

RIDGEWOOD LOCAL SCHOOL DISTRICT
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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Ridgewood Local School District
305 N. Center Street
West Lafayette, Ohio 43845

We have reviewed the Independent Auditor's Report of the Ridgewood Local School District, Coshocton County, prepared by Rea & Associates, Inc., for the audit period July 1, 1999 through June 30, 2000. 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 Ridgewood Local School District is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

December 29, 2000

RIDGEWOOD LOCAL SCHOOL DISTRICT
WEST LAFAYETTE, OHIO

TABLE OF CONTENTS

<i>TITLE</i>	<i>PAGE</i>
Independent Auditor’s Report	1
Combined Balance Sheet - All Fund Types and Account Groups.....	2-3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds.....	4-5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - (Non-GAAP Basis) Budget and Actual - All Governmental Fund Types and Expendable Trust Funds	6-9
Combined Statement of Revenues, Expenses, and Changes in Fund Equity - All Proprietary Fund Types.....	10
Combined Statement of Cash Flows - All Proprietary Fund Types.....	11
Notes to the General Purpose Financial Statements	12-35
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	36
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	37-38
Schedule of Expenditures of Federal Awards – Non-GAAP Budgetary Awards.....	39
Schedule of Findings and Questioned Costs	40

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

November 30, 2000

The Board of Education
Ridgewood Local School District
West Lafayette, Ohio 43845

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general purpose financial statements of Ridgewood Local School District as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall general purpose 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 Ridgewood Local School District as of June 30, 2000, 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 a report dated November 30, 2000 on our consideration of Ridgewood Local School District internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Rea & Associates, Inc.

RIDGEWOOD LOCAL SCHOOL DISTRICT

Combined Balance Sheet
All Fund Types and Account Groups

June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 2,339,360	\$ 204,716	\$ 51,484	\$ 2,017,545
Cash and Cash Equivalents:				
Cash and Cash Equivalents - Restricted	95,744	0	0	0
Investments	0	0	0	2,821,000
Receivables:				
Taxes	2,142,027	0	403,415	38,610
Accounts	2,001	0	0	0
Interfund	70,429	0	0	0
Accrued Interest	14,003	0	0	53,956
Prepaid Items	93,073	8,630	0	0
Inventory	8,034	0	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0
Total Assets	4,764,671	213,346	454,899	4,931,111
Other Debits				
Amount Available In Debt Service	0	0	0	0
Amount to be Provided for Retirement of General Long Term Debt	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Other Debits	0	0	0	0
Total Assets and Other Debits	\$ 4,764,671	\$ 213,346	\$ 454,899	\$ 4,931,111
Liabilities, Fund Equity, and Other Credits				
Liabilities				
Accounts Payable	\$ 13,139	\$ 0	\$ 0	\$ 0
Contracts Payable	0	0	0	179,313
Accrued Wages and Benefits	492,778	47,993	0	0
Compensated Absences Payable	0	0	0	0
Interfund Payable	0	62,284	8,145	0
Intergovernmental Payable	162,672	15,828	0	0
Deferred Revenue	1,911,803	0	361,268	34,050
Undistributed Monies	0	0	0	0
Claims Payable	0	0	0	0
Capital Lease Payable	0	0	0	0
Energy Conservation Loan Payable	0	0	0	0
Asbestos Removal Loan Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	2,580,392	126,105	369,413	213,363
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	268,169	74,946	0	586,022
Reserved for Inventory	8,034	0	0	0
Reserved for Prepaid Items	93,073	8,630	0	0
Reserved for Tax Revenue Unavailable for Appropriations	230,224	0	42,148	4,560
Reserved for Budget Stabilization	95,744	0	0	0
Unreserved:				
Undesignated	1,489,035	3,665	43,338	4,127,166
Total Fund Equity, and Other Credits	2,184,279	87,241	85,486	4,717,748
Total Liabilities, Fund Equity, and Other Credits	\$ 4,764,671	\$ 213,346	\$ 454,899	\$ 4,931,111

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Types		Fiduciary Fund Types			Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations		
\$ 52,751	\$ 109,609	\$ 38,499	\$ 0	\$ 0	\$ 4,813,964	
0	0	0	0	0	95,744	
0	0	0	0	0	2,821,000	
0	0	0	0	0	2,584,052	
0	63,932	0	0	0	65,933	
0	0	0	0	0	70,429	
268	0	0	0	0	68,227	
3,581	17,005	0	0	0	122,289	
6,343	0	0	0	0	14,377	
28,416	0	0	7,671,767	0	7,700,183	
91,359	190,546	38,499	7,671,767	0	18,356,198	
0	0	0	0	43,338	43,338	
0	0	0	0	4,294,667	4,294,667	
0	0	0	0	581,588	581,588	
0	0	0	0	4,919,593	4,919,593	
\$ 91,359	\$ 190,546	\$ 38,499	\$ 7,671,767	\$ 4,919,593	\$ 23,275,791	

\$ 1,009	\$ 0	\$ 395	\$ 0	\$ 0	\$ 14,543	
0	0	0	0	0	179,313	
19,890	0	0	0	0	560,661	
13,249	0	0	0	492,670	505,919	
0	0	0	0	0	70,429	
8,737	0	0	0	58,951	246,188	
3,161	0	0	0	0	2,310,282	
0	0	37,167	0	0	37,167	
0	188,900	0	0	0	188,900	
0	0	0	0	29,967	29,967	
0	0	0	0	277,070	277,070	
0	0	0	0	1,935	1,935	
0	0	0	0	4,059,000	4,059,000	
46,046	188,900	37,562	0	4,919,593	8,481,374	
0	0	0	7,671,767	0	7,671,767	
17,917	0	0	0	0	17,917	
0	0	0	0	0	0	
27,396	1,646	0	0	0	29,042	
0	0	0	0	0	929,137	
0	0	0	0	0	8,034	
0	0	0	0	0	101,703	
0	0	0	0	0	276,932	
0	0	0	0	0	95,744	
0	0	937	0	0	5,664,141	
45,313	1,646	937	7,671,767	0	14,794,417	
\$ 91,359	\$ 190,546	\$ 38,499	\$ 7,671,767	\$ 4,919,593	\$ 23,275,791	

RIDGEWOOD LOCAL SCHOOL DISTRICT

*Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances*

All Governmental Fund Types and Expendable Trust Funds

For the Year Ended June 30, 2000

	Governmental Fund Type			
	General	Special Revenue	Debt Service	Capital Projects
Revenues				
Taxes	\$ 1,771,332	\$ 16,587	\$ 250,761	\$ 38,758
Intergovernmental	5,306,789	542,919	518	1,580,247
Investment Income	186,744	0	7,930	137,820
Tuition and Fees	5,820	0	0	0
Extracurricular Activities	0	156,928	0	0
Charges for Services	9,123	688	0	0
Miscellaneous	14,117	10,175	0	0
Total Revenues	7,293,925	727,297	259,209	1,756,825
Expenditures				
Current:				
Instruction				
Regular	3,526,203	138,922	0	50,074
Special	793,334	312,729	0	0
Vocational	289,486	0	0	0
Other	4,030	0	0	0
Support Services:				
Pupils	185,395	573	0	0
Instructional Staff	232,524	96,305	0	3,150
Board of Education	14,484	0	0	0
Administration	693,572	28,901	0	370
Fiscal	195,437	21	140	1,244
Operation and Maintenance of Plant	713,415	7,553	0	302,886
Pupil Transportation	645,775	2,587	0	0
Central	0	2,424	0	0
Operation of Non-Instructional Services	7,005	0	0	17,917
Extracurricular Activities	115,457	163,039	0	0
Capital Outlay	0	25,223	0	945,006
Debt Service:				
Principal Retirement	9,930	0	84,995	0
Interest and Fiscal Charges	2,740	0	98,846	0
Total Expenditures	7,428,787	778,277	183,981	1,320,647
Excess of Revenues Over (Under) Expenditures	(134,862)	(50,980)	75,228	436,178
Other Financing Sources (Uses)				
Proceeds of Bonds	0	0	4,059,000	0
Proceeds from Sales of Fixed Assets	3,164	0	0	0
Operating Transfers In	1,843	36,079	0	4,059,500
Operating Transfers Out	(40,243)	(24,821)	(4,059,000)	0
Total Other Financing Sources (Uses)	(35,236)	11,258	0	4,059,500
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(170,098)	(39,722)	75,228	4,495,678
Fund Balance at Beginning Of Year	2,354,312	126,963	10,258	222,070
Increase in Reserve for Inventory	65	0	0	0
Fund Balance at End of Year	\$ 2,184,279	\$ 87,241	\$ 85,486	\$ 4,717,748

The accompanying notes are an integral part of these financial statements.

Fiduciary Fund Type		Totals	
Expendable Trust		(Memorandum Only)	
\$	0	\$	2,077,438
	699		7,431,172
	0		332,494
	0		5,820
	0		156,928
	0		9,811
	0		24,292
	699		10,037,955
	0		3,715,199
	0		1,106,063
	0		289,486
	0		4,030
	300		186,268
	0		331,979
	0		14,484
	0		722,843
	0		196,842
	0		1,023,854
	0		648,362
	0		2,424
	0		24,922
	863		279,359
	0		970,229
	0		94,925
	0		101,586
	1,163		9,712,855
	(464)		325,100
	0		4,059,000
	0		3,164
	0		4,097,422
	0		(4,124,064)
	0		4,035,522
	(464)		4,360,622
	1,401		2,715,004
	0		65
\$	937	\$	7,075,691

RIDGEWOOD LOCAL SCHOOL DISTRICT

*Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual*
All Governmental Fund Types and Expendable Trust Funds
 (Non-GAAP Budgetary Basis)

For the Year Ended June 30, 2000

	GENERAL FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 1,737,849	\$ 1,737,849	\$ 0
Intergovernmental	5,306,789	5,306,789	0
Investment Income	176,387	178,257	1,870
Tuition and Fees	18,368	18,594	226
Extracurricular Activities	0	0	0
Rentals	277	287	10
Charges for Services	3,272	5,686	2,414
Miscellaneous	5,912	6,807	895
Total Revenues	7,248,854	7,254,269	5,415
Expenditures			
Current:			
Instruction	5,115,226	4,924,003	191,223
Support Services:			
Pupils	234,237	206,015	28,222
Instructional Staff	270,768	247,977	22,791
Board of Education	18,120	14,484	3,636
Administration	777,798	718,915	58,883
Fiscal	264,443	223,908	40,535
Operation and Maintenance of Plant	908,989	780,401	128,588
Pupil Transportation	714,028	676,438	37,590
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	116,834	115,545	1,289
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	8,420,443	7,907,686	512,757
Excess of Revenues Over (Under) Expenditures	(1,171,589)	(653,417)	518,172
Other Financing Sources (Uses)			
Proceeds from Sale of Fixed Assets	424	424	0
Proceeds from Sale of Bonds	0	0	0
Proceeds from Sale of Long-Term Notes	0	0	0
Refund of Prior Year Expenditures	26,941	26,941	0
Refund of Prior Year Receipts	0	0	0
Other Financing Sources	395	426	31
Advances In	59,755	61,355	1,600
Advances Out	(69,729)	(69,729)	0
Operating Transfers In	1,843	1,843	0
Operating Transfers Out	(45,000)	(40,243)	4,757
Total Other Financing Sources (Uses)	(25,371)	(18,983)	6,388
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,196,960)	(672,400)	524,560
Fund Balance (Deficit) at Beginning of Year	2,528,891	2,528,891	0
Prior Year Encumbrances Appropriated	297,307	297,307	0
Fund Balance (Deficit) at End of Year	\$ 1,629,238	\$ 2,153,798	\$ 524,560

The accompanying notes are an integral part of these financial statements.

SPECIAL REVENUE FUND			DEBT SERVICE FUND		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 16,587	\$ 16,587	\$ 0	\$ 218,823	\$ 218,823	\$ 0
540,667	542,919	2,252	518	518	0
0	0	0	0	0	0
1,479	1,479	0	0	0	0
156,928	156,928	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
10,183	10,183	0	0	0	0
<u>725,844</u>	<u>728,096</u>	<u>2,252</u>	<u>219,341</u>	<u>219,341</u>	<u>0</u>
523,233	457,255	65,978	0	0	0
1,819	762	1,057	0	0	0
93,581	92,991	590	0	0	0
0	0	0	0	0	0
34,322	29,083	5,239	0	0	0
115	21	94	395	140	255
8,584	8,367	217	0	0	0
3,803	2,593	1,210	0	0	0
2,424	2,424	0	0	0	0
0	0	0	0	0	0
204,456	187,528	16,928	0	0	0
74,093	74,091	2	0	0	0
0	0	0	4,143,995	4,143,995	0
0	0	0	129,460	98,846	30,614
<u>946,430</u>	<u>855,115</u>	<u>91,315</u>	<u>4,273,850</u>	<u>4,242,981</u>	<u>30,869</u>
(220,586)	(127,019)	93,567	(4,054,509)	(4,023,640)	30,869
0	0	0	0	0	0
0	0	0	4,059,000	4,059,000	0
0	0	0	0	0	0
0	0	0	0	0	0
(4)	(4)	0	0	0	0
0	0	0	7,930	7,930	0
62,836	61,584	(1,252)	8,145	8,145	0
(300)	(2,200)	(1,900)	0	0	0
11,258	36,079	24,821	0	0	0
0	(24,821)	(24,821)	0	0	0
<u>73,790</u>	<u>70,638</u>	<u>(3,152)</u>	<u>4,075,075</u>	<u>4,075,075</u>	<u>0</u>
(146,796)	(56,381)	90,415	20,566	51,435	30,869
148,169	148,169	0	49	49	0
<u>37,983</u>	<u>37,983</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 39,356</u>	<u>\$ 129,771</u>	<u>\$ 90,415</u>	<u>\$ 20,615</u>	<u>\$ 51,484</u>	<u>\$ 30,869</u>

(continued)

RIDGEWOOD LOCAL SCHOOL DISTRICT

*Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual*
All Governmental Fund Types and Expendable Trust Funds
(Non-GAAP Budgetary Basis)

For the Year Ended June 30, 1999

CAPITAL PROJECTS FUND			
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 43,109	\$ 43,109	\$ 0
Intergovernmental	1,580,248	1,580,248	0
Investment Income	79,459	83,864	4,405
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Rentals	0	0	0
Charges for Services	0	0	0
Miscellaneous	56,656	56,656	0
Total Revenues	1,759,472	1,763,877	4,405
Expenditures			
Current:			
Instruction	50,074	50,074	0
Support Services:			
Pupils	0	0	0
Instructional Staff	3,150	3,150	0
Board of Education	0	0	0
Administration	405	370	35
Fiscal	1,275	1,244	31
Operation and Maintenance of Plant	367,592	345,046	22,546
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	18,942	17,917	1,025
Extracurricular Activities	0	0	0
Capital Outlay	2,125,065	1,488,867	636,198
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	2,566,503	1,906,668	659,835
Excess of Revenues Over (Under) Expenditures	(807,031)	(142,791)	664,240
Other Financing Sources (Uses)			
Proceeds from Sale of Fixed Assets	0	0	0
Proceeds from Sale of Bonds	0	0	0
Proceeds from Sale of Long-Term Notes	2,759,000	2,759,000	0
Refund of Prior Year Expenditures	0	0	0
Refund of Prior Year Receipts	0	0	0
Other Financing Sources	0	0	0
Advances In	0	0	0
Advances Out	0	(57,156)	(57,156)
Operating Transfers In	500	500	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	2,759,500	2,702,344	(57,156)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,952,469	2,559,553	607,084
Fund Balance (Deficit) at Beginning of Year	1,335,246	1,335,246	0
Prior Year Encumbrances Appropriated	178,414	178,414	0
Fund Balance (Deficit) at End of Year	\$ 3,466,129	\$ 4,073,213	\$ 607,084

The accompanying notes are an integral part of these financial statements.

EXPENDABLE TRUST FUNDS				TOTALS (MEMORANDUM ONLY)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	
\$ 0	\$ 0	\$ 0	\$ 2,016,368	\$ 2,016,368	\$ 0	
699	699	0	7,428,921	7,431,173	2,252	
0	0	0	255,846	262,121	6,275	
0	0	0	19,847	20,073	226	
0	0	0	156,928	156,928	0	
0	0	0	277	287	10	
0	0	0	3,272	5,686	2,414	
0	0	0	72,751	73,646	895	
699	699	0	9,954,210	9,966,282	12,072	
0	0	0	5,688,533	5,431,332	257,201	
300	300	0	236,356	207,077	29,279	
0	0	0	367,499	344,118	23,381	
0	0	0	18,120	14,484	3,636	
0	0	0	812,525	748,368	64,157	
0	0	0	266,228	225,313	40,915	
0	0	0	1,285,165	1,133,814	151,351	
0	0	0	717,831	679,031	38,800	
0	0	0	2,424	2,424	0	
0	0	0	18,942	17,917	1,025	
1,800	863	937	323,090	303,936	19,154	
0	0	0	2,199,158	1,562,958	636,200	
0	0	0	4,143,995	4,143,995	0	
0	0	0	129,460	98,846	30,614	
2,100	1,163	937	16,209,326	14,913,613	1,295,713	
(1,401)	(464)	937	(6,255,116)	(4,947,331)	1,307,785	
0	0	0	424	424	0	
0	0	0	4,059,000	4,059,000	0	
0	0	0	2,759,000	2,759,000	0	
0	0	0	26,941	26,941	0	
0	0	0	(4)	(4)	0	
0	0	0	8,325	8,356	31	
0	0	0	130,736	131,084	348	
0	(399)	(399)	(70,029)	(129,484)	(59,455)	
0	0	0	13,601	38,422	24,821	
0	0	0	(45,000)	(65,064)	(20,064)	
0	(399)	(399)	6,882,994	6,828,675	(54,319)	
(1,401)	(863)	538	627,878	1,881,344	1,253,466	
1,455	1,455	0	4,013,810	4,013,810	0	
345	345	0	514,049	514,049	0	
\$ 399	\$ 937	\$ 538	5,155,737	6,409,203	\$ 1,253,466	

RIDGEWOOD LOCAL SCHOOL DISTRICT

*Combined Statement of Revenues,
Expenses, and Changes in Fund Equity
All Proprietary Fund Types*

For the Year Ended June 30, 2000

	Proprietary Fund Types		
	Enterprise	Internal Service	Totals (Memorandum Only)
<u>Operating Revenues</u>			
Sales	\$ 306,950	\$ 0	\$ 306,950
Other Operating Revenues	0	1,070,602	1,070,602
<i>Total Operating Revenues</i>	<u>306,950</u>	<u>1,070,602</u>	<u>1,377,552</u>
<u>Operating Expenses</u>			
Salaries	161,336	0	161,336
Fringe Benefits	97,286	0	97,286
Purchased Services	22,157	1,281,740	1,303,897
Materials and Supplies	198,678	525	199,203
Depreciation	6,492	0	6,492
<i>Total Operating Expenses</i>	<u>485,949</u>	<u>1,282,265</u>	<u>1,768,214</u>
Operating Loss	<u>(178,999)</u>	<u>(211,663)</u>	<u>(390,662)</u>
<u>Non-Operating Revenues</u>			
Operating Grants	122,191	0	122,191
Donated Commodities Revenue	37,698	0	37,698
Interest	3,887	0	3,887
<i>Total Non-Operating Revenues</i>	<u>163,776</u>	<u>0</u>	<u>163,776</u>
Loss Before Operating Transfers	(15,223)	(211,663)	(226,886)
Operating Transfers In	<u>29,400</u>	<u>0</u>	<u>29,400</u>
Net Income (Loss)	14,177	(211,663)	(197,486)
Retained Earnings at Beginning of Year	<u>13,219</u>	<u>213,309</u>	<u>226,528</u>
Retained Earnings at End of Year	27,396	1,646	29,042
Contributed Capital End of Year	<u>17,917</u>	<u>0</u>	<u>17,917</u>
Fund Equity at End of Year	<u>\$ 45,313</u>	<u>\$ 1,646</u>	<u>\$ 46,959</u>

The accompanying notes are an integral part of these financial statements.

RIDGEWOOD LOCAL SCHOOL DISTRICT

Combined Statement of Cash Flows

All Proprietary Fund Types

For the Year Ended June 30, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)
Increase (Decrease) in Cash & Cash Equivalents			
<u>Cash Flows From Operating Activities</u>			
Cash Received from Customers	\$ 317,376	\$ 0	\$ 317,376
Transactions with Other Funds	0	1,016,811	1,016,811
Cash Paid for Goods and Services	(174,799)	0	(174,799)
Cash Paid to Employees	(258,591)	0	(258,591)
Cash Paid for Claims	0	(1,230,003)	(1,230,003)
<i>Net Cash Used For Operating Activities</i>	(116,014)	(213,192)	(329,206)
<u>Cash Flows From Investing Activities</u>			
Interest Income	3,675	0	3,675
<i>Net Cash Provided By Investing Activities</i>	3,675	0	3,675
<u>Cash Flows From Non-Capital Financing Activities</u>			
Grants	122,191	0	122,191
Operating Transfers In	29,400	0	29,400
<i>Net Cash Provided By Non-Capital Activities</i>	151,591	0	151,591
<u>Cash Flows From Capital and Related Financing Activities</u>			
Purchase of Property	(720)	0	(720)
<i>Net Cash Used For Capital Activities</i>	(720)	0	(720)
Net Increase (Decrease) in Cash and Cash Equivalents	38,532	(213,192)	(174,660)
Cash and Cash Equivalents at Beginning of Year	14,219	322,801	337,020
<i>Cash and Cash Equivalents at End of Year</i>	\$ 52,751	\$ 109,609	\$ 162,360
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities</u>			
Operating Loss	\$ (178,999)	\$ (211,663)	\$ (390,662)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Depreciation	6,492	0	6,492
Donated Commodities	37,698	0	37,698
(Increase) Decrease in Assets:			
Accounts Receivable	180	(53,791)	(53,611)
Prepaid Items	(858)	(1,438)	(2,296)
Due from Other Governments	15,964	0	15,964
Inventory	10,018	0	10,018
Increase (Decrease) in Liabilities:			
Accounts Payable	845	0	845
Accrued Wages and Benefits	(3,031)	0	(3,031)
Compensated Absences	3,062	0	3,062
Intergovernmental Payable	(67)	0	(67)
Interfund Payable	(1,600)	0	(1,600)
Deferred Revenue	(5,718)	0	(5,718)
Claims Payable	0	53,700	53,700
<i>Total Adjustments</i>	62,985	(1,529)	61,456
<i>Net Cash Used For Operating Activities</i>	\$ (116,014)	\$ (213,192)	\$ (329,206)

Supplemental Schedule of Noncash Investing Activities:

Received from other funds \$17,917 in contributed assets.

The accompanying notes are an integral part of these financial statements.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

NOTE 1 - NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY

The Ridgewood Local School District (the District) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education, consisting of five members, and is responsible for providing public education to residents of the District. Average daily membership on, or as of, October 1, 1999, was 1,451. The District employs 109 certified and 79 non-certified employees.

The reporting entity is required to be composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Ridgewood 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 organizations' governing board and 1) the District is able to significantly influence the programs or services performed or provided by the organization; or 2) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provided 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.

Management believes the financial statements included in the report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) ***MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION***

The accounts of the Ridgewood Local School District are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The Ridgewood Local School District has the following fund types and account groups:

GOVERNMENTAL FUND TYPES

Governmental fund types are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay obligations of the current period, which is considered to be approximately sixty days. Generally property taxes,

RIDGEWOOD LOCAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2000

although measurable, are not available soon enough after the current period to finance current period obligations, and accordingly, property taxes receivable are reflected as deferred revenue until available. Reimbursements due for federally funded programs are recognized when the corresponding expenditures are made.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, since the measurement focus of governmental funds is on decreases in financial resources. 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 funds for payment to be made early in the following year. Compensated absences are reported as a fund liability when payment will require the current available financial resources. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds. Governmental funds include the following fund types:

General Fund - used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects, that are legally restricted to expenditure for specified purposes.

Debt Service Fund - used to account for the accumulation of resources for the payment of interest and principal on long-term general obligation debt other than those payable from enterprise funds.

Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary or trust funds.

PROPRIETARY FUND TYPES

Proprietary fund types are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Allocations of costs, such as depreciation, are recognized in the proprietary funds. As permitted, the board of education has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations unless they contradict/conflict with GASB pronouncements. Proprietary funds include the following fund types:

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

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

Internal Service Fund - used to account for the financing of goods or services provided by one department or agency to governmental units, on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

Fiduciary fund types account for assets held by the government in a trustee capacity or as an agent on behalf of others. Fiduciary fund types are as follows:

Expendable Trust Fund - accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting.

Agency Fund - custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

ACCOUNT GROUPS

The District maintains two account groups as described below:

General Fixed Assets Account Group - used to account for fixed assets acquired principally for general purposes other than those accounted for in proprietary or trust funds.

General Long-term Obligations Account Group - used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

(B) ***CASH AND INVESTMENTS***

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

During fiscal year 2000, investments were limited to certificates of deposit, STAR Ohio and repurchase agreements.

Investments are reported at fair value which is based on quoted market prices. Non-participating investment contracts such as repurchase agreements and non-negotiable certificates of deposit are reported at cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2000. 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, 2000.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

Interest earned on investments is credited to the respective fund, except as stipulated by state statute or Board Resolution. Interest income earned in fiscal year 2000 totaled \$336,381. Interest revenue credited to the general fund amounted to \$186,744, which includes \$33,866 assigned from other funds.

All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and at the day of purchase, they have a maturity date no longer than three months.

(C) *RESTRICTED ASSETS*

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This restricted cash is required by State statute and can be used only after receiving approval from the State Department of Education. A fund balance reserve has also been established.

(D) *RECEIVABLES*

Receivables are reflected at their gross value reduced by the estimated amount that is expected to be uncollectible.

(E) *INVENTORIES AND SUPPLIES*

The costs of inventory items are recognized as expenditures when purchased in the governmental funds and recognized as expenses when used in the enterprise funds. For all funds, cost is determined on a first-in, first-out basis.

Reported inventories in the governmental fund types are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

(F) *PREPAID EXPENSES*

The District uses the consumption method to account for prepaid expenses. Under the consumption method the prepaid items are recorded as an expenditure when used.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

(G) *INTERFUND ASSETS/LIABILITIES*

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans are classified as “interfund receivables” and “interfund payables.” Long-term interfund loans are classified as “advances to/from other funds” and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

(H) *FIXED ASSETS AND DEPRECIATION*

Fixed assets used in governmental fund types of the District are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets. The District does not possess any infrastructure.

Fixed assets which are used in proprietary fund type activities are capitalized in the respective funds. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at estimated fair market value when received, based on historical information available. Depreciation is computed using the straight-line method based on the estimated life of assets. Estimated useful lives of the various classes of depreciable assets consist of: buildings, 30 to 50 years; improvements, 30 to 50 years; equipment, including vehicles, 5 to 20 years.

(I) *LONG-TERM LIABILITIES*

Unmatured general long-term liabilities, which are related to governmental fund type operations, are reflected in the general long-term debt account group.

(J) *UNPAID COMPENSATED ABSENCES*

The entire estimated amount of unpaid compensated absences, including sick pay and vacation pay, of the proprietary type funds is reflected as a liability in the respective funds. The portion of unpaid compensated absences related to governmental fund type operations is reflected in the general long-term obligation account group.

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 employer 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 method. The liability is based on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit.

(K) *FUND EQUITY*

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations.

(L) *TOTAL COLUMNS*

Total columns on the general purpose financial statements are captioned “Memorandum Only” because they do not represent consolidated financial information and are presented only to facilitate

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

(M) *ESTIMATES*

The preparation of the 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 could differ from those estimates.

(N) *FUND BALANCE RESERVES*

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balances indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventories of supplies and materials, long-term advances to other funds, contributions to the nonexpendable trust funds that must be kept intact, and House Bill 412 reserves such as textbooks and instructional materials, capital improvements, and budget stabilization. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

(A) *BUDGETARY PROCESS*

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 required to be budgeted and appropriated. The primary level of budgetary control is at the fund level for all funds. Budgetary modifications, which change total fund appropriations, may only be made by resolution of the Board of Education. Budgetary statements are not presented for proprietary fund types.

(B) *BUDGETARY BASIS*

Tax Budget

A budget of estimated revenue and expenditures is submitted to the Coshocton County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the ensuing July 1 to June 30 fiscal year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the District by March 1. As part of the certification, the District receives the official certificate of estimated resources

RIDGEWOOD LOCAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2000

which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. Budget receipts, as shown in the accompanying "Combined Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" do not include July 1, 2000 unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations

A temporary appropriations measure to control expenditures may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 to June 30. The appropriation resolution fixes spending authority at the fund, function level and may be amended during the year as new information becomes available provided that total fund appropriations do not exceed current estimated resources, as certified.

The allocation of appropriations among functions within a fund may be modified during the year by a resolution of the Board of Education. Several supplemental appropriation resolutions were legally enacted by the Board of Education during the year. The budget figures, as shown in the accompanying "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" represent the final appropriation amounts including all amendments and modifications.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective funds from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

RIDGEWOOD LOCAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2000

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the Non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end for governmental funds are reported as reservations of fund balance for subsequent-year expenditures.

Budgetary Reporting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. Accordingly, the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with state statute. The major differences between the budget basis and the modified accrual basis of generally accepted accounting principles (GAAP Basis) are that:

- 1.) Revenues are recorded when received (budget basis) rather than when susceptible to accrual (GAAP basis).
- 2.) Expenditures are recorded when paid or encumbered (budget basis) rather than when the liability is incurred (GAAP basis).
- 3.) The district repays debt from the debt service fund (budget non-GAAP 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 adjustments necessary to convert the results of operations for the year from the budget basis to the GAAP basis for the governmental funds follow:

RIDGEWOOD LOCAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2000

Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)
Reconciliation of Budget Basis to GAAP Basis

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Expendable Trust Fund
Budget Basis	\$ (672,400)	\$ (56,381)	\$ 51,435	\$ 2,559,553	\$ (863)
Adjustments, increase (decrease):					
Revenue accruals	(46,326)	(62,383)	23,793	1,292,948	0
Expenditures accruals	267,320	4,096	0	(122,158)	399
Encumbrances	<u>281,308</u>	<u>74,946</u>	<u>0</u>	<u>765,335</u>	<u>0</u>
GAAP basis, as reported	<u>\$ (170,098)</u>	<u>\$ (39,722)</u>	<u>\$ 75,228</u>	<u>\$ 4,495,678</u>	<u>\$ (464)</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

The Ridgewood Local School District maintains a cash and investment pool used by various funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Equivalents."

(A) **LEGAL REQUIREMENTS**

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

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

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

Interim deposits are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

RIDGEWOOD LOCAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2000

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

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

- 1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
- 2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- 3) Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be market to market daily with the term of the agreement not exceeding 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 (STAR Ohio);
- 7) Certain bankers' acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one 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.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

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 Ridgewood Local School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specific 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.

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

(B) *DEPOSITS*

At year-end, the carrying amount of the Ridgewood Local School District deposits was \$3,244,240 and the bank balance was \$3,654,536, \$180,285 of which was covered by federal depository insurance, by collateral held by the Ridgewood Local School District, or by collateral held by a qualified third party trustee in the name of Ridgewood Local School District.

(C) *INVESTMENTS*

The District's investments are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name. The District's investments in STAROhio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

Statutory provisions require that all securities acquired by the District be held by the District treasurer or deposited with a qualified trustee. Securities acquired under a repurchase agreement must be deposited with such a trustee unless the counterpart is a designated depository of the District for the current period of designation of depositories, in which case the securities may be held in trust by the depository.

	<u>Category 3</u>	<u>Fair Value</u>
Repurchase Agreement	<u>\$ 2,537,644</u>	\$ 2,537,644
Investment in the State Treasurers' Investment Pool		<u>1,948,824</u>
Total Investments		<u>\$ 4,486,468</u>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

	Cash and Cash <u>Equivalents</u>	<u>Investments</u>
GASB Statement No. 9	\$ 4,909,708	\$ 2,821,000
Certificates of Deposit with maturities greater than 90 days	2,821,000	(2,821,000)
Repurchase Agreements	(2,537,644)	2,537,644
STAROhio	<u>(1,948,824)</u>	<u>1,948,824</u>
 GASB Statement No. 3	 <u>\$ 3,244,240</u>	 <u>\$ 4,486,468</u>

NOTE 5 - FIXED ASSETS AND ACCUMULATED DEPRECIATION

(A) **GENERAL FIXED ASSETS ACCOUNT GROUP**

The changes in general fixed assets during the year consisted of:

	Balance <u>July 1, 1999</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>June 30, 2000</u>
Land and Improvements	\$ 107,195	\$ 0	\$ 0	\$ 107,195
Buildings	3,596,865	203,543	0	3,800,408
Improvements other than Buildings	0	188,380	0	188,380
Furniture and Equipment	2,062,925	118,439	(12,800)	2,168,564
Vehicles	1,058,525	107,074	0	1,165,599
Construction in progress	<u>0</u>	<u>241,621</u>	<u>0</u>	<u>241,621</u>
	<u>\$ 6,825,510</u>	<u>\$ 859,057</u>	<u>\$ (12,800)</u>	<u>\$ 7,671,767</u>

(B) **PROPRIETARY FUND TYPE FIXED ASSETS**

Proprietary fund type fixed assets and accumulated depreciation at year-end consisted of:

<u>Enterprise</u>	Balance <u>June 30, 2000</u>
Equipment	\$ 177,564
Less accumulated depreciation	<u>149,148</u>
Net fixed assets	<u>\$ 28,416</u>

NOTE 6 - DEBT OBLIGATIONS

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

	Outstanding July 1, 1999	Additions	Reductions	Outstanding June 30, 2000
Bond Anticipation Notes				
4.15% due 4/15/2000	\$ 1,300,000	\$ 0	\$ 1,300,000	\$ 0
4.25% due 4/14/2000	<u>0</u>	<u>2,759,000</u>	<u>2,759,000</u>	<u>0</u>
	1,300,000	2,759,000	4,059,000	0
General Obligation Bonds:				
May 1999 Bond Issue				
5.85% due 12/1/2024	0	1,300,000	0	1,300,000
November 1999 Bond Issue				
5.85% due 12/1/2022	<u>0</u>	<u>2,759,000</u>	<u>0</u>	<u>2,759,000</u>
	0	4,059,000	0	4,059,000
Federal Asbestos				
Loan at 0%				
	6,935	0	5,000	1,935
Energy Conservation Loan				
at 6.1%				
	357,065	0	79,995	277,070
Capital lease payable	38,991	906	9,930	29,967
Accrued vacations	8,294	29,804	8,294	29,804
Accrued sick leave benefits	<u>445,775</u>	<u>17,091</u>	<u>0</u>	<u>462,866</u>
	454,069	46,895	8,294	492,670
Accrued SERS/STRS	<u>51,994</u>	<u>58,951</u>	<u>51,994</u>	<u>58,951</u>
	<u>\$ 2,209,054</u>	<u>\$ 6,924,752</u>	<u>\$ 4,214,213</u>	<u>\$ 4,919,593</u>

The Ridgewood Local School District is obligated under two equipment leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Asset Account Groups and the General Long-Term Debt Obligation Account Groups, respectively. The assets under capital lease totaled \$53,339 at June 30, 2000. The leases are in effect through fiscal year 2004.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

The following is a schedule of future minimum lease payments under capital lease together with the net present value of the minimum lease payments as of June 30, 2000.

<u>June 30,</u>	<u>Year Ending Amount</u>
2001	\$ 12,670
2002	8,005
2003	7,577
2004	<u>5,052</u>
Total minimum lease payment	33,304
Less: Amount representing interest	<u>3,337</u>
Net present value of minimum lease payments	<u>\$ 29,967</u>

General obligation bonds are direct obligations of the District for which its full faith, credit, and resources are pledged and are payable from taxes levied on all taxable property in the District.

The annual requirement to amortize all bond and note debt outstanding as of June 30, 2000 including interest payments of \$3,511,853 is as follows:

<u>Year Ending June 30</u>	<u>General Obligation Bonds</u>
2001	\$ 371,876
2002	433,055
2003	428,016
2004	322,681
2005	336,931
Thereafter	<u>5,957,299</u>
Total	<u>\$ 7,849,858</u>

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

NOTE – 7 CONTRACTUAL COMMITMENTS

As of June 30, 2000, the District had contractual commitments for the following projects:

	<u>Contractual Commitment</u>	<u>Expended</u>	<u>Balance 06/30/2000</u>
EMR Contracts - Fire alarm system	\$ 34,825	\$ 32,392	\$ 2,433
Marr, Knapp and Crawfis - Architectural fees for various projects	1,433,229	391,218	1,042,011
Hathaway, Inc. - Fresno & Plainfield School projects	403,734	76,668	327,066
Site Technology, Inc. - High School track project	48,868	0	48,868
Metal Masters - Fresno & Plainfield School projects	67,521	5,302	62,219
Wood Electric - Fresno School project	28,828	17,922	10,906
Coshocton Electric - Plainfield School project	27,888	6,061	21,827
Peterman Plumbing - Fresno & Plainfield School projects	49,000	21,967	27,033
Dover Tank & Plate - fire escape project	<u>34,995</u>	<u>0</u>	<u>34,995</u>
Totals	<u>\$ 2,128,888</u>	<u>\$ 551,530</u>	<u>\$ 1,577,358</u>

NOTE 8 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the District. The Coshocton, Guernsey, and Tuscarawas County Auditors are responsible for assessing and remitting these property taxes to the District.

Real property taxes are based on assessed value equal to thirty-five percent of appraisal value. The Auditors reappraise real property every six years with a triennial update. The last update for Coshocton and Guernsey Counties was completed in 1997 and Tuscarawas County was completed in 1998. Real property tax, which becomes a lien on the applicable real property, becomes due annually on December 31. However, in Coshocton, Guernsey, and Tuscarawas County, real property taxes are billed semi-annually, one year in arrears. The tax rate applied to real property collected in 1999 before certain homestead and rollback reductions, which reductions are reimbursed to the District by the State of Ohio, amounted to \$43.00 per \$1,000 of valuation in each county. The effective rate applied after adjustment for inflationary increases in property values was \$28.66 per \$1,000 of assessed valuation for residential and agricultural real property and the effective rate applied after adjustment for inflationary increases in property values was \$26.50 per \$1,000 of assessed valuation for Other Real Property in each county.

RIDGEWOOD LOCAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2000

Tangible personal property used in business is required to be reported by its owners by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the current year ended December 31, 1999 was \$43.00 per \$1,000 of valuation.

The property valuation in each county consisted of:

	<u>Coshocton</u> County	<u>Guernsey</u> County	<u>Tuscarawas</u> County
Real Property			
Valuation Year - 1999			
Residential/Agricultural	\$ 61,301,770	\$ 1,080,240	\$ 1,138,890
Commercial/Industrial	10,156,300	331,550	12,160
Public Utilities	327,230	0	0
Minerals	759,600	39,800	0
Tangible Personal Property			
Valuation Year - 2000			
General	4,017,992	14,950	8,110
Public Utilities	<u>7,707,950</u>	<u>458,210</u>	<u>207,300</u>
Total Valuation	<u>\$ 84,270,842</u>	<u>\$ 1,924,750</u>	<u>\$ 1,366,460</u>

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable at June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 is recognized as revenue. The amounts available to the District as advances at June 30, 2000, were as follows:

County	Advance Amount
Coshocton County	\$ 244,206
Gurnsey County	21,644
Tuscarawas County	<u>11,081</u>
Total Advances	<u>\$ 276,931</u>

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

NOTE 9 - PENSION PLANS

(A) *SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)*

The Ridgewood Local School District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple-employer public employee retirement defined benefit pension plan. SERS provides retirement, annual cost-of-living adjustments, disability, survivor and health care benefits. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9% of their annual covered salary and Ridgewood Local School District is required to contribute at an actuarially determine rate. The current rate is 14% of annual covered payroll. The contribution requirement of plan members and Ridgewood Local School District are established by and may be amended by the SERS Board of Trustees. The School District's contributions to SERS for the years ending June 30, 2000, 1999, and 1998 were \$172,350, \$159,642, and \$142,513, respectively; 46.81 percent has been contributed for fiscal year 2000 and 100 percent for fiscal year 1999 and 1998. The amount representing the unpaid contribution for fiscal year 2000, \$91,680 is recorded as a liability within the respective funds and the general long-term obligations account group.

(B) *STATE TEACHERS RETIREMENT SYSTEM (STRS)*

The Ridgewood Local School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple-employer public employee retirement defined benefit pension plan operated by the State of Ohio. STRS provides retirement, annual cost-of-living adjustments, disability, survivor, and health care benefits. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes general purpose financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

Plan members are required to contribute 9.3% of their annual covered salary and Ridgewood Local School District is required to contribute at an actuarially determine rate. The current rate is 14% of annual covered payroll. The contribution requirement of plan members and Ridgewood Local School District are established by and may be amended by the STRS Board of Trustees. The School District's contributions to STRS for the years ending June 30, 2000, 1999, and 1998 were \$568,716, \$535,164, and \$480,748, respectively; 82.86 percent has been contributed for fiscal year 2000 and 100 percent for fiscal year 1999 and 1998. The amount representing the unpaid contribution for fiscal year 2000, \$97,472 is recorded as a liability within the respective funds.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

NOTE 10 - POSTEMPLOYMENT BENEFITS

(A) *SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)*

The Ohio Revised Code gives SERS the discretionary authority to provide post retirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability, and survivor benefit recipients.

Members retiring on or after August 1, 1989, with less than twenty-five years of service credit, must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

After the allocation for basic benefits, the remainder of the employer's contribution is allocated to providing health care benefits. At June 30, 1999, the allocation rate was 6.30%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 1999, the minimum pay has been established as \$12,400. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 1999 were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, the Retirement System's net assets available for payment of health care benefits was \$188.0 million, at cost. The number of participants currently receiving health care benefits is approximately 51,000. The portion employer contributions that were used to fund postemployment benefits was \$108,418.

(B) *STATE TEACHERS RETIREMENT SYSTEM (STRS)*

The State Teachers Retirement System (STRS) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. All benefit recipient and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (ORC), the State Teachers Retirement Board (Board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium.

The ORC grants authority to STRS to provide health care coverage to benefit recipients, spouses, and dependents. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate; currently 14% of covered payroll.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

The Board currently allocates employer contributions equal to 2% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. However, for the fiscal year ended June 30, 1999, the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2,783 million at June 30, 1999. The Health Care Reserve Fund allocation for the year ended June 30, 2000 will be 8% of covered payroll. For the year ended June 30, 1999, the net health care costs paid by STRS were \$249,929,000. There were 95,796 eligible benefit recipients.

NOTE 11 – NON-CASH TRANSACTIONS

The District receives food commodities for its food service obligations. The revenue recognized in grant income from the non-cash commodities was \$37,698.

NOTE 12 – INTERFUND ACTIVITY

A) Interfund Transactions

As of June 30, 2000, receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund Type/Fund</u>	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 70,429	\$ 0
Debt Service Fund	0	8,145
Special Revenue Fund:		
High School Cheerleaders	0	5,305
Jr. High Cheerleaders	0	3,500
Scrap Tire	0	52,631
Re Team Fresno	0	848
	<u>\$ 70,429</u>	<u>\$ 70,429</u>

B) Reconciliation of Interfund Transfers

<u>Governmental Fund Types and Expendable Trust Funds</u>	<u>Transfers-In</u>	<u>Transfers-Out</u>
Special Revenue – Quiz Team	\$ 2,758	\$ 0
<u>Proprietary and Similar Fiduciary Fund Types</u>		
Agency	0	(2,758)
Total	<u>\$ 2,758</u>	<u>\$ (2,758)</u>

NOTE 13 - SEGMENT INFORMATION - ENTERPRISE FUNDS

RIDGEWOOD LOCAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2000

The District maintains enterprise funds to account for the operation of school food service and uniform school supplies. Segment information related to these follows:

	<u>Food Services</u>	<u>Uniform Supplies</u>	<u>Total</u>
Operating revenues	\$ 304,570	\$ 2,380	\$ 306,950
Operating expenses			
Salaries and wages	161,336	0	161,336
Fringe benefits	97,286	0	97,286
Purchased services	22,157	0	22,157
Materials and supplies	194,295	4,383	198,678
Depreciation	<u>6,492</u>	<u>0</u>	<u>6,492</u>
Total operating expenses	<u>481,566</u>	<u>4,383</u>	<u>485,949</u>
Operating loss	(176,996)	(2,003)	(178,999)
Non-operating revenues, net	163,776	0	163,776
Net operating transfers	<u>26,200</u>	<u>3,200</u>	<u>29,400</u>
Net income	<u>\$ 12,980</u>	<u>\$ 1,197</u>	<u>\$ 14,177</u>
Other information			
Net working capital	<u>\$ 16,216</u>	<u>\$ 681</u>	<u>\$ 16,897</u>
Fixed assets, net	<u>\$ 28,416</u>	<u>\$ 0</u>	<u>\$ 28,416</u>
Total assets	<u>\$ 90,678</u>	<u>\$ 681</u>	<u>\$ 91,359</u>
Total equity	<u>\$ 44,632</u>	<u>\$ 681</u>	<u>\$ 45,313</u>

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS

The OME-RESA is a jointly governed organization comprised of 49 school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts. Each of the governments of these districts supports OME-RESA based upon a per pupil charge dependent upon the software package utilized. The OME-RESA assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. OME-RESA is governed by a board of directors chosen from the general membership of the OME-RESA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county from which participating districts are located. Financial information can be obtained by contacting the Jefferson County Educational Service Center, which serves as fiscal agent, located at Steubenville, Ohio. During the year ended June 30, 2000, the District paid approximately \$23,008 to OME-RESA for basic service charges.

NOTE 15 - 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 a comprehensive property and casualty policy, with Nationwide Insurance Company. The deductible is \$500 per incident on property and \$500 per incident on equipment. All vehicles are also insured with Nationwide Insurance Company and have a \$500 deductible. All board members, administrators, and employees are covered under a school district liability policy with Nationwide Insurance Company. The limits of this coverage are \$1,000,000 per occurrence and \$5,000,000 per aggregate. The board president and superintendent have a \$20,000 position bond with Nationwide Insurance Company.

The treasurer is covered under a surety bond in the amount of \$50,000. This bond is provided by the Nationwide Insurance Company.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The District is a member of the Ohio School Board Association Group Rating System. This rate is calculated based on accident history and administrative costs. The group presently consists of over 400 school districts.

The District is self-insured for its medical and dental insurance programs. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of \$25,000. The liability for unpaid claims cost of \$188,900 is reported in the fund at June 30, 2000 in accordance with Government Accounting Standards Board Statement No. 10.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

Changes in the fund's claim liability for 1999 and 2000 are listed below.

	<u>Balance at Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>Balance at End of Year</u>
1999	\$ <u>110,687</u>	\$ <u>785,571</u>	\$ <u>761,058</u>	\$ <u>135,200</u>
2000	\$ <u>135,200</u>	\$ <u>1,281,740</u>	\$ <u>1,228,040</u>	\$ <u>188,900</u>

NOTE 16: CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the District at June 30, 2000.

B. Litigation

The District is not party to any claims or lawsuits that would have a material effect, if any, on the financial condition of the District.

NOTE 17 – STATUTORY RESERVES

Substitute House Bill 412, as amended, required the District to “set aside” certain percentages of defined revenues for (1) textbook and instructional materials purchases, (2) capital and maintenance expenditures, and (3) to establish a budget reserve. It also required five year budget projections, amended the fiscal watch and fiscal emergency statutes, created a state school district solvency fund, and amended “spending reserve” provisions. During the fiscal year June 30, 2000, the reserve activity (GAAP-basis) was as follows:

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Balance 7/1/99	\$ 0	\$ 0	\$ 95,744	\$ 95,744
Required Set-Aside	161,208	161,208	0	322,416
Additonal Set-Aside	0	0	0	0
Qualifying Expenditures	(162,694)	0	0	(162,694)
Offset Credits	<u>0</u>	<u>(3,481,358)</u>	<u>0</u>	<u>(3,481,358)</u>
Total	<u>\$ (1,486)</u>	<u>\$ (3,320,150)</u>	<u>\$ 95,744</u>	<u>\$ (3,225,892)</u>
Cash Balance Carried Forward FY 2000	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 95,744</u>	
Amount Restricted for Set-Asides				<u>\$ 95,744</u>
Total Restricted Assets				<u>\$ 95,744</u>

The District had qualifying disbursements during the year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirements for future years.

Although the District has offsets during the year that reduced the capital acquisition set-aside amount below zero, this extra amount may not be used to reduce the set-aside requirements for future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

NOTE 18 –STATE SCHOOL FUNDING DECISION

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 State’s legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State’s “school foundation program”, which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 2000, the District received \$5,115,467 of school foundation support for its general fund.

In addition, the Court declared the classroom facilities program unconstitutional because, in the Court’s opinion, the program had not been sufficiently funded by the State. The classroom facilities program provided money to build schools and furnish classrooms. As of June 30, 2000, the District had received a total of \$1.291 million under this program.

RIDGEWOOD LOCAL SCHOOL DISTRICT
Notes to the Financial Statements

June 30, 2000

Since the Supreme Court 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 County 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. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, “... the mandate of the Ohio Constitution has not been fulfilled.” The Court’s majority recognized efforts by the Ohio General Assembly taken in response to the Court’s March 24, 1997 decision, however, it found seven “...major areas warrant further attention, study, and development by the General Assembly...,” including the State’s reliance on local property tax funding, the state’s basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State’s School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

November 30, 2000

The Board of Education
Ridgewood Local School District
West Lafayette, Ohio 43845

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

We have audited the general purpose financial statements of Ridgewood Local School District as of and for the year ended June 30, 2000, and have issued our report thereon dated November 30, 2000. We have conducted our audit in accordance with generally accepted auditing standards and 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 Ridgewood 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Ridgewood Local School District in a separate letter dated November 30, 2000.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Ridgewood 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Ridgewood Local School District in a separate letter dated November 30, 2000.

This report is intended for the information of the Board of Education, 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.

Rea & Associates, Inc.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

November 30, 2000

The Board of Education
Ridgewood Local School District
West Lafayette, Ohio 43845

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Compliance

We have audited the compliance of Ridgewood 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, 2000. Ridgewood Local School District's major federal program is 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 Ridgewood Local School District's management. Our responsibility is to express an opinion on Ridgewood Local School District's compliance based on our audit.

We conducted our audit of compliance with those requirements 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 Circulars 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 Ridgewood 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 Ridgewood Local School District's compliance with those requirements.

In our opinion, Ridgewood 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, 2000.

Internal Control Over Compliance

The management of Ridgewood 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 Ridgewood 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.

Schedule of Expenditures of Federal Awards - Non GAAP Budgetary Basis

We have audited the general purpose financial statements of Ridgewood Local School District as of and for the year ended June 30, 2000, and have issued our report thereon dated November 30, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of Ridgewood Local School District. 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.

This report is intended for the information of the Board of Education, 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.

Rea & Associates, Inc.

RIDGEWOOD LOCAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2000

Federal Grantor/ Pass Through Grantor/ Program Title	CFDA Number	Grant Number	Federal Receipts	Federal Disbursements	Non-Cash Disbursements
US Department of Agriculture (Passed Through Ohio Department of Education)					
Nutrition Cluster:					
Food Distribution Program - Non-Cash	10.550	N/A	\$ 34,798	\$ 0	\$ 37,698
National School Lunch Program	10.555	N/A	<u>130,568</u>	<u>130,568</u>	<u>0</u>
Total Department of Agriculture - Nutrition Cluster			165,366	130,568	37,698
US Department of Education (Passed Through Ohio Department of Education):					
Title I	84.010	046474-C1-S1-99	0	107,140	0
	84.010	046474-C1-S1-00	<u>271,947</u>	<u>215,801</u>	<u>0</u>
Total Title I			271,947	322,941	0
Chapter II	84.298	046474-C2-S1-98	0	236	0
	84.298	046474-C2-S1-99	0	561	0
	84.298	046474-C2-S1-99C	1,034	1,026	0
	84.298	046474-C2-S1-00	<u>7,537</u>	<u>4,226</u>	<u>0</u>
Total Chapter II			8,571	6,049	0
Special Education Cluster:					
Title VI-B	84.027	6B-SF-99P	0	6,646	0
	84.027	6B-SF-00P	96,426	92,761	0
Total Title VI-B			96,426	99,407	0
Title VI-R	84.340	046474-CR-S1-00	41,132	30,532	0
Preschool Incentive	84.173	046474-PG-S1-00P	<u>11,003</u>	<u>11,003</u>	<u>0</u>
Total Special Education Cluster			148,561	140,942	0
Eisenhower Math & Science	84.281	046474-MS-S1-98C	(4)	59	0
	84.281	046474-MS-S1-99	0	3,641	0
	84.281	046474-MS-S1-00	<u>7,888</u>	<u>7,817</u>	<u>0</u>
Total Eisenhower Math & Science			7,884	11,517	0
Technology Literacy Challenge Grant	84.318	046474-TF-VM -00P	27,000	26,174	0
Total Department of Education			<u>463,963</u>	<u>507,623</u>	<u>0</u>
U.S. Department of Labor (Passed Through Ohio Department of Education):					
School to Work	17.240	1999FED-99-810002	<u>0</u>	<u>1,495</u>	<u>0</u>
Total Department of Labor			0	1,495	0
U.S. Environmental Protection Agency Loan	Loan	N/A	<u>0</u>	<u>5,000</u>	<u>0</u>
Total Federal Assistance			<u>\$ 629,329</u>	<u>\$ 644,686</u>	<u>\$ 37,698</u>

Note A - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards summarizes activity of the District's federal awards programs. The schedule has been prepared on the cash basis of accounting.

Note B - Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Moneys are commingled with State grants. It is assumed federal moneys are expended first. At June 30, 1900, the District had no significant food commodities inventory.

RIDGEWOOD LOCAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

OMB CIRCULAR A-133, SECTION .505

JUNE 30, 2000

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs (list):	Title1, CFDA #84.010 Nutrition Cluster, CFDA #10.550 and 10.555
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	Yes

2. FINDINGS RELATING TO THE FINANCIAL STATEMENTS

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.



STATE OF OHIO
OFFICE OF THE AUDITOR

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RIDGEWOOD LOCAL SCHOOL DISTRICT

COSHOCTON 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
JANUARY 16, 2001**