

# **Lennon & Company**

Certified Public Accountant

## ***WOODRIDGE LOCAL SCHOOL DISTRICT***

Independent Auditor's Report  
For Fiscal Year Ended June 30, 1999

**WOODRIDGE LOCAL SCHOOL DISTRICT**  
General Purpose Financial Statements  
For the fiscal year ended June 30, 1999

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Board of Education  
Woodridge Local School District

We have reviewed the Independent Auditor's Report of the Woodridge Local School District, Summit County, prepared by Lennon & Company for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Woodridge Local School District is responsible for compliance with these laws and regulations.



JIM PETRO  
Auditor of State

June 6, 2000

# Lennon & Company

Certified Public Accountant

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education  
Woodridge Local School District  
4411 Quick Road  
Peninsula, Ohio 44264-9706

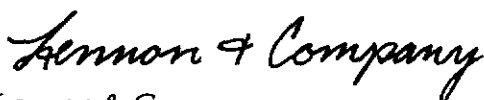
We have audited the accompanying general purpose financial statements of the Woodridge Local School District, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Woodridge Local School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Woodridge Local School District, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2000, on our consideration of the Woodridge Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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



Lennon & Company  
Certified Public Accountant  
March 3, 2000

**Woodridge Local School District  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 As of June 30, 1999**

Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits:</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 320,138	\$ 142,237	\$ 113,709	\$ 296,757
Cash and cash equivalents with escrow agent	-	-	-	29,112
Receivables:				
Taxes	7,919,422	-	2,210,569	328,921
Accounts	-	393	-	-
Intergovernmental	45,540	-	334	118
Accrued interest	330	-	-	-
Inventory held for resale	-	-	-	-
Materials and supplies inventory	-	-	-	-
Equity in pooled cash and cash equivalents (restricted)	142,726	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-
<u>Other debits:</u>				
Amount available in debt service fund for retirement of general obligation bonds	-	-	-	-
Amount to be provided from general government resources	-	-	-	-
Total assets and other debits	<u>\$ 8,428,156</u>	<u>\$ 142,630</u>	<u>\$ 2,324,612</u>	<u>\$ 654,908</u>
<u>Liabilities, fund equity and other credits:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 40,840	\$ 31,226	\$ -	\$ 18,914
Accrued wages	977,468	37,464	-	-
Compensated absences payable	108,488	-	-	-
Retainage payable	-	-	-	29,112
Intergovernmental payable	253,289	7,576	-	-
Deferred revenue	7,728,953	-	2,182,054	317,843
Due to students	-	-	-	-
Accrued interest payable	13,108	-	-	2,325
Notes payable	744,800	-	-	82,194
Capital leases payable	-	-	-	-
Energy conservation notes payable	-	-	-	-
General obligation bonds payable	-	-	-	-
Total liabilities	<u>9,866,946</u>	<u>76,266</u>	<u>2,182,054</u>	<u>450,388</u>
<u>Fund equity and other credits:</u>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings:				
Unreserved	-	-	-	-
Fund balance:				
Reserved for encumbrances	26,019	8,321	-	15,811
Reserved for bus purchases	22,727	-	-	-
Reserved for debt service	-	-	142,558	-
Reserved for textbooks and instructional materials	61,607	-	-	-
Reserved for budget stabilization	58,392	-	-	-
Unreserved, undesignated	(1,607,535)	58,043	-	188,709
Total fund equity and other credits	<u>(1,438,790)</u>	<u>66,364</u>	<u>142,558</u>	<u>204,520</u>
Total liabilities, fund equity and other credits	<u>\$ 8,428,156</u>	<u>\$ 142,630</u>	<u>\$ 2,324,612</u>	<u>\$ 654,908</u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 8,158	\$ 11,053	\$ 39,182	\$ -	\$ -	\$ 931,234
-	-	-	-	-	29,112
-	-	-	-	-	10,458,912
-	-	-	-	-	393
-	-	-	-	-	45,992
-	-	-	-	-	330
12,018	-	-	-	-	12,018
2,944	-	-	-	-	2,944
-	-	-	-	-	142,726
53,933	-	-	25,291,467	-	25,345,400
-	-	-	-	142,558	142,558
-	-	-	-	19,375,035	19,375,035
<u>\$ 77,053</u>	<u>\$ 11,053</u>	<u>\$ 39,182</u>	<u>\$ 25,291,467</u>	<u>\$ 19,517,593</u>	<u>\$ 56,486,654</u>
\$ 1,300	\$ -	\$ 2,223	\$ -	\$ -	\$ 94,503
24,206	-	-	-	-	1,039,138
6,077	-	-	-	699,264	813,829
-	-	-	-	-	29,112
9,929	-	-	-	93,706	364,500
6,071	-	-	-	-	10,234,921
-	-	34,467	-	-	34,467
-	-	-	-	-	15,433
-	-	-	-	-	826,994
-	-	-	-	342,425	342,425
-	-	-	-	317,198	317,198
-	-	-	-	18,065,000	18,065,000
<u>47,583</u>	<u>-</u>	<u>36,690</u>	<u>-</u>	<u>19,517,593</u>	<u>32,177,520</u>
-	-	-	25,291,467	-	25,291,467
88,155	-	-	-	-	88,155
(58,685)	11,053	-	-	-	(47,632)
-	-	-	-	-	50,151
-	-	-	-	-	22,727
-	-	-	-	-	142,558
-	-	-	-	-	61,607
-	-	-	-	-	58,392
-	-	2,492	-	-	(1,358,291)
<u>29,470</u>	<u>11,053</u>	<u>2,492</u>	<u>25,291,467</u>	<u>-</u>	<u>24,309,134</u>
<u>\$ 77,053</u>	<u>\$ 11,053</u>	<u>\$ 39,182</u>	<u>\$ 25,291,467</u>	<u>\$ 19,517,593</u>	<u>\$ 56,486,654</u>

**Woodridge Local School District**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Governmental Fund Types and Expendable Trust Fund**  
**For the Fiscal Year Ended June 30, 1999**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Revenues:</b>				
Taxes	\$ 7,990,983	\$ -	\$ 1,401,189	\$ 383,012
Intergovernmental	1,754,558	453,670	139,101	109,487
Interest	97,293	1,653	-	5,014
Tuition and fees	67,590	-	-	-
Extracurricular activities	-	136,699	-	-
Gifts and donations	2,915	23,980	-	-
Miscellaneous	36,108	-	-	55,811
<b>Total revenues</b>	<b>9,949,447</b>	<b>616,002</b>	<b>1,540,290</b>	<b>553,324</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	4,674,563	310,885	-	145,482
Special	652,903	126,787	-	-
Vocational	165,008	-	-	-
Other	61,303	-	-	-
<b>Support services:</b>				
Pupils	677,688	78,956	-	-
Instructional staff	432,242	25,360	-	-
Board of education	14,300	-	-	-
Administration	994,169	6,206	-	-
Fiscal	348,926	-	23,817	4,683
Business	39,827	6,297	-	21,749
Operation and maintenance of plant	1,027,888	-	-	67,940
Pupil transportation	669,602	21,269	-	17,171
Central	6,835	12,002	-	-
Operation of non-instructional services	-	1,392	-	-
Extracurricular activities	174,510	123,693	-	-
Capital outlay	147,482	-	-	28,285
<b>Debt service:</b>				
Principal retirement	6,612	-	350,789	94,387
Interest and fiscal charges	27,416	-	1,134,834	33,391
<b>Total expenditures</b>	<b>10,121,274</b>	<b>712,847</b>	<b>1,509,440</b>	<b>413,088</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(171,827)</b>	<b>(96,845)</b>	<b>30,850</b>	<b>140,236</b>
<b>Other financing sources (uses):</b>				
Inception of capital lease	155,033	-	-	-
Operating transfers in	10,273	24,994	-	-
Operating transfers out	(29,163)	(10,273)	-	-
<b>Total other financing sources (uses)</b>	<b>136,143</b>	<b>14,721</b>	<b>-</b>	<b>-</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>(35,684)</b>	<b>(82,124)</b>	<b>30,850</b>	<b>140,236</b>
Fund balance (deficit) at beginning of year	(1,403,106)	148,488	111,708	64,284
<b>Fund balance (deficit) at ending of year</b>	<b>\$ (1,438,790)</b>	<b>\$ 66,364</b>	<b>\$ 142,558</b>	<b>\$ 204,520</b>

See accompanying notes to the general purpose financial statements.

Fiduciary Funds	Totals (Memorandum Only)
Expendable Trust	
\$ -	\$ 9,775,184
-	2,456,816
-	103,960
-	67,590
-	136,699
-	26,895
1,036	92,955
1,036	12,660,099
-	5,130,930
-	779,690
-	165,008
-	61,303
-	756,644
-	457,602
-	14,300
-	1,000,375
-	377,426
-	67,873
-	1,095,828
-	708,042
-	18,837
1,151	2,543
-	298,203
-	175,767
-	451,788
-	1,195,641
1,151	12,757,800
(115)	(97,701)
-	155,033
-	35,267
-	(39,436)
-	150,864
(115)	53,163
2,607	(1,076,019)
\$ 2,492	\$ (1,022,856)



**Woodridge Local School District**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Budget and Actual -**  
**All Governmental Fund Types and Expendable Trust Fund**  
**For the Fiscal Year Ended June 30, 1999**

	Governmental Fund Types		
	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 7,411,591	\$ 7,411,591	\$ -
Intergovernmental	1,763,831	1,763,831	-
Interest	95,129	95,129	-
Tuition and fees	24,917	24,917	-
Extracurricular activities	-	-	-
Gifts and donations	2,915	2,915	-
Miscellaneous	36,108	36,108	-
Total revenues	9,334,491	9,334,491	-
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	4,583,355	4,583,355	-
Special	631,901	631,901	-
Vocational	167,807	167,807	-
Other	63,666	63,666	-
<b>Support services:</b>			
Pupils	651,239	651,239	-
Instructional staff	424,406	424,406	-
Board of education	14,369	14,369	-
Administration	966,990	966,990	-
Fiscal	344,187	344,187	-
Business	41,614	41,614	-
Operation and maintenance of plant	1,018,795	1,018,795	-
Pupil transportation	672,428	672,428	-
Central	7,288	7,288	-
Operation of non-instructional services	-	-	-
Extracurricular activities	180,205	180,205	-
Capital outlay	-	-	-
<b>Debt service:</b>			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	9,768,250	9,768,250	-
Excess of revenues over (under) expenditures	(433,759)	(433,759)	-
<b>Other financing sources (uses):</b>			
Proceeds of notes	744,800	744,800	-
Operating transfers in	-	-	-
Operating transfers out	(29,163)	(29,163)	-
Total other financing sources (uses):	715,637	715,637	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	281,878	281,878	-
Fund balance at beginning of year	116,250	116,250	-
Prior year encumbrances appropriated	18,297	18,297	-
Fund balance at end of year	\$ 416,425	\$ 416,425	\$ -

See accompanying notes to the general purpose financial statements.

Governmental Fund Types

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 2,239,261	\$ 2,239,261	\$ -
471,513	471,513	-	139,101	139,101	-
1,569	1,569	-	-	-	-
-	-	-	-	-	-
136,306	136,306	-	-	-	-
23,980	23,980	-	-	-	-
-	-	-	-	-	-
633,368	633,368	-	2,378,362	2,378,362	-
305,256	305,256	-	-	-	-
125,854	125,854	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
80,037	80,037	-	-	-	-
63,074	63,074	-	-	-	-
-	-	-	-	-	-
6,206	6,206	-	23,817	23,817	-
-	-	-	-	-	-
6,297	6,297	-	-	-	-
-	-	-	-	-	-
21,269	21,269	-	-	-	-
12,963	12,963	-	-	-	-
1,393	1,393	-	-	-	-
125,688	125,688	-	-	-	-
-	-	-	-	-	-
-	-	-	1,139,282	1,139,282	-
-	-	-	1,167,727	1,167,727	-
748,037	748,037	-	2,330,826	2,330,826	-
(114,669)	(114,669)	-	47,536	47,536	-
-	-	-	-	-	-
24,994	24,994	-	-	-	-
-	-	-	-	-	-
24,994	24,994	-	-	-	-
(89,675)	(89,675)	-	47,536	47,536	-
133,954	133,954	-	66,173	66,173	-
54,784	54,784	-	-	-	-
\$ 99,063	\$ 99,063	\$ -	\$ 113,709	\$ 113,709	\$ -

(Continued)

**Woodridge Local School District**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Budget and Actual -**  
**All Governmental Fund Types and Expendable Trust Fund (Continued)**  
**For the Fiscal Year Ended June 30, 1999**

	Governmental Fund Types		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 240,549	\$ 240,549	\$ -
Intergovernmental	109,487	109,487	-
Interest	4,456	4,456	-
Tuition and fees	-	-	-
Extracurricular activities	-	-	-
Gifts and donations	-	-	-
Miscellaneous	55,811	55,811	-
<b>Total revenues</b>	<b>410,303</b>	<b>410,303</b>	<b>-</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	165,515	165,515	-
Special	-	-	-
Vocational	-	-	-
Other	-	-	-
<b>Support services:</b>			
Pupils	-	-	-
Instructional staff	-	-	-
Board of education	-	-	-
Administration	-	-	-
Fiscal	4,683	4,683	-
Business	21,750	21,750	-
Operation and maintenance of plant	67,940	67,940	-
Pupil transportation	17,171	17,171	-
Central	-	-	-
Operation of non-instructional services	-	-	-
Extracurricular activities	-	-	-
Capital outlay	138,252	138,252	-
<b>Debt service:</b>			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<b>415,311</b>	<b>415,311</b>	<b>-</b>
Excess of revenues over (under) expenditures	(5,008)	(5,008)	-
<b>Other financing sources (uses):</b>			
Proceeds of notes	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
<b>Total other financing sources (uses):</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(5,008)	(5,008)	-
Fund balance at beginning of year	156,830	156,830	-
Prior year encumbrances appropriated	124,815	124,815	-
<b>Fund balance at end of year</b>	<b>\$ 276,637</b>	<b>\$ 276,637</b>	<b>\$ -</b>

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type			Totals (Memorandum Only)		
Expendable Trust Fund					
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 9,891,401	\$ 9,891,401	\$ -
-	-	-	2,483,932	2,483,932	-
-	-	-	101,154	101,154	-
-	-	-	24,917	24,917	-
-	-	-	136,306	136,306	-
-	-	-	26,895	26,895	-
1,036	1,036	-	92,955	92,955	-
1,036	1,036	-	12,757,560	12,757,560	-
-	-	-	5,054,126	5,054,126	-
-	-	-	757,755	757,755	-
-	-	-	167,807	167,807	-
-	-	-	63,666	63,666	-
-	-	-	731,276	731,276	-
-	-	-	487,480	487,480	-
-	-	-	14,369	14,369	-
-	-	-	973,196	973,196	-
-	-	-	372,687	372,687	-
-	-	-	69,661	69,661	-
-	-	-	1,086,735	1,086,735	-
-	-	-	710,868	710,868	-
1,151	1,151	-	20,251	20,251	-
-	-	-	2,544	2,544	-
-	-	-	305,893	305,893	-
-	-	-	138,252	138,252	-
-	-	-	1,139,282	1,139,282	-
-	-	-	1,167,727	1,167,727	-
1,151	1,151	-	13,263,575	13,263,575	-
(115)	(115)	-	(506,015)	(506,015)	-
-	-	-	744,800	744,800	-
-	-	-	24,994	24,994	-
-	-	-	(29,163)	(29,163)	-
-	-	-	740,631	740,631	-
(115)	(115)	-	234,616	234,616	-
2,152	2,152	-	475,359	475,359	-
455	455	-	198,351	198,351	-
\$ 2,492	\$ 2,492	\$ -	\$ 908,326	\$ 908,326	\$ -

**Woodridge Local School District**  
**Combined Statement of Revenues,**  
**Expenses and Changes in Retained Earnings**  
**All Proprietary Fund Types**  
**For the Fiscal Year Ended June 30, 1999**

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<u>Operating revenues:</u>			
Sales	\$ 246,404	\$ 2,154	\$ 248,558
Other operating revenues	-	25,423	25,423
Total operating revenue	246,404	27,577	273,981
<u>Operating expenses:</u>			
Salaries	131,245	-	131,245
Fringe benefits	43,543	-	43,543
Purchased services	4,559	5,499	10,058
Materials and supplies	50,808	-	50,808
Cost of sales	182,731	-	182,731
Depreciation	8,986	-	8,986
Other operating expenses	-	21,805	21,805
Total operating expenses	421,872	27,304	449,176
Operating income (loss)	(175,468)	273	(175,195)
<u>Non-operating revenues:</u>			
Federal donated commodities	41,388	-	41,388
Operating grants	131,035	-	131,035
Interest	27	-	27
Total non-operating revenues	172,450	-	172,450
Income (loss) before operating transfers	(3,018)	273	(2,745)
Operating transfers in	4,169	-	4,169
Net income	1,151	273	1,424
Retained earnings at beginning of year	(59,835)	10,780	(49,055)
Retained earnings at end of year	\$ (58,684)	\$ 11,053	\$ (47,631)

See accompanying notes to the general purpose financial statements.

**Woodridge Local School District  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types  
 For the Year Ended June 30, 1999**

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<b><u>Cash flows from operating activities:</u></b>			
Cash received from customers	\$ 246,403	\$ -	\$ 246,403
Cash received from other operating sources	-	27,577	27,577
Cash payments to suppliers for goods and services	(200,953)	(5,499)	(206,452)
Cash payments to employees for services	(126,545)	-	(126,545)
Cash payments for employee benefits	(47,341)	-	(47,341)
Cash payments for other operating expenses	-	(21,805)	(21,805)
Net cash provided by (used for) operating activities	(128,436)	273	(128,163)
<b><u>Cash flows from noncapital financing activities:</u></b>			
Operating grants	131,035	-	131,035
Transfers in	4,169	-	4,169
Net cash provided by noncapital financing activities	135,204	-	135,204
<b><u>Cash flows from investing activities:</u></b>			
Interest on investments	27	-	27
Net increase in cash and cash equivalents	6,795	273	7,068
Cash and cash equivalents at beginning of year	1,363	10,780	12,143
Cash and cash equivalents at end of year	\$ 8,158	\$ 11,053	\$ 19,211
<b><u>Reconciliation of operating income to net cash provided by (used for) operating activities:</u></b>			
Operating income (loss)	\$ (175,468)	\$ 273	\$ (175,195)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	8,986	-	8,986
Federal donated commodities	41,388	-	41,388
Change in assets and liabilities:			
(Increase) decrease in assets:			
Inventory	(2,272)	-	(2,272)
Increase (decrease) in liabilities:			
Accounts payable	(1,606)	-	(1,606)
Accrued wages	4,789	-	4,789
Compensated absences payable	(133)	-	(133)
Intergovernmental payable	(2,885)	-	(2,885)
Deferred revenue	(1,235)	-	(1,235)
Total adjustments	47,032	-	47,032
Net cash provided by (used for) operating activities	\$ (128,436)	\$ 273	\$ (128,163)

See accompanying notes to the general purpose financial statements.

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

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The Woodridge Local School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's five instructional/support facilities staffed by 94 non-certificated employees, 140 certificated full time teaching personnel, and five administrators, who provide services to 1,504 students and other community members.

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

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

**A. Reporting Entity**

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organizations' governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organizations' resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District had no component units at year end.

## Notes to the General Purpose Financial Statements

The School District is associated with the Northeast Ohio Network for Educational Technology, which is defined as a jointly governed organization. Jointly governed organizations are governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility by the participating governments. Information regarding these organizations is presented in Note 13.

### **B. Basis of Presentation - Fund Accounting**

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

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

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

#### Governmental Fund Types

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

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

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

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



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

#### Proprietary Fund Types

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

Enterprise Funds: The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund: The internal service fund accounts for the financing of services provided by one department to other departments of the School District on a cost reimbursement basis.

#### Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

#### Account Groups

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

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

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

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

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

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

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

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants and entitlements, and student fees.

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

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

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

**D. Budgets and  
Budgetary Accounting**

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

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

## *Notes to the General Purpose Financial Statements*

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

*Appropriations:* Upon receipt from the County Auditor of an amended Certificate of Estimated Resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual Appropriation Resolution must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The Appropriation Resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the legal level of control. Any revisions that alter the fund appropriation at the legal level of budgetary control must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

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

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

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

**E. Cash and Investments**

To improve cash management, all cash received by the School District is pooled in a central bank account. Moneys for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the combined balance sheet. During the fiscal year investments were limited to overnight repurchase agreements, certificates of deposit and STAR Ohio. Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value which is based on quoted market prices.

The District invested funds in STAR Ohio during fiscal year 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 1999.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments. During the fiscal year, all investments of the School District had a maturity of three months or less.

**F. Inventory of Supplies**

Inventories of proprietary funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventories of proprietary funds consist of school supplies, donated food and purchased food, which are expensed when used. There was no significant inventory in governmental funds.

**G. Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of three hundred dollars. The School District does not possess any infrastructure.

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

Assets in the general fixed assets account group are not depreciated. Depreciation of equipment in the proprietary fund types is computed using the straight line method over an estimated useful life of ten to fifteen years.

**H. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for the purchase of buses, and amounts required by statute to be set-aside by the School District for the purchase of textbooks, for the acquisition or construction of capital assets and to create a reserve for budget stabilization. See Note 17 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

**I. Intergovernmental Revenues**

In governmental funds, federal and state grants awarded on a non-reimbursement basis and federal entitlements are recorded as intergovernmental receivables and revenues when measurable and available. Federal and state reimbursable type grants are recorded as intergovernmental receivables and revenues when the related liabilities are incurred.

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

Entitlements

*General Fund*

State Foundation Program

State Property Tax Relief

School Bus Purchase Reimbursement

Non-Reimbursable Grants

*Special Revenue Funds*

Teacher Development  
Disadvantaged Pupil Impact Aid  
Educational Management Information Systems  
Title VI-B  
Title I  
Title VI  
Drug Free Schools  
Goals 2000  
Raising the Bar  
*Capital Project Fund*  
SchoolNet

Reimbursable Grants

*General Fund*

Driver Education Reimbursement  
School Bus Purchase Reimbursement

*Proprietary Fund*

National School Lunch Program  
National School Breakfast Program  
Government Donated Commodities

Grants and entitlements amounted to approximately nineteen percent of the School District's operating revenue during the fiscal year.

**J. Compensated Absences**

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

Accumulated vacation and sick leave of employees paid from governmental funds has been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave for employees paid from proprietary funds is recorded as an expense and liability of the fund.

## *Notes to the General Purpose Financial Statements*

- K. Long-Term Obligations** In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Bonds and capital leases are reported as a liability of the general long-term obligations account group until due.
- Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.
- L. Interfund Transactions** During the course of normal operations, the School District has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers.
- M. Fund Balance Reserves** The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, budget stabilization and debt service.
- N. Contributed Capital** Contributed capital represents resources from other funds, other governments and private sources provided to the enterprise funds that is not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year-end.
- O. Estimates** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.
- P. Memorandum Only - Total Columns on General Purpose Financial Statements** Total columns on the general purpose financial statements are captioned "Totals Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.



**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. Proceeds from and principal payment on bond and tax anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).
5. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

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

*Excess of Revenues and Other Financing Sources Over (Under)  
Expenditures and Other Financing Uses*

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<i>GAAP Basis</i>	\$ (35,684)	\$ (82,124)	\$ 30,850	\$ 140,235
<i>Revenue accruals</i>	(35,462)	17,366	838,072	(143,021)
<i>Expenditure accruals</i>	397,629	18,172	(821,386)	17,340
<i>Encumbrances (Budget Basis) outstanding at year end</i>	<u>(44,605)</u>	<u>(43,089)</u>	<u>-</u>	<u>(19,562)</u>
<i>Budget Basis</i>	<u>\$ 281,878</u>	<u>\$ (89,675)</u>	<u>\$ 47,536</u>	<u>\$ (5,008)</u>

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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State statutes classify moneys held by the School District into three categories.

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

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

Interim deposits are deposits of interim 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 or deposit accounts including passbook accounts. Interim moneys may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

1. United States Treasury bills, notes, bonds, or any other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of settlement;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

7. Certain 'bankers' acceptances and commercial paper notes in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time and for a period not to exceed one hundred eighty days.
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

Deposits: The carrying value of the School District's deposits and petty cash of \$2,900 totaled \$512,973 and the bank balances of the deposits totaled \$630,333. Of the bank balance, \$229,112 was covered by federal depository insurance. \$401,221 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School District's name.

Investments: GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the School District's investments be classified in categories of credit risk. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name.

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 1999 amounted to \$97,293, which includes \$42,971 assigned from other School District funds.

*Notes to the General Purpose Financial Statements*

	<u>Category 3</u>	<u>Fair Value</u>
<u>Categorized Investments</u>		
Repurchase Agreements	\$ 565,000	\$ 565,000
Total Categorized	<u>\$ 565,000</u>	<u>565,000</u>
 <u>Noncategorized Investments</u>		
State Treasurer's Pool		25,099
Total Investments		<u>\$ 590,099</u>

The School District's investment in STAR Ohio is an unclassified investment since it is not evidence by securities that exist in physical or book entry form.

**NOTE 5 - PROPERTY TAX**

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

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

# Woodridge Local School District

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, tangible personal property and public utility taxes which became measurable as of year end. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at year end is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year end was \$190,469 in the general fund and \$28,515 in the Bond Retirement debt service fund, and \$11,078 in the Permanent Improvement capital projects fund and is recognized as revenue.

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

<u>Property Category</u>	<u>1998 Assessed Value</u>	<u>1997 Assessed Value</u>
<u>Real Property</u>		
Residential and Agricultural	\$ 223,254,130	\$ 213,411,900
Commercial and Industrial	70,878,470	66,259,070
Public Utilities	2,770	2,790
<u>Tangible Personal Property</u>		
General	44,898,388	43,423,051
Public Utilities	13,021,310	12,905,130
Total	<u>\$ 352,055,068</u>	<u>\$ 336,001,941</u>

## NOTE 6 - RECEIVABLES

Receivables at year end consisted of taxes, accounts (tuition and excess costs), interfund and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. The general fund's intergovernmental receivable at year end amounted to \$45,540.

**NOTE 7 - FIXED ASSETS**

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

<u>Classification</u>	<u>Balance at June 30, 1999</u>
Equipment	\$135,539
Less: accumulated depreciation	<u>(81,606)</u>
Net Fixed Assets	<u>\$ 53,933</u>

General Fixed Assets: Changes in general fixed assets during fiscal year 1999 were as follows:

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
Land and Land Improvements	\$ 2,013,653	\$ -	\$ -	\$ 2,013,653
Buildings	18,671,542	-	-	18,671,542
Furniture, Fixtures & Equipment	3,281,263	370,189	-	3,651,452
Vehicles	932,186	-	-	932,186
Construction in Progress	22,634	-	-	22,634
Total	<u>\$ 24,921,278</u>	<u>\$ 370,189</u>	<u>\$ -</u>	<u>\$ 25,291,467</u>

**NOTE 8 - RISK MANAGEMENT**

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

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

The District provides life insurance and accidental death and dismemberment insurance to its employees.

The District has contracted with the Ohio Mid Eastern Regional Educational Service Agency (OME-RESA) to provide medical/surgical and dental for its employees and their covered dependents. The OME-RESA is a shared risk pool comprised of multiple entities. The District pays monthly contributions that are placed in a fund from which eligible claims are paid for employees and their covered dependents. Claims are paid for all participants regardless of claims flow. The School District has a specific stop loss policy of \$50,000. In the event of termination, all participating entities' claims would be paid without regard to their individual account balances. The OME-RESA Board of Directors has authority to return moneys to an exiting entity subsequent to the settlement of all claims and expenses.

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute nine percent of their annual covered salary and the School District is required to contribute an actuarially determined rate of fourteen percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to the statutory maximum amounts, by the SERS Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$172,476, \$283,236, and \$168,416, respectively; twenty-one percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$136,748 representing the unpaid contribution for fiscal year 1999 is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. State Teachers Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer defined benefit pension plan. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate of fourteen percent of annual covered payroll. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of ten percent for members and fourteen percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$673,223, \$698,155, and \$771,432, respectively; seventy-seven percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$154,246 representing the unpaid contribution for fiscal year 1999 is recorded as a liability within the respective funds.

**NOTE 10 – POST-EMPLOYMENT BENEFITS**

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

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently fourteen percent of covered payroll. The retirement board currently allocates employer contributions equal to eight percent of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District this amount equaled \$384,699 during the 1999 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$2,156 million at June 30, 1998, (latest information available). For the year ended June 30, 1998, the net health care costs paid by the STRS were \$219,224,000 and eligible benefit recipients totaled 91,999.



For the School Employees Retirement System (SERS), coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of seventy-five percent of the premium. For this fiscal year, employer contributions to fund health care benefits were 6.3 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to fourteen percent of the difference between a minimum pay and the member's pay, prorated for partial service credit. For fiscal year 1999, the minimum pay was established at \$12,400. The surcharge, added to the unallocated portion of the fourteen percent contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount of employer contributions used to fund health care equaled \$104,412, which includes a surcharge of \$26,798 during the 1999 fiscal year.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 125% of annual health care expenses. Expenses for health care at June 30, 1998, (latest information available) were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, the SERS's net assets available for payment of health care benefits was \$160.3 million, at cost. The number of participants receiving health care benefits was approximately 50,000.

**NOTE 11 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS**

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

**General Long-Term Debt**

Bonds

Energy Conservation Bonds, 4.75%, maturing December 2002	\$ 184,000	\$ -	\$ (34,000)	\$ 150,000
Energy Conservation Bonds, 4.85%, maturing December 2006	183,987	-	(16,789)	167,198
Administration Building Bond, 4.85% maturing December 2006	255,000	-	(5,000)	250,000
Middle School Bonds, 6.10% maturing December 2019	<u>18,110,000</u>	<u>-</u>	<u>(295,000)</u>	<u>17,815,000</u>
Subtotal bonds	<u>18,732,987</u>	<u>-</u>	<u>(350,789)</u>	<u>18,382,198</u>

Other Obligations

Compensated absences	361,764	51,160	-	412,924
Retirement incentive bonus	357,062	-	(70,722)	286,340
Capital leases	307,176	136,248	(100,999)	342,425
Employer pension obligations	<u>160,935</u>	<u>93,706</u>	<u>(160,935)</u>	<u>93,706</u>
Subtotal other obligations	<u>1,186,937</u>	<u>281,114</u>	<u>(332,656)</u>	<u>1,135,395</u>
Total General Long-Term Obligations	<u>\$ 19,919,924</u>	<u>\$ 281,114</u>	<u>\$ (683,445)</u>	<u>\$ 19,517,593</u>

General Obligation Bonds: General obligation bonds are direct obligations of the School District for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from voted and unvoted general property taxes. Property tax moneys will be received in and the debt will be repaid from the Bond Retirement Fund.

Compensated absences: Sick leave benefits will be paid from the fund from which the person is paid. Additions and deletions of accrued vacation and sick leave are shown net since it is impractical for the School District to determine these amounts separately.

Employer pension obligations: Employer pension due to the School Employees and State Teachers Retirement Systems will be paid from the fund from which the person is paid.

Retirement incentive bonus: Effective August 1, 1997, the Board of Education approved a retirement incentive bonus program. Participation is open to certified employees who meet eligibility requirements set forth in the current collective bargaining agreement. All payments are to be made out of the general fund over a two-year period subsequent to the year of retirement. Related liabilities are included in compensated absences on the combined balance sheet, but separately shown in the long-term obligations schedule above.

The annual requirements to amortize all bonds outstanding as of the end of this fiscal period are as follows:

<i>General Obligation Bonds</i>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 387,603	\$ 1,117,072	\$ 1,504,675
2001	450,686	1,097,103	1,547,789
2002	504,047	1,073,173	1,577,220
2003	543,523	1,046,393	1,589,916
2004	556,119	1,016,710	1,572,829
Thereafter	<u>15,940,220</u>	<u>9,101,880</u>	<u>25,042,100</u>
Total	<u>\$ 18,382,198</u>	<u>\$ 14,452,331</u>	<u>\$ 32,834,529</u>

**NOTE 12 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

During the fiscal year and in prior years, the School District has entered into capitalized leases for the acquisition of equipment. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

General fixed assets acquired by lease have been capitalized in the general fixed assets account group at \$654,827 equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term debt account group.

*Notes to the General Purpose Financial Statements*

The following is a schedule of the future minimum lease payments required under the capital leases:

	<i>Lease Payments</i>
2000	\$ 145,606
2001	141,401
2002	39,473
2003	30,207
2004	<u>26,655</u>
<i>Total minimum lease payments</i>	383,342
<i>Less: amount representing interest</i>	<u>(40,917)</u>
<i>Total</i>	<u>\$ 342,425</u>

**NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS**

Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEONET is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All Districts in the consortium are required to pay fees, charges, and assessments as charged. A board made up of superintendents from all of the participating districts governs NEONET. An elected Executive Board consisting of five members of the governing board is the managerial body of the consortium and meets on a monthly basis. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to NEONET are made from the general fund. During fiscal year 1999, the School District contributed \$10,264 to NEONET.

**NOTE 14- SEGMENT INFORMATION - ENTERPRISE FUNDS**

Financial segment information as of and for the year ended June 30, 1999 for the enterprise funds is presented as follows:

<u>Description</u>	<u>Uniform</u>		<u>Total</u>
	<u>Food Service</u>	<u>School Supply</u>	
Operating revenues	\$ 216,375	\$ 30,028	\$ 246,403
Depreciation expense	8,986	-	8,986
Operating loss	(171,222)	(4,246)	(175,468)
Operating grants	131,035	-	131,035
Donated commodities	41,388	-	41,388
Operating transfers in	-	4,169	4,169
Net income (loss)	1,228	(77)	1,151
Net working capital	(28,270)	3,807	(24,463)
Total assets	73,246	3,807	77,053
Compensated absences payable	6,077	-	6,077
Total equity	(62,492)	3,807	(58,685)
Encumbrances outstanding (budget basis) at June 30, 1999	-	-	-

**NOTE 15- FUND DEFICITS**

As of June 30, 1999, four funds had deficit fund balances. These deficits were caused by the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur. The following funds had deficits at year end:

General fund	\$ 1,438,790
Building capital projects fund	41,881
DPIA special revenue fund	27,105
Title I special revenue	6,224

**NOTE 16 - CONTINGENCIES**

A few claims and lawsuits are pending against the School District. It is management's opinion that the ultimate liability will be covered by insurance, and/or will not have a material effect on the financial statements.

## *Notes to the General Purpose Financial Statements*

The School District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the School District's management believes such disallowances, if any, will be immaterial.

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this School District. During the fiscal year ended June 30, 1999, the School District received \$742,018 of school foundation support for its general fund.

Also, the Court declared the spending reserve borrowing program unconstitutional. The spending reserve program allowed the School District to borrow against amounts anticipated to be collected from tangible personal property taxes after the School District's June 30 fiscal year end. During the fiscal year ended June 30, 1999, the School District borrowed \$744,800 under this program. This amount will be repaid during the subsequent fiscal year. They also repaid \$647,400 borrowed in fiscal year 1998. Historically, the School District has relied on this borrowing to meet their cash flow needs at the end of each fiscal year. State statute has recently been amended to gradually decrease the annual amount that may be borrowed under this program.

Since the Court's ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of the date of these financial statements, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

**NOTE 17 – STATUTORY RESERVES**

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

Amounts are also to be set aside for budget stabilization if the School District's revenues increase three percent or more from the prior year. The School District was not required to set-aside any additional moneys to the budget stabilization reserve for fiscal 1999. In addition, the school district received funding which is reserved for future bus purchases.

During the fiscal year ended June 30, 1999, the reserve activity was as follows:

	<i>Textbook Reserve</i>	<i>Capital Maintenance Reserve</i>	<i>Budget Stabilization Reserve</i>	<i>Bus Purchase Reserve</i>
<i>Set-aside Cash Balance as of June 30, 1998</i>	\$ -	\$ -	\$ 58,392	\$ -
<i>Current Year Set-aside Requirement</i>	153,759	153,759	-	22,727
<i>Current Year Offset</i>	-	-	-	-
<i>Qualifying Disbursements</i>	(92,152)	(153,759)	-	-
<i>Total</i>	<u>\$ 61,607</u>	<u>\$ -</u>	<u>\$ 58,392</u>	<u>\$ 22,727</u>
<i>Cash Balance Carried Forward to Next Year</i>	<u>\$ 61,607</u>	<u>\$ -</u>	<u>\$ 58,392</u>	<u>\$ 22,727</u>

# Lennon & Company

Certified Public Accountant

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the Board of Education  
Woodridge Local School District  
4411 Quick Road  
Peninsula, Ohio 44264-9706

We have audited the financial statements of Woodridge Local School District as of and for the year ended June 30, 1999, and have issued our report thereon dated March 3, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

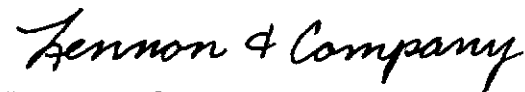
### Compliance

As part of obtaining reasonable assurance about whether Woodridge Local School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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



Lennon & Company  
Certified Public Accountant  
March 3, 2000



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

Members of the Board of Education  
Woodridge Local School District  
4411 Quick Road  
Peninsula, Ohio 44264-9706

### Compliance

We have audited the compliance of Woodridge Local School District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. Woodridge Local School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Woodridge Local School District's management. Our responsibility is to express an opinion on Woodridge Local School District's compliance based on our audit.

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

In our opinion, Woodridge Local School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

### Internal Control Over Compliance

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

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

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

*Lennon & Company*

Lennon & Company  
Certified Public Accountant  
March 3, 2000

**Woodridge Local School District  
Summit County**

Schedule of Federal Awards Expenditures  
For the Year Ended June 30, 1999

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$ -	\$ 40,275	\$ -	\$ 41,388
National School Breakfast Program	N/A	10.553	29,113	-	29,113	-
National School Lunch Program	N/A	10.555	95,040	-	95,040	-
Total U.S. Department of Agriculture - Nutrition Cluster			<u>124,153</u>	<u>40,275</u>	<u>124,153</u>	<u>41,388</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
Passed Through Ohio Department of Education:						
Title VIB Educationally Handicapped	6B-SF-99 P	84.027	71,104	-	71,104	-
Title I ESEA	C1-S1-98	84.010	27,901	-	27,901	-
	C1-S1-99		78,782	-	74,386	-
			<u>106,683</u>	<u>-</u>	<u>102,287</u>	<u>-</u>
Drug Free Schools	DR-S1-98	84.186	-	-	6,001	-
Title VI Innovative Programs	C2-S1-97	84.298	-	-	3,821	-
	C2-S1-98		-	-	4,897	-
	C2-S1-99		5,038	-	3,162	-
			<u>5,038</u>	<u>-</u>	<u>11,880</u>	<u>-</u>
Goals 2000 - Systemic Improvement	G2-A2-99	84.276	828	-	14,678	-
	G2-S4-98		3,000	-	-	-
			<u>3,828</u>	<u>-</u>	<u>14,678</u>	<u>-</u>
Raising the Bar	TF-S1-99	84.318	162,500	-	137,730	-
Total U.S. Department of Education			<u>349,153</u>	<u>-</u>	<u>343,680</u>	<u>-</u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u>\$ 473,306</u>	<u>\$ 40,275</u>	<u>\$ 467,833</u>	<u>\$ 41,388</u>

See accompanying notes to the Schedule of Federal Awards Expenditures.

Woodridge Local School District  
Notes to the Schedule of Federal Awards Expenditures  
For the Year Ended June 30, 1999

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the District had no significant food commodities in inventory.

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

**WOODRIDGE LOCAL SCHOOL DISTRICT  
June 30, 1999**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title I, CFDA 84.010 Title VI-B, CFDA 84.027
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

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

None



STATE OF OHIO  
OFFICE OF THE AUDITOR

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WOODRIDGE LOCAL SCHOOL DISTRICT  
SUMMIT 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.

By: *Susan Babbitt*

Date: JUNE 20, 2000