014</u>
<b><u>School Employees Retirement System of Ohio</u></b>		
Contractually Required Contributions	\$349,811	\$343,606
Contributions in Relation to the Contractually Required Contributions	<u>(349,811)</u>	<u>(343,606)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$2,654,107	\$2,480,924
Contributions as a Percentage of Covered-Employee Payroll	13.18%	13.85%
<b><u>State Teachers Retirement System of Ohio</u></b>		
Contractually Required Contributions	\$754,907	\$710,770
Contributions in Relation to the Contractually Required Contributions	<u>(754,907)</u>	<u>(710,770)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$5,392,193	\$5,467,464
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.00%

(1) Information prior to 2014 is not available.

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

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

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2015**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Grant Award Year	Federal CFDA Number	Receipts	Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>				
<b><i>Passed Through Ohio Department of Education:</i></b>				
Nutrition Cluster:				
Non-Cash Assistance (Food Donation):				
National School Lunch Program	2015	10.555	\$ 32,440	\$ 32,440
Cash Assistance				
School Breakfast Program	2015	10.553	85,531	85,531
National School Lunch Program	2015	10.555	237,540	237,540
Total Nutrition Cluster			<u>355,511</u>	<u>355,511</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>355,511</u></b>	<b><u>355,511</u></b>
<b><u>U.S. DEPARTMENT OF EDUCATION:</u></b>				
<b><i>Passed Through Ohio Department of Education:</i></b>				
Title I Grants to Local Educational Agencies Program	2014	84.010	131,738	42,963
	2015		<u>297,399</u>	<u>297,333</u>
			429,137	340,296
Special Education Grants to States Program	2014	84.027	31,804	3,296
	2015		<u>278,778</u>	<u>289,800</u>
Total Special Education Grants to States Program			310,582	293,096
Improving Teacher Quality State Grants Program	2014	84.367	13,721	6,802
	2015		<u>41,727</u>	<u>60,225</u>
			<u>55,448</u>	<u>67,027</u>
<b>Total U.S. Department of Education</b>			<b><u>795,167</u></b>	<b><u>700,419</u></b>
<b>Total Federal Awards Receipts and Expenditures</b>			<b><u>\$ 1,150,678</u></b>	<b><u>\$ 1,055,930</u></b>

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

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

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Amanda-Clearcreek Local School District's (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 entitlement 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 AUDITOR'S 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 East Main Street  
Amanda, Ohio 43102

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 16, 2016, wherein we noted the District adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

### ***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-001 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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***District's Response to Finding***

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.

***Purpose of this Report***

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



**Dave Yost**  
Auditor of State  
Columbus, Ohio

March 16, 2016



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S 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 East Main Street  
Amanda, Ohio 43102

To the Board of Education:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Amanda Clearcreek Local School District's, Fairfield County, Ohio (the District) compliance with the applicable 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 the Amanda-Clearcreek Local School District's major federal programs for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the Amanda-Clearcreek Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2015.

**Report on Internal Control Over Compliance**

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect each major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

March 16, 2016

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2015**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Nutrition Cluster (School Breakfast Program CFDA 10.553 & National School Lunch Program CFDA 10.555);  Special Education - Grants to States Program (CFDA 84.027)
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

AMANDA-CLEARCREEK LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2015  
(Continued)

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

**FINDING NUMBER 2015-001**

**Financial Statement Presentation - Material Weakness**

Sound financial reporting is the responsibility of the School Treasurer and the members of Board of Education and is essential to help ensure information provided to the readers of the financial statements is complete and accurate. The District out sources the Cash to GAAP conversion process of their financial statements. When reports are completed, the Treasurer should review information presented to help ensure it is complete and accurate.

The District understated Claims Payable by \$80,610 as the liabilities from Employee Benefits Management Company's lag report were not included in the calculation. This change was applied to the audited financial statements.

In addition to the above, the following errors were also noted and did not require modifications to be made to the financial statements:

- Property tax receipts were understated \$561,275 as revenues were reduced to reflect a transfer-out approved by the Board;
- The District incorrectly recorded \$363,892, \$35,287, and \$5,391 as Deferred Inflow of Resources - Property Taxes rather than Unavailable Revenue in the General, Bond Retirement, and Other Governmental Funds, respectively;
- Inventory held for resale was understated \$10,000 in Other Governmental Funds; and
- Commodities were understated \$27,625 in Other Governmental Funds.

The lack of controls over the review process for accuracy of information prepared could lead to undetected errors or omissions in the financial statements and notes, including the additional time and effort to identify the variances and discrepancies.

We recommend the District develop procedures to help ensure the accuracy of financial statements. Reviewing for accuracy in financial activity, the District can reduce posting errors and increase the reliability of the financial data.

**Official's Response:** The District outsources its GAAP conversion process. The District will review its contract and information with the outside entity and will review and monitor controls and communication to make sure this is not re-occurring.

**3. FINDINGS FOR FEDERAL AWARDS**

None



# 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  
APRIL 12, 2016**