



**NORTH RIDGEVILLE CTIY SCHOOL DISTRICT
LORAIN COUNTY
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2004**



**Auditor of State
Betty Montgomery**

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

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NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2004

| Federal Grantor/ Pass Through Grantor Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Expenditures | Non-Cash Expenditures |
|---|----------------------------------|---------------------------|------------------|----------------------|------------------|--------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Child Nutrition Cluster: | | | | | | |
| Food Distribution Program | N/A | 10.550 | | \$52,931 | | \$52,937 |
| National School Lunch Program | 044537 LL P4 04 | 10.555 | \$149,304 | | \$149,304 | |
| Total U.S. Department of Agriculture - Child Nutrition Cluster | | | 149,304 | 52,931 | 149,304 | 52,937 |
| U.S. DEPARTMENT OF EDUCATION | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Special Education Cluster: | | | | | | |
| Special Education Grants to States, IDEA Part B | 044537 6B SF 04 | 84.027 | 27,297 | | 28,418 | |
| Special Education Grants to States, IDEA Part B | 044537 6B SF 04 P | 84.027 | 394,717 | | 381,834 | |
| Total Special Education Grants to States, IDEA Part B | | | 422,014 | 0 | 410,252 | 0 |
| Special Education Preschool Grants | 044537 PG S1 04 | 84.173 | 20,354 | | 20,354 | |
| Total Special Education Preschool Grants | | | 20,354 | 0 | 20,354 | 0 |
| Total Special Education Cluster | | | 442,368 | 0 | 430,606 | 0 |
| Title I, Part A, ESEA | 044537 C1 S1 03 | 84.010 | 33,256 | | 37,235 | |
| Title I, Part A, ESEA | 044537 C1 S1 04 | 84.010 | 134,902 | | 132,120 | |
| Total Title I, Part A, ESEA | | | 168,158 | 0 | 169,355 | 0 |
| Innovation Education Program Strategies, Title V | 044537 C2 S1 03 | 84.298 | 4,104 | | 0 | |
| Innovation Education Program Strategies, Title V | 044537 C2 S1 04 | 84.298 | 23,081 | | 23,071 | |
| Total Innovation Education Program Strategies, Title V | | | 27,185 | 0 | 23,071 | 0 |
| Improving Teacher Quality, Title II-A | 044537 TR S1 03 | 84.367 | 33,563 | | 18,081 | |
| Improving Teacher Quality, Title II-A | 044537 TR S1 04 | 84.367 | 82,067 | | 85,883 | |
| Total Improving Teacher Quality, Title II-A | | | 115,630 | 0 | 103,964 | 0 |
| Safe and Drug Free Schools | 044537 DR S1 03 | 84.186 | 9,504 | | 0 | |
| Safe and Drug Free Schools | 044537 DR S1 04 | 84.186 | 14,111 | | 11,762 | |
| Total Safe and Drug Free Schools | | | 23,615 | 0 | 11,762 | 0 |
| Education Technology State Grants, Title II-D | 044537 TJ S1 03 | 84.318 | 2,804 | | 400 | |
| Education Technology State Grants, Title II-D | 044537 TJ S1 04 | 84.318 | 4,081 | | 4,081 | |
| Total Education Technology State Grants, Title II-D | | | 6,885 | 0 | 4,481 | 0 |
| School Renovation Grants, ATIP | 044537 AT S3 02 | 84.352A | (121) | | 0 | |
| Total School Renovation Grants, ATIP | | | (121) | 0 | 0 | 0 |
| Total U.S. Department of Education | | | 783,720 | 0 | 743,239 | 0 |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | |
| <i>Passed Through the Ohio Department of Mental Retardation & Developmental Disabilities:</i> | | | | | | |
| Medical Assistance - Medicaid Title XIX | N/A | 93.778 | 56,298 | | 56,298 | |
| Total U.S. Department of Health and Human Services | | | 56,298 | 0 | 56,298 | 0 |
| Total All Federal Funds | | | \$989,322 | \$52,931 | \$948,841 | \$52,937 |

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2004**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – FOOD DISTRIBUTION PROGRAM

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Values may change from month to month and are entirely subjective. At June 30, 2004, the District had no significant food commodities in inventory.

NOTE C – NATIONAL SCHOOL LUNCH PROGRAM

Federal monies received by the District for this program are commingled with State grants and local revenues. It is assumed that federal monies are expended first.

N/A – Not Applicable.

CFDA – Catalog of Federal Domestic Assistance.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Board of Education
North Ridgeville City School District
Lorain County
5490 Mills Creek Lane
North Ridgeville, Ohio 44039

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the North Ridgeville City School District, Lorain County, Ohio (the District) as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2004. We did not audit the financial statements of the Jointly Administered Trust Fund for the Benefit of North Ridgeville City School District Employees (the Trust), which represents all of the assets and revenues of the Internal Service Fund Type. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trust, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 16, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that does not require inclusion in this report that we have reported to the District's management in a separate letter dated December 16, 2004.

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



Betty Montgomery
Auditor of State

December 16, 2004



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
North Ridgeville City School District
Lorain County
5490 Mills Creek Lane
North Ridgeville, Ohio 44039

Compliance

We have audited the compliance of the North Ridgeville City School District, Lorain County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2004. The District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 16, 2004.

Schedule of Federal Awards Receipts and Expenditures

We have audited the basic financial statements of the District as of and for the year ended June 30, 2004, and have issued our report thereon dated December 16, 2004, which indicates that we did not audit the financial statements of the Jointly Administered Trust Fund for the Benefit of North Ridgeville City School District Employees (the Trust), which represents all of the assets and revenues of the Internal Service Fund Type. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trust, is based on the report of the other auditors. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 16, 2004

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2004**

| |
|--|
| 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 other reportable control weakness conditions reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iii)</i> | Was there any reported material non-compliance at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iv)</i> | Were there any material internal control weakness conditions reported for major federal programs? | No |
| <i>(d)(1)(iv)</i> | Were there any other reportable internal control weakness conditions reported for major federal programs? | No |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unqualified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under § .510? | No |
| <i>(d)(1)(vii)</i> | Major Programs (list): | CFDA #10.550 AND 10.555 Child Nutrition Cluster CFDA # 84.010 Title I, Part A, ESEA |
| <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 |

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2004
(Continued)**

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2004**

| <u>Finding Number</u> | <u>Finding Summary</u> | <u>Fully Corrected?</u> | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i> |
|-----------------------|--|-------------------------|---|
| 2003-001 | Ohio Rev. Code Section 5705.41 (B) & (D) – Expenditures plus encumbrances should not exceed appropriations | Yes | |



***North Ridgeville City School
District***

"Building On Success One Individual At A Time"

Comprehensive Annual Financial Report

**For the Fiscal Year Ended
June 30, 2004
North Ridgeville, Ohio**

NORTH RIDGEVILLE CITY SCHOOL DISTRICT

NORTH RIDGEVILLE, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2004

Prepared by:

Treasurer's Office
Biagio Sidoti, CPA, Treasurer
Patricia Ellis, Assistant Treasurer
Diane Raines, Assistant Treasurer
Annette Wey, Assistant Treasurer

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
FOR THE YEAR ENDED JUNE 30, 2004**

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**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
FOR THE YEAR ENDED JUNE 30, 2004**

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**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
FOR THE YEAR ENDED JUNE 30, 2004**

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North Ridgeville City School District

Mr. Larry Bowersox, Superintendent
Mr. David Livingston, Asst. Supt. Business Services
Dr. Craig Phillips, Asst. Supt. Curriculum / Instruction
Mr. Biagio Sidoti CPA, Treasurer

5490 Mills Creek Lane
North Ridgeville, Ohio 44039
Telephone: (440) 327-4444
Fax: (440) 327-9774
Web: www.nrcs.k12.Oh.us

“Building On Success One Individual At A Time”

December 16, 2004

Members of the North Ridgeville
Board of Education:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the North Ridgeville City School District for the fiscal year ended June 30, 2004. Responsibility for the accuracy of the data presented and completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the North Ridgeville City School District with comprehensive financial data in a format that will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the North Ridgeville Public Library, major taxpayers, financial rating services, local bankers and other interested parties.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The Introductory Section, which contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District.
2. The Financial Section which begins with the Independent Accountants' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes to the Basic Financial Statements that provide an overview of the School District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed budgetary information.
3. The Statistical Section presents a ten-year summary of social and economic data, financial trends and demographic information of the North Ridgeville City School District.

SCHOOL DISTRICT

The School District is one of the 612 public school districts in the State and 14 in the County. We provide education to 3,550 students in grades K through 12. It is located in Lorain County in north central Ohio, approximately 20 miles southwest of the City of Cleveland and approximately ten miles southeast of the City of Lorain. The District's territory is coterminous with the territory of the city.

The School District is in the Cleveland-Elyria-Lorain Primary Metropolitan Statistical Area (PMSA), comprised of the six counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina. It is also in the Cleveland-Akron-Lorain Consolidated Metropolitan Statistical Area (CMSA).

The School District's 2003 population was 24,294. Its area is approximately 25 square miles, broken down by land use as follows:

| | |
|-----------------------|--------|
| Residential | 85.97% |
| Commercial/Industrial | 10.72% |
| Public Utility | 02.61% |
| Agricultural | 00.70% |
| Undeveloped | (a) |

(a) Included in above categories.

Approximately 35.7% of the District's area is used for governmental (including schools, parks and highway right-of ways) and other tax-exempt purposes.

The District's general area is served by diversified transportation facilities. Immediate access is available to three State and U.S. highways and to interstate highways I-480, I-90 and I-80 (the James W. Shocknessy Ohio Turnpike). Conrail, Amtrak, Norfolk and Western, Chessie System and Lorain and West Virginia railroads serve the County. Airfreight and passenger air service are provided through Cleveland Hopkins International Airport, located in adjacent Cuyahoga County within 15 minutes of the District, and the Lorain County Regional Airport in New Russia Township.

Banking and financial services are provided to the area by offices of six commercial banks and savings and loan associations, all of which have their principal offices elsewhere.

Three daily newspapers and two weekly newspapers serve the area. It is within the broadcast area of seven television stations and approximately 31 AM and FM radio stations. Multi-channel cable TV AT&T Broadband provides service, including educational, governmental and public access channels.

Within commuting distance are several public and private two-year and four-year colleges and universities providing a wide range of educational facilities and opportunities. These include Cleveland State University, The University of Akron and Kent State University (three of Ohio's twelve state universities), Lorain County Community College, Cuyahoga Community College, Oberlin College (located in the County), Baldwin-Wallace College, John Carroll University and Case Western Reserve University. The Lorain Business College also is located in the County.

THE REPORTING ENTITY

The North Ridgeville City School District issues its financial report based on Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." The District is associated with various educational organizations and government entities within Lorain County that may be construed as being part of the School District's financial reporting when in fact they are not. For this reason, management has decided to differentiate between the organizations whose financial position will be incorporated within this report and the organizations that will not.

Excluded from this report for which the District is not a member, but may be viewed as a member, are the City of North Ridgeville, The Lorain County Public Library, and the various Parent Teacher Organizations. Also excluded from this report for which the District is a member are the Lake Erie Educational Computer Association, the Lake Erie Regional Council, the Lorain County Joint Vocational School, the North Ridgeville City Schools' Endowment Foundation, the Ohio School Boards Association, and the Ohio Schools Council.

Included in the financial reporting of this report is the Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees (the Trust). The Trust is legally separate from the District, but meets the criteria for being a component unit of the District's financials. More detail is described in Note 1 of the financial statements.

ECONOMIC CONDITION AND OUTLOOK

The School District is a mix of residential and agricultural area. Approximately 50% of the land in the District is undeveloped or used for agricultural purposes. The adjacent cities of Westlake and North Olmsted are nearing full commercial and residential development. North Ridgeville has direct access to the cities of Cleveland, Lorain and Elyria and other Midwest locations using a combination of interstates I-80, I-90, I-480 and State Route 10. These routes also make it easy for residents to commute daily to work in the cities of Lorain, Avon Lake and other areas in Lorain County and adjacent Cuyahoga County, including the City of Cleveland.

The District is still experiencing significant new residential, commercial, retail and light industrial and warehousing development. This development is expected to continue for the next five to ten years. Four separate industrial parks are under development in the City of North Ridgeville. The largest of these is Taylor Woods Industrial Park, which is home to the facilities of Invacare Corporation (manufacturer of wheelchairs), Becket Gas, Incorporated (a manufacturer of gas burners) and Becket Air, Incorporated (a manufacturer of blower wheels). The newest of these, Root Road Industrial Park, consisting of 13 acres began development in 2002. In 2003, building permits were issued for new commercial buildings with an estimated value of \$4,490,000 and commercial improvements of \$4,530,000.

Residential development has been significant in recent years and is expected to increase with the completion of the sanitary trunk sewer to serve the westerly portion of the District. Approximately 420 new homes and other single-family residences were constructed in the City in 2003. In various stages of planning and construction are two planned community developments in the western half of the City: Waterbury, a 640-acre development to include approximately 1,900 residential units of which 210 units have been completed; and Meadow Lakes, a 570-acre development to include approximately 1,700 residential units of which 322 units have been completed.

Other developments in the westerly portion include Avalon, an 80-acre subdivision to include 175 residential units, which is about two-thirds completed. Other developments include Windsor Point subdivision, which is to include up to 275 residential units and Stone Creek subdivision, which is to include up to 162 residential units.

In other areas of the City, Ridgefield Homes, an approximate 900 home development that began in the mid 1990's is about 45% completed. These homes have been sold for \$225,000 to \$900,000 with an average home sale of \$300,000. There are also a number of small subdivisions being developed throughout the City.

Even though the District is experiencing economic development in the area of real estate, it does not necessarily mean that the District is experiencing revenue increases proportionately to the real estate development. Unfortunately, current state law prohibits school districts in Ohio from receiving additional tax revenue when the County Auditor reevaluates property values. In 1976, the Ohio General Assembly passed House Bill 920. This law requires the tax rate to be lowered by the same percentage property values are increased by the County Auditor's reevaluation. In calendar year 2004, North Ridgeville City Schools levied 44.79 mills of taxes to fund its operations. House Bill 920 lowered those mills to 30.70 mills for residential and agricultural properties and 31.70 mills for commercial and industrial properties.

In essence, House Bill 920 removes inflationary growth in revenue and requires school districts in Ohio to periodically place tax issues on the ballot for voter approval in order to receive additional revenue to offset rising costs.

In June of 1999, the Ohio General Assembly also passed House Bill 284, which will have a significant financial impact to Ohio school districts. House bill 284 phases out the inventory portion of taxes collected over a twenty-five year period. Once fully implemented, the School District's operating revenue will decline by approximately \$1,262,000 annually based on fiscal year 2004 collection.

MAJOR INITIATIVES – FISCAL YEAR 2004

The School District's *Strategic Plan for Continuous Improvement* remains the driving force behind academic success and expanded student services. This plan, in connection with our budgeting process, has resulted in a systematic improvement in both the short and long term in the areas of Academics, Finances, Business Affairs - Facilities/Buildings/Grounds/Transportation, and Communication. The following is a brief list, by goal area, of the District's main accomplishments during the past fiscal year:

Academics

- ❑ Latest State Report Card indicates significant student progress in reading, math and science scores. Over 85% of the 3rd grade students passed grade level reading test.
- ❑ Four of five academic buildings earned an "Effective" or "Excellent" academic rating from State.
- ❑ High School student scores on college admission tests improved to exceed State and National averages.
- ❑ Expanded implementation of *Universal Design for Learning* methodology, *Everyday Math*, *Sustained Silent Reading* and *Study Island* programs to enable teachers and parents to meet student's varied needs and learning styles.
- ❑ Teacher Mentor and other Professional Development programs successfully implemented.

Finances

- ❑ Developed and submitted a fully funded five year forecast.
- ❑ North Ridgeville Schools spend less per pupil on Administration and more per pupil on instruction than the State or Local Average of similarly sized districts.
- ❑ Issued our third consecutive Comprehensive Annual Financial Report of the District.

Business Affairs - Facilities/Buildings/Grounds/Transportation

- ❑ Completed roofing project at Wilcox school building
- ❑ Food Services used grants to support innovative and nutritious programs such as milk vending machines.
- ❑ Updated and tested Disaster Readiness Plan.

Communication

- ❑ Parent Involvement programs are implemented at all buildings.
- ❑ Involved and engaged community and staff in education planning and actions through Strategic Planning for Continuous Improvement process, three community forums, and speaking engagements with numerous local organizations and homeowners' associations
- ❑ Published a district annual report, district newsletters, redesigned website architecture and content to improve access and utility
- ❑ Created district programming for local cable access channel
- ❑ Presented seminars at local and State conferences on Universal Design for Learning and communications strategies implemented in our district

Long Term and Capital Planning

The District continues the process of seeking State assistance in long-term facilities planning. The district has enjoyed success in the passage of two renewal levies. However, in order to sustain the current level of operations, the District must secure additional long term operating funds to meet the increased demands of enrollment growth and the increased costs of compliance with State and Federal regulations. Currently the district is in the process of gaining input to update the areas of Academics, Finances, Business Affairs - Facilities/Buildings/Grounds/Transportation, and Communication.

The final result of the process will be an approved list of long term and capital planning projects that will serve as the basis for future budget allocations and levy requests.

FINANCIAL OVERVIEW

Internal Controls

The School District's management is responsible for establishing and maintaining the internal control policies and procedures to ensure the safeguarding of the District's assets from loss, theft and misuse. These procedures are established by the District's management team and adopted by the Board of Education. These controls are designed to provide reasonable assurance, not absolute assurance. Absolute assurance would require the cost of these internal controls to be greater than the benefits derived. The possibility is also inherent in any internal control to be circumvented through collusion among employees.

Accounting System

The District maintains its accounts in accordance with procedures established by the Auditor of the State of Ohio. The District uses a fully automated accounting system. The accounting system's software is maintained off site at the Educational Service Center of Lorain County.

The School District has issued "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" to its June 30, 2004 Comprehensive Annual Financial Report, which consists of the following:

Government-wide financial statements – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the school district that are governmental and those that are considered business-type activities.

Fund financial statements – These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparison – These statements present comparison of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

For a more detailed description, see the Management's Discussion and Analysis and the notes to the Basic Financial Statements.

DEBT ADMINISTRATION

The District operated within the established overall debt margin and the un-voted debt margin. At June 30, 2004, outstanding bonds totaled \$3,307,867. Net debt retired was \$250,000 General Obligation Bonds for school improvement issued in 2002. As of June 30, 2004, the overall debt margin was \$ 43,825,269 and the un-voted debt margin was \$ 518,707.

CASH MANAGEMENT

The School District adheres to regulations set forth in the Ohio Revised Code to ensure the safety of its investments.

All the District's cash is pooled for investment purposes in order to maximize yield while protecting principal. The School District's investment policy is the vehicle utilized for investment decisions. In the decision making process, the School District investment objectives are to preserve principal, obtain liquidity, maximize income and minimize cost for investment services.

Protection for these investments is primarily provided by the Federal Deposit Insurance Corporation (FDIC) and by the eligible securities pledged by the financial institution and by the single collateral pool established by the financial institution.

The investment policy and the financial needs of the District are accomplished through its investments in Certificates of Deposit, Repurchase Agreements, Government Securities, the State Treasurer Investment Pool (STAR Ohio) and sweep checking accounts.

RISK MANAGEMENT

The District is exposed to various risks of loss. To control these various risks, property and casualty insurance, vehicle insurance, umbrella policy insurance, and a liability policy for school employees was purchased from Indiana Insurance.

The District also purchases a surety bond coverage from Indiana Insurance Company for employees who handle money. The Treasurer has an additional surety bond with Ohio Farmers Insurance Company.

The District participates in the Ohio School Board Association Workers' Compensation Group Rating Program for injuries to employees while performing their daily job duties.

Additional information on the School District's Risk Management can be found in note 11 of the notes to the financial statements.

INDEPENDENT AUDIT

State Statutes require the School District to be subject to an annual examination by an independent auditor. The annual audit serves to render an opinion on the financial statements and to maintain and strengthen the School District's accounting and budgeting controls. The opinion can be found at the beginning of the financial section of this report.

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to the North Ridgeville City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2003. This was the third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and

efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

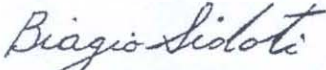
ACKNOWLEDGEMENTS

The continued publication of this report is a significant step towards improving the professionalism of the North Ridgeville City School District financial communication.

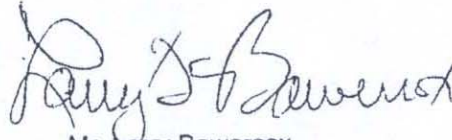
The preparation of this report could not have been accomplished without the efficient and dedicated help of the Treasurer's Office. The Comprehensive Annual Financial Report requires a major effort and special appreciation is extended to all internal departments who assisted in the preparation of this report.

A sincere appreciation is also extended to the Board of Education for their continued support in issuing North Ridgeville's City School District's Comprehensive Annual Financial Report.

Respectfully Submitted,



Mr. Biagio Sidoti, CPA
Treasurer



Mr. Larry Bowersox
Superintendent

NORTH RIDGEVILLE CITY SCHOOL BOARD OF EDUCATION
PRINCIPAL OFFICIALS
JUNE 30, 2004

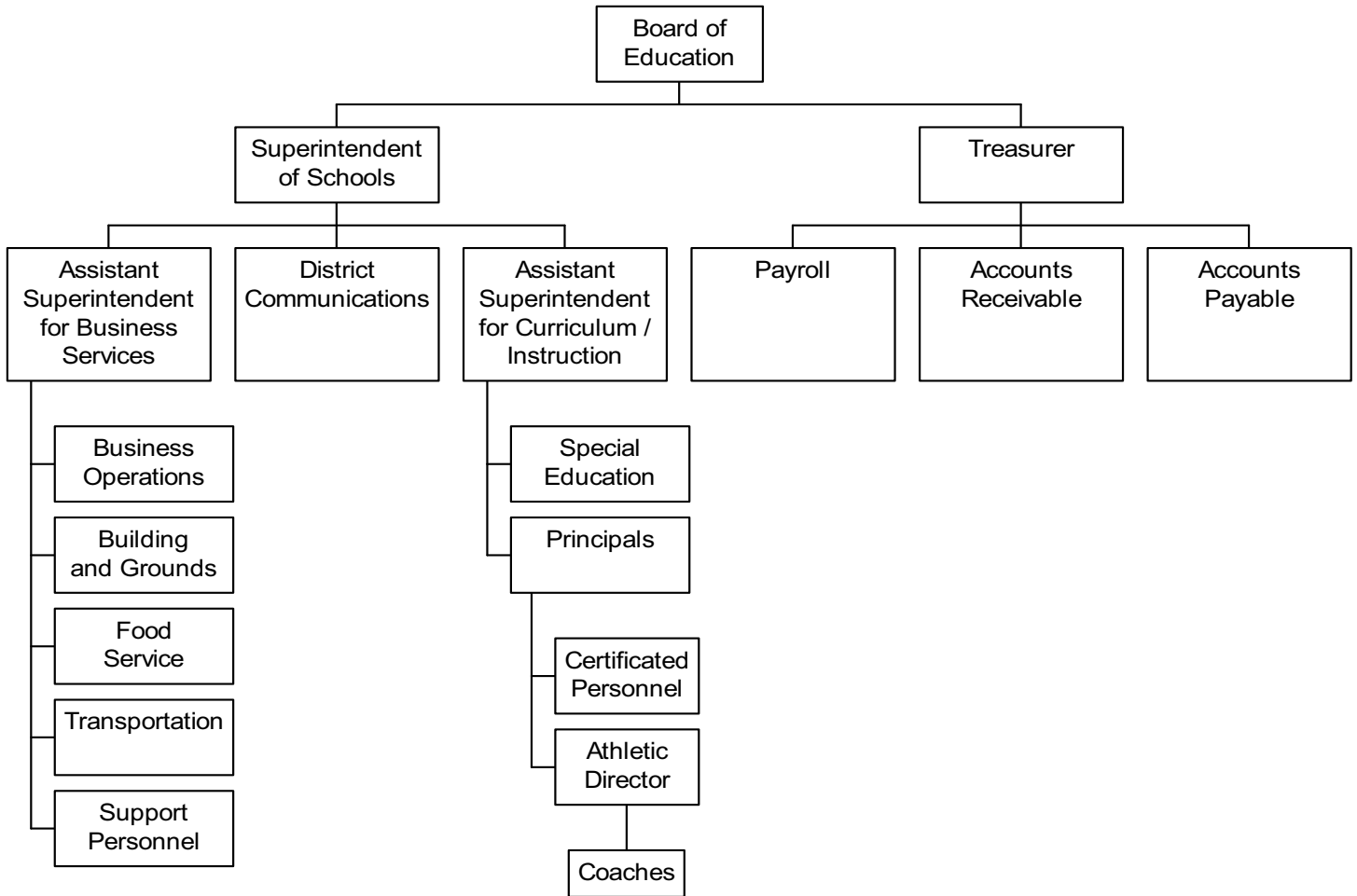
Board of Education

Mrs. Margaret Knight, CPA.....President
Rev. Charles Gibson.....Vice President
Mr. Tom Dake.....Member
Mrs. Robin Hrabik.....Member
Mr. Ross Mitchell.....Member

Administration

Mr. Larry Bowersox.....Superintendent
Mr. Biagio Sidoti, CPA.....Treasurer
Dr. Craig Phillips.....Assistant Superintendent for Curriculum/Instruction
Mr. David Livingston.....Assistant Superintendent for Business Services

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to
North Ridgeville
City School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zjelle

President

Jeffrey R. Enow

Executive Director



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Board of Education
North Ridgeville City School District
Lorain County
5490 Mills Creek Lane
North Ridgeville, Ohio 44039

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the North Ridgeville City School District, Lorain County, Ohio, (the District) as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jointly Administered Trust Fund for the Benefit of North Ridgeville City School District Employees (the Trust), which represents all of the assets and revenues of the Internal Service Fund Type as of March 31, 2004. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trust, is based on the report of the other auditors.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the North Ridgeville City School District, Lorain County, Ohio, as of June 30, 2004, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Emergency Levy Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2004, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 16, 2004

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
Unaudited

The management discussion and analysis of North Ridgeville City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2004. The intent of this management discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, financial statements and notes to those respective statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key Financial Highlights for 2004 are as follows:

In total, net assets decreased by \$ 314,848.

Revenues for governmental activities totaled \$ 28,764,245 in 2004. Of this total, 89 percent consisted of General revenues while Program revenues accounted for the remaining balance of 11 percent.

Program expenses totaled \$ 29,079,093. Instructional expenses made up 56 percent of this total while support services accounted for 36 percent. Other expenses rounded out the remaining 8 percent.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes pertaining to those statements. These statements are organized so the reader can understand North Ridgeville City School District as a financial whole, or complete operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of North Ridgeville City School District, the General Fund and the Emergency Levy Fund are the most significant.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2004?" The Statement of Net Assets and Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. Accrual accounting takes into account all the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those net assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's performance, demographic and socioeconomic factors and willingness of the community to support the School District. On the other hand, financial factors may include the School District's financial position, liquidity and solvency, fiscal capacity and risk and exposure.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
Unaudited

In the Statement of Net Assets and the Statement of Activities, the School District is classified into governmental activities. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance, pupil transportation, food service operation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major fund begins on page 15. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the Emergency Levy Fund.

Governmental Funds

All of the School District's activities are reported as governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

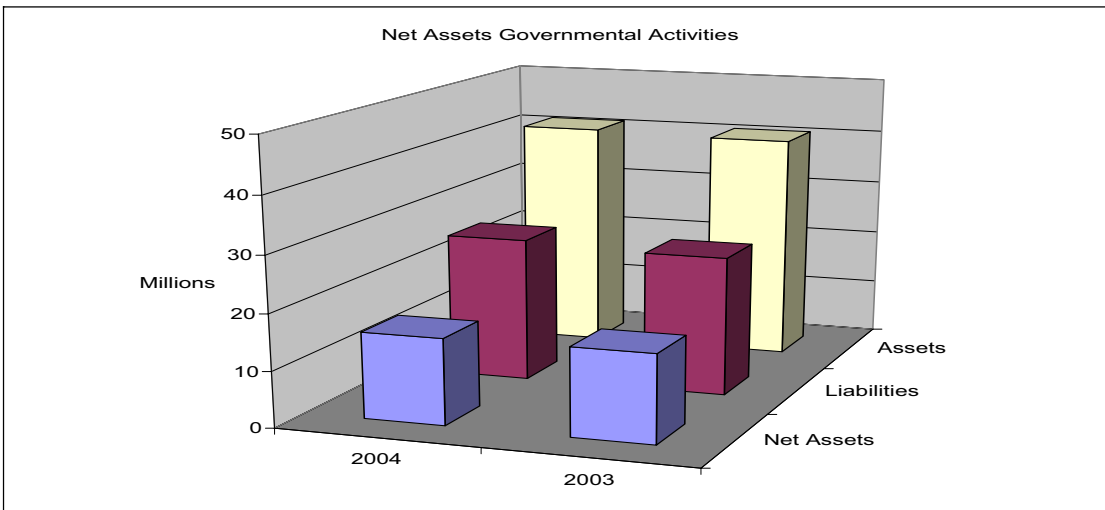
NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
Unaudited

The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2004 compared to 2003:

Table 1
Total Net Assets

| | 2004 | 2003 |
|---|----------------------|----------------------|
| Assets | | |
| Current and other assets | \$ 26,941,860 | \$ 25,714,191 |
| Total capital assets, net | <u>14,457,251</u> | <u>15,091,531</u> |
| Total assets | <u>41,399,111</u> | <u>40,805,722</u> |
| Liabilities | | |
| Current liabilities | 20,358,499 | 18,951,851 |
| Long term liabilities | | |
| Due within one year | 460,511 | 582,107 |
| Due in more than one year | <u>5,147,844</u> | <u>5,536,190</u> |
| Total liabilities | <u>25,966,854</u> | <u>25,070,148</u> |
| Net assets | | |
| Invested in capital assets, net of related debt | 11,147,016 | 11,403,224 |
| Restricted for: | | |
| Debt service | 497,498 | 516,066 |
| Capital projects | 135,056 | 528,016 |
| Other purposes | 974,133 | 6,631 |
| Unrestricted | <u>2,678,554</u> | <u>3,281,637</u> |
| Total net assets | <u>\$ 15,432,257</u> | <u>\$ 15,735,574</u> |



NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
Unaudited

Governmental Activities

Total assets increased by \$ 593,389. The increase can be attributed to increases in taxes receivable and due from other governments of \$ 905,198 and \$ 454,640, respectively. This increase was offset by a decrease in capital assets which is primarily attributable to a net change in accumulated depreciation of \$ 634,280. The remainder of the increase is attributed to cash, accounts receivable and prepaid and deferred expenses which accounted for a decrease of \$ 132,169.

Total liabilities increased by \$ 896,706. The majority of the increase can be attributed primarily to an increase in deferred revenue of \$ 1,279,968. Long term liabilities decreased by \$ 509,942. The remainder of the increase is attributed to accounts and contracts payable, accrued wages and benefits, claims payable, due to other governments, deferred revenue and compensated absences, which accounts for an increase of \$ 126,680.

By comparing assets and liabilities, one can see the overall position of the School District has not improved as evidenced by the decrease in net assets of \$ 303,317.

The vast majority of revenue supporting all Governmental Activities is General revenues. General revenues totaled \$ 25,668,304 or 89 percent of the total revenues. The most significant portion of the General revenues is local property tax. The remaining amount of revenue was in the form of program revenues, which equated to \$ 3,095,941 or only 11 percent of total revenue.

Table 2 summarizes the revenues, expenses and the changes in net assets for fiscal year 2004 and 2003.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
Unaudited

Table 2
Governmental Activities

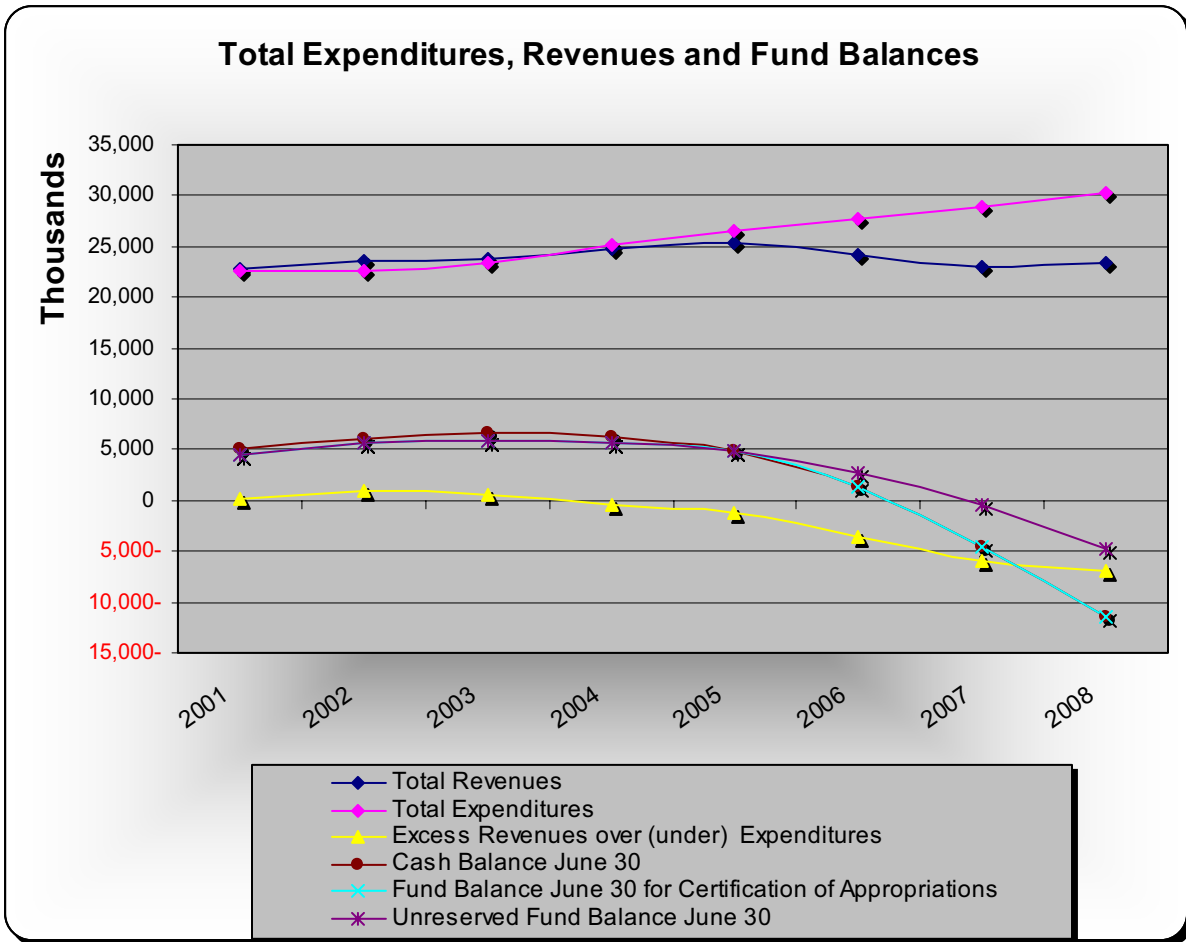
| | 2004 | Restated 2003 |
|--|----------------------|----------------------|
| Revenues | | |
| Program revenues | | |
| Charges for services | \$ 1,744,216 | \$ 1,709,164 |
| Operating grants, interest and contributions | 1,351,725 | 1,262,137 |
| Total program revenues | <u>3,095,941</u> | <u>2,971,301</u> |
| General revenues | | |
| Property taxes | 14,445,941 | 12,841,332 |
| Grants and entitlements not restricted to specific purposes | 10,929,872 | 10,121,350 |
| Investment earnings | 80,986 | 143,067 |
| Miscellaneous | 211,505 | 8,641 |
| Total general revenues | <u>25,668,304</u> | <u>23,114,390</u> |
| Total revenues | <u>28,764,245</u> | <u>26,085,691</u> |
| Program expenses | | |
| Instruction | | |
| Regular | 12,724,752 | 12,965,033 |
| Special | 2,678,545 | 2,392,489 |
| Vocational | 447,336 | 573,011 |
| Other instruction | 336,065 | 155,323 |
| Supporting services | | |
| Pupil | 1,501,567 | 1,433,384 |
| Instructional staff | 1,829,707 | 1,689,250 |
| Board of education | 61,895 | 71,968 |
| Administration | 1,775,722 | 1,668,543 |
| Fiscal services | 621,131 | 551,950 |
| Business | 380,377 | 251,085 |
| Operation and maintenance | 2,611,905 | 2,556,975 |
| Pupil transportation | 1,776,252 | 1,699,028 |
| Central services | 115,697 | 70,301 |
| Operation of non-instructional | | |
| Food service operation | 865,136 | 873,855 |
| Community services | 414,686 | 559,764 |
| Extracurricular activities | 803,737 | 674,649 |
| Interest | 134,583 | 139,110 |
| Total expenses | <u>29,079,093</u> | <u>28,325,718</u> |
| Decrease in net assets | (314,848) | (2,240,027) |
| Net assets at beginning of year | 15,747,105 | 17,987,132 |
| Net assets at end of year | <u>\$ 15,432,257</u> | <u>\$ 15,747,105</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

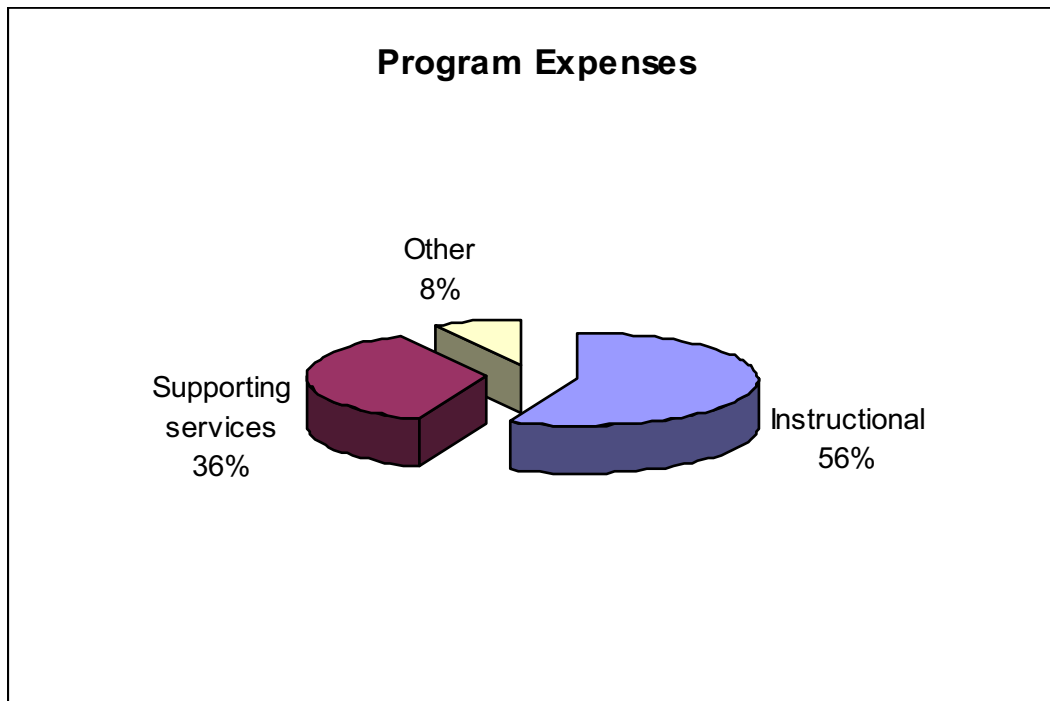
FOR THE YEAR ENDED JUNE 30, 2004
Unaudited

The School District has carefully planned its financial future by forecasting its revenues and expenditures over the next five years. In May of 2004, the School District completed its five year forecast. Based upon the current five year financial forecast, the School District has adequate operating funds for the next two years. Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating costs.



NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
Unaudited

Approximately 56 percent of the School District's budget is used to fund instructional expenses. Additional supporting services for pupils, staff and business operations encompass an additional 36 percent. The remaining program expenses of 8 percent are budgeted to facilitate other obligations of the School District, such as the food service program, numerous extracurricular activities and debt service.



The Statement of Activities shows the total net cost of program services. Table 3 shows the total cost of services for governmental activities and the net cost of those services. It identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
Unaudited

Table 3
Governmental Activities

| | <u>Total Cost of Services</u> | <u>Net Cost of Services</u> |
|--------------------------------|-----------------------------------|---------------------------------|
| Program expenses | | |
| Instruction | | |
| Regular | \$ 12,724,752 | \$(12,028,426) |
| Special | 2,678,545 | (2,050,039) |
| Vocational | 447,336 | (447,336) |
| Other instruction | 336,065 | (336,065) |
| Supporting services | | |
| Pupil | 1,501,567 | (1,334,747) |
| Instructional staff | 1,829,707 | (1,735,785) |
| Board of education | 61,895 | (61,895) |
| Administration | 1,775,722 | (1,775,722) |
| Fiscal services | 621,131 | (621,131) |
| Business | 380,377 | (380,377) |
| Operation and maintenance | 2,611,905 | (2,609,519) |
| Pupil transportation | 1,776,252 | (1,776,252) |
| Central services | 115,697 | (99,471) |
| Operation of non-instructional | | |
| Food service operation | 865,136 | 5,869 |
| Community services | 414,686 | 59,242 |
| Extracurricular activities | 803,737 | (656,915) |
| Interest | 134,583 | (134,583) |
| Total expenses | <u>\$ 29,079,093</u> | <u>\$(25,983,152)</u> |

The reliance upon local tax revenues for governmental activities is crucial. Approximately 50 percent of expenses are directly supported by local property taxes. Grants and entitlements not restricted to specific programs support 38 percent, while investments and other miscellaneous type revenues support the remaining activity costs of 1 percent. Program revenues fund only 11 percent of all governmental expenses.

Clearly, the North Ridgeville community is by far the greatest source of financial support for the students of the North Ridgeville City Schools.

School District Funds

Information regarding the School District's major funds can be found on page 15. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$ 28,576,899 and expenditures of \$ 28,953,921. The net changes in fund balances for the year were as follows: General Fund (\$ 354,711), Emergency Levy Fund \$ 209,947 and Other Governmental Fund (\$ 232,258).

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
Unaudited

General Fund Budgeting Highlights

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

During the course of fiscal year 2004, the School District amended its general fund budget numerous times, none significantly. Fluctuations among the budget basis expenditures categories are due to the School District's site-based style of budgeting that is designed to tightly control expenses but provide flexibility for managers to redirect funds as conditions develop during the year.

Overall revenue received by the General Fund was more than original budgetary projections by \$ 369,346 or 1.8% of the actual received. The increase was due primarily to tax revenue and intergovernmental revenue. Actual expenditures for the year were \$ 622,863 or 3% over original General Fund budget projections. The increase was due to higher than anticipated grade realignment costs and increases in programs implemented.

The above circumstances allowed the School District to end the school year with a General Fund unencumbered cash balance of \$ 5,651,957 which was \$ 96,551 lower than original projections.

Capital Assets and Debt Administration

Capital Assets

All capital assets, except land, are reported net of depreciation. At the end of fiscal 2004, the School District had \$ 14,457,251 invested in land, buildings, equipment and vehicles. Table 4 shows fiscal 2004 values compared to 2003.

Table 4
Capital Assets at June 30
Governmental Activities

| | 2004 | 2003 |
|---------------------------|---------------|---------------|
| Land | \$ 207,401 | \$ 207,401 |
| Building and improvements | 13,028,958 | 13,852,124 |
| Furniture and equipment | 599,686 | 561,226 |
| Vehicles | 621,206 | 470,780 |
| Total capital assets | \$ 14,457,251 | \$ 15,091,531 |

During fiscal 2004, the School District purchased \$ 752,152 of capital assets. Approximately 34 percent or \$ 255,874 of the purchases was for school buses, 41 percent or \$ 310,767 for furniture and equipment with the remaining 25 percent or \$ 185,511 for building improvements. The decrease in capital assets is primarily due to assets being depreciated.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004
Unaudited

Debt

At June 30, 2004 the School District had \$ 3,307,867 in outstanding bonds. Proceeds from the bonds were used to renovate the Education Center and construct an addition to the High School. The bonds are to be repaid in annual payments of interest and principal through fiscal year 2017.

The School District's overall legal debt margin was \$ 43,825,269 with an unvoted debt margin of \$ 518,707.

School District Outlook

The Board of Education and the administration closely monitor the District's revenues and expenditures in accordance with its financial forecast and the School District's Continuous Improvement Plan.

The School District's financial future is not without challenges, though. The nature of school funding in Ohio severely restricts the growth in the School District's operating revenues and requires the School District to periodically seek additional funds from the taxpayers to offset rising operating costs. The North Ridgeville voters continue to show their support for the schools as illustrated with the passage of renewal levies.

In addition, the problem of limited growth in revenue, school districts are faced with the challenge of losing traditional sources of tax revenue through the Ohio General Assembly legislative actions. In June 1999, the Ohio General Assembly passed House Bill 284 that will phase-out, over a period of 25 years, the taxation on business inventories. Once fully implemented, the School District's operating revenue will be reduced by approximately \$ 1,100,000 annually.

In June 1999, the Ohio General Assembly passed Senate Bill 3 to deregulate the electric utility industry in Ohio. Under this legislation, the assessment rate on electric utility property was dramatically reduced and will eventually result in the annual loss of over \$ 114,000 in tax revenue for the School District.

Financial aid from the State of Ohio through the State Foundation Program has been declining as a major source of operating revenue for the North Ridgeville City School District. Because North Ridgeville City Schools is considered a wealthy district in terms of property values, it receives a relatively small amount of revenue from the State to fund operating expenses.

As a result of the challenges mentioned above, the School District's administration continues to carefully and prudently plan its expenditures to provide adequate resources to meet student needs over the next several years. The administration is currently reviewing all programs and services provided to students with the goal of reducing operating costs.

The North Ridgeville City School District has committed itself to financial excellence for many years. The School District first received its Certificate of Achievement for Excellence in Financial Reporting by the Governmental Financial Officers Association (GFOA) in 2001 and will seek to receive the award in years to come.

Contacting the School District's Financial Management

This report is designed to provide our citizens, taxpayers and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Biagio Sidoti, CPA, Treasurer at North Ridgeville City School District, 5490 Mills Creek Lane, North Ridgeville, Ohio 44039.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF NET ASSETS

JUNE 30, 2004

| | Governmental Activities |
|---|----------------------------|
| Assets | |
| Equity in pooled cash | \$ 7,981,132 |
| Accounts receivable | 35,461 |
| Due from other governments | 1,359,505 |
| Prepaid and deferred expenses | 670,656 |
| Taxes receivable | 16,895,106 |
| Capital assets | |
| Nondepreciable capital assets | 207,401 |
| Depreciable capital assets, net | 14,249,850 |
| Total assets | 41,399,111 |
| Liabilities | |
| Accounts and contracts payable | 362,134 |
| Accrued salaries, wages and benefits | 2,966,699 |
| Claims payable | 360,832 |
| Accrued interest payable | 15,016 |
| Due to other governments | 782,483 |
| Deferred revenue | 15,871,335 |
| Long term liabilities | |
| Due within one year | 460,511 |
| Due in more than one year | 5,147,844 |
| Total liabilities | 25,966,854 |
| Net assets | |
| Invested in capital assets, net of related debt | 11,147,016 |
| Restricted for: | |
| Debt service | 497,498 |
| Capital projects | 135,056 |
| Other purposes | 974,133 |
| Unrestricted | 2,678,554 |
| Total net assets | \$ 15,432,257 |

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2004

| | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets |
|--------------------------------|---------------|--------------------------------------|---|--|
| | | Charges for Services and Sales | Operating Grants Interest and Contributions | |
| Governmental activities | | | | |
| Instruction | | | | |
| Regular | \$ 12,724,752 | \$ 518,849 | \$ 177,477 | \$ (12,028,426) |
| Special | 2,678,545 | - | 628,506 | (2,050,039) |
| Vocational | 447,336 | - | - | (447,336) |
| Other instruction | 336,065 | - | - | (336,065) |
| Supporting services | | | | |
| Pupil | 1,501,567 | 163,346 | 3,474 | (1,334,747) |
| Instructional staff | 1,829,707 | 25,582 | 68,340 | (1,735,785) |
| Board of education | 61,895 | - | - | (61,895) |
| Administration | 1,775,722 | - | - | (1,775,722) |
| Fiscal services | 621,131 | - | - | (621,131) |
| Business | 380,377 | - | - | (380,377) |
| Operation and maintenance | 2,611,905 | 2,386 | - | (2,609,519) |
| Pupil transportation | 1,776,252 | - | - | (1,776,252) |
| Central services | 115,697 | 16,226 | - | (99,471) |
| Operation of non-instructional | | | | |
| Food service operation | 865,136 | 871,005 | - | 5,869 |
| Community services | 414,686 | - | 473,928 | 59,242 |
| Extracurricular activities | | | | |
| Academic and subject oriented | 159,720 | 27,896 | - | (131,824) |
| Sports oriented | 612,590 | 118,926 | - | (493,664) |
| Co-curricular | 31,427 | - | - | (31,427) |
| Interest | 134,583 | - | - | (134,583) |
| Totals | \$ 29,079,093 | \$ 1,744,216 | \$ 1,351,725 | (25,983,152) |
| General revenues | | | | |
| Property taxes levied for: | | | | |
| | | | | 13,530,296 |
| | | | | 325,289 |
| | | | | 590,356 |
| | | | | 10,929,872 |
| | | | | 80,986 |
| | | | | 211,505 |
| | | | | 25,668,304 |
| | | | | (314,848) |
| | | | | 15,747,105 |
| | | | | \$ 15,432,257 |

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

BALANCE SHEET -
GOVERNMENTAL FUNDS

JUNE 30, 2004

| | General Fund | Emergency Levy Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|------------------------|--------------------------------|--------------------------------|
| Assets | | | | |
| Equity in pooled cash | \$ 5,931,569 | \$ 220,555 | \$ 1,310,070 | \$ 7,462,194 |
| Receivables, net of allowance | | | | |
| Taxes, current | 10,885,497 | 4,611,308 | 1,034,301 | 16,531,106 |
| Taxes, delinquent | 247,700 | 92,000 | 24,300 | 364,000 |
| Accounts and other | 6,431 | - | - | 6,431 |
| Due from other governments | 75,143 | - | 1,284,362 | 1,359,505 |
| Interfund receivable | 314,759 | - | - | 314,759 |
| Total assets | \$ 17,461,099 | \$ 4,923,863 | \$ 3,653,033 | \$ 26,037,995 |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Accounts and contracts payable | \$ 70,756 | \$ - | \$ 273,834 | \$ 344,590 |
| Accrued wages and benefits | 2,884,345 | - | 82,354 | 2,966,699 |
| Due to other governments | 533,599 | - | 17,494 | 551,093 |
| Interfund payable | - | - | 314,759 | 314,759 |
| Deferred revenue | 9,961,683 | 4,185,107 | 2,088,545 | 16,235,335 |
| Compensated absences | 198,143 | - | - | 198,143 |
| Total liabilities | 13,648,526 | 4,185,107 | 2,776,986 | 20,610,619 |
| Fund balances | | | | |
| Reserved for property taxes | 1,171,514 | 518,201 | 101,648 | 1,791,363 |
| Reserved for encumbrances | 208,856 | - | 317,873 | 526,729 |
| Unreserved, reported in | | | | |
| General Fund | 2,432,203 | - | - | 2,432,203 |
| Special Revenue Funds | - | 220,555 | 180,871 | 401,426 |
| Debt Service Fund | - | - | 449,482 | 449,482 |
| Capital Projects Funds | - | - | (173,827) | (173,827) |
| Total fund balances | 3,812,573 | 738,756 | 876,047 | 5,427,376 |
| Total liabilities and fund balances | \$ 17,461,099 | \$ 4,923,863 | \$ 3,653,033 | \$ 26,037,995 |

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES

JUNE 30, 2004

| | | |
|--|----|-------------|
| Total governmental funds balances | \$ | 5,427,376 |
| Amount reported for governmental activities in the statement of net assets are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. | | 14,457,251 |
| Other long term assets are not available to pay for current period expenditures and therefore are deferred in the funds: | | |
| Property taxes | | 364,000 |
| Prepaid and deferred expenses | | 644,616 |
| An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. | | 195,632 |
| Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds. | | (231,390) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | | |
| Compensated absences | | (2,099,977) |
| Bonds payable | | (3,307,867) |
| Capital lease payable | | (2,368) |
| Accrued interest payable | | (15,016) |
| | | (5,725,228) |
| Net assets of governmental activities | \$ | 15,432,257 |

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

| | General Fund | Emergency Levy Fund | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|------------------------|--------------------------------|--------------------------------|
| Revenues | | | | |
| Taxes | \$ 9,446,542 | \$ 4,110,554 | \$ 917,145 | \$ 14,474,241 |
| Tuition and fees | 407,839 | - | 109,583 | 517,422 |
| Interest | 76,532 | - | 3,767 | 80,299 |
| Intergovernmental | 9,981,724 | 510,952 | 1,788,921 | 12,281,597 |
| Extracurricular | - | - | 204,452 | 204,452 |
| Charges for services | - | - | 691,319 | 691,319 |
| Other | 206,457 | - | 121,112 | 327,569 |
| Total revenues | <u>20,119,094</u> | <u>4,621,506</u> | <u>3,836,299</u> | <u>28,576,899</u> |
| Expenditures | | | | |
| Current | | | | |
| Instruction | | | | |
| Regular | 7,616,653 | 4,343,678 | 924,020 | 12,884,351 |
| Special | 2,058,373 | - | 548,533 | 2,606,906 |
| Vocational | 405,302 | - | - | 405,302 |
| Other instruction | 336,065 | - | - | 336,065 |
| Supporting services | | | | |
| Pupil | 1,242,576 | - | 159,386 | 1,401,962 |
| Instructional staff | 1,589,989 | - | 93,203 | 1,683,192 |
| Board of education | 60,535 | - | - | 60,535 |
| Administration | 1,672,594 | - | 659 | 1,673,253 |
| Fiscal services | 512,994 | 67,881 | 15,420 | 596,295 |
| Business | 388,883 | - | - | 388,883 |
| Operation and maintenance | 2,379,647 | - | 156,688 | 2,536,335 |
| Pupil transportation | 1,656,050 | - | 232,309 | 1,888,359 |
| Central services | 29,649 | - | 82,685 | 112,334 |
| Operation of non-instructional | | | | |
| Food service operation | - | - | 849,898 | 849,898 |
| Community services | - | - | 386,403 | 386,403 |
| Extracurricular activities | | | | |
| Academic and subject oriented | 81,852 | - | 33,115 | 114,967 |
| Sports oriented | 369,549 | - | 141,797 | 511,346 |
| Co-curricular | 31,427 | - | - | 31,427 |
| Debt service | | | | |
| Principal | 5,766 | - | 344,286 | 350,052 |
| Interest | 1,901 | - | 134,155 | 136,056 |
| Total expenditures | <u>20,439,805</u> | <u>4,411,559</u> | <u>4,102,557</u> | <u>28,953,921</u> |
| Excess (deficiency) of revenues over expenditures | <u>(320,711)</u> | <u>209,947</u> | <u>(266,258)</u> | <u>(377,022)</u> |
| Other financing sources (uses) | | | | |
| Transfers-in | - | - | 133,236 | 133,236 |
| Transfers-out | (34,000) | - | (99,236) | (133,236) |
| Total other financing sources (uses) | <u>(34,000)</u> | <u>-</u> | <u>34,000</u> | <u>-</u> |
| Net change in fund balances | (354,711) | 209,947 | (232,258) | (377,022) |
| Fund balances, beginning of year | <u>4,167,284</u> | <u>528,809</u> | <u>1,108,305</u> | <u>5,804,398</u> |
| Fund balances, end of year | <u>\$ 3,812,573</u> | <u>\$ 738,756</u> | <u>\$ 876,047</u> | <u>\$ 5,427,376</u> |

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2004

| | | |
|--|--|---------------------|
| Net change in fund balances - total governmental funds | | \$ (377,022) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. | | |
| | Capital outlay | 751,619 |
| | Depreciation expense | <u>(1,385,899)</u> |
| | | (634,280) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | Property taxes | (28,300) |
| The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. This amount is the net effect of the differences in the treatment of long-term debt on the statement of activities. | | 350,052 |
| Accrued interest expense in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. | | 1,473 |
| Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | Compensated absences | 114,197 |
| | Pension obligations | <u>18,731</u> |
| | | 132,928 |
| The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. | | 150,763 |
| The internal service fund is a component unit of the District and has a different fiscal year end than the District. This causes timing differences in the amounts recorded as revenue in the component unit and the amount of expenses recorded in the District. | | |
| | District contributions to component unit for its fiscal year end June 30, 2004 | 644,616 |
| | Revenue in component unit for its fiscal year end March 31, 2004 | <u>(555,078)</u> |
| | | <u>89,538</u> |
| Change in net assets of governmental activities | | <u>\$ (314,848)</u> |

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET BASIS (NON-GAAP) AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2004

| | General Fund | | | Variance w ith Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 9,222,523 | \$ 9,395,668 | \$ 9,395,668 | \$ - |
| Tuition and fees | 405,539 | 413,153 | 413,153 | - |
| Interest | 75,100 | 76,510 | 76,532 | 22 |
| Intergovernmental | 9,743,763 | 9,926,694 | 9,926,694 | - |
| Miscellaneous | 224,996 | 229,220 | 229,220 | - |
| Total revenues | <u>19,671,921</u> | <u>20,041,245</u> | <u>20,041,267</u> | <u>22</u> |
| Expenditures | | | | |
| Current | | | | |
| Instruction | | | | |
| Regular | 7,614,884 | 7,599,105 | 7,599,105 | - |
| Special | 2,412,351 | 2,018,912 | 2,018,912 | - |
| Vocational | 409,096 | 420,439 | 420,439 | - |
| Other instruction | 157,000 | 335,444 | 335,444 | - |
| Supporting services | | | | |
| Pupil | 1,241,385 | 1,221,283 | 1,221,283 | - |
| Instructional staff | 1,546,913 | 1,574,025 | 1,574,025 | - |
| Board of education | 78,087 | 58,250 | 58,250 | - |
| Administration | 1,486,006 | 1,670,087 | 1,670,087 | - |
| Fiscal services | 500,250 | 516,298 | 516,298 | - |
| Business | 254,861 | 383,941 | 383,941 | - |
| Operation and maintenance | 2,266,193 | 2,467,506 | 2,467,506 | - |
| Pupil transportation | 1,370,755 | 1,650,853 | 1,650,853 | - |
| Central services | 47,213 | 31,358 | 31,358 | - |
| Extracurricular activities | | | | |
| Academic and subject oriented | 88,200 | 81,841 | 81,841 | - |
| Sports oriented | 320,718 | 370,903 | 370,903 | - |
| Co-curricular activities | 30,850 | 31,412 | 31,412 | - |
| Capital outlay | 254,535 | 270,503 | 270,503 | - |
| Total expenditures | <u>20,079,297</u> | <u>20,702,160</u> | <u>20,702,160</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(407,376)</u> | <u>(660,915)</u> | <u>(660,893)</u> | <u>22</u> |
| Other financing sources (uses) | | | | |
| Transfers-in | - | 244,186 | 244,186 | - |
| Gain (loss) on sale of assets | - | 1,963 | 1,963 | - |
| Advances in | - | 31,553 | 31,553 | - |
| Refund of prior year expenditures | - | 4,080 | 4,080 | - |
| Transfers-out | (400,000) | (278,186) | (278,186) | - |
| Advances out | - | (246,630) | (246,630) | - |
| Total other financing sources (uses) | <u>(400,000)</u> | <u>(243,034)</u> | <u>(243,034)</u> | <u>-</u> |
| Net change in fund balance | <u>(807,376)</u> | <u>(903,949)</u> | <u>(903,927)</u> | <u>22</u> |
| Prior year encumbrances | 417,992 | 417,992 | 417,992 | - |
| Fund balances, beginning of year | 6,137,892 | 6,137,892 | 6,137,892 | - |
| Fund balances, end of year | <u>\$ 5,748,508</u> | <u>\$ 5,651,935</u> | <u>\$ 5,651,957</u> | <u>\$ 22</u> |

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET BASIS (NON-GAAP) AND ACTUAL – EMERGENCY LEVY FUND

FOR THE YEAR ENDED JUNE 30, 2004

| | Emergency Levy Fund | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|---------------------|-------------------|-------------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 4,119,403 | \$ 4,143,606 | \$ 4,143,606 | \$ - |
| Intergovernmental | 507,967 | 510,952 | 510,952 | - |
| Total revenues | <u>4,627,370</u> | <u>4,654,558</u> | <u>4,654,558</u> | <u>-</u> |
| Expenditures | | | | |
| Current | | | | |
| Instruction | | | | |
| Regular | 4,258,083 | 4,366,122 | 4,366,122 | - |
| Supporting services | | | | |
| Fiscal services | 66,000 | 67,881 | 67,881 | - |
| Total expenditures | <u>4,324,083</u> | <u>4,434,003</u> | <u>4,434,003</u> | <u>-</u> |
| Net change in fund balance | 303,287 | 220,555 | 220,555 | - |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | <u>\$ 303,287</u> | <u>\$ 220,555</u> | <u>\$ 220,555</u> | <u>\$ -</u> |

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF FUND NET ASSETS -
INTERNAL SERVICE FUND

MARCH 31, 2004

| | <u>Self Insurance</u> |
|-----------------------|-----------------------|
| Assets | |
| Current assets | |
| Equity in pooled cash | \$ 518,938 |
| Accounts receivable | 29,030 |
| Prepaid expenses | 26,040 |
| Total assets | <u>574,008</u> |
| Liabilities | |
| Current liabilities | |
| Accounts payable | 17,544 |
| Claims payable | 360,832 |
| Total liabilities | <u>378,376</u> |
| Net assets | |
| Restricted | 674,000 |
| Unrestricted | (478,368) |
| Total net assets | <u>\$ 195,632</u> |

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
INTERNAL SERVICE FUND
FOR THE YEAR ENDED MARCH 31, 2004

| | <u>Self Insurance</u> |
|-------------------------------|-----------------------|
| Operating revenues | |
| Charges for services | \$ 2,870,499 |
| Operating expenses | |
| Purchased services | 284,705 |
| Claims | 2,435,718 |
| Total operating expenses | 2,720,423 |
| Operating income | 150,076 |
| Nonoperating revenues | |
| Interest income | 687 |
| Change in net assets | 150,763 |
| Net assets, beginning of year | 44,869 |
| Net assets, end of year | \$ 195,632 |

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUND

FOR THE YEAR ENDED MARCH 31, 2004

| | Self Insurance |
|--|----------------|
| Cash flows from operating activities | |
| Cash received from interfund services | \$ 2,841,469 |
| Cash payments for claims | (2,468,517) |
| Cash payments for goods and services | (270,383) |
| Net cash provided by operating activities | 102,569 |
| Cash flows from investing activities | |
| Interest income | 687 |
| Net cash provided by investing activities | 687 |
| Net increase in cash and cash equivalents | 103,256 |
| Cash and cash equivalents, beginning of year | 415,682 |
| Cash and cash equivalents, end of year | \$ 518,938 |
| Reconciliation of operating income to net cash used for operating activities: | |
| Operating income | \$ 150,076 |
| Adjustments | |
| Increase in accounts receivable | (29,030) |
| Decrease in prepaid expenses | 3,047 |
| Increase in accounts payable | 680 |
| Decrease in claims payable | (22,204) |
| Total adjustments | (47,507) |
| Net cash used for operating activities | \$ 102,569 |

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2004

| | |
|-----------------------|------------------|
| Assets | |
| Equity in pooled cash | \$ 95,742 |
| Total assets | <u>95,742</u> |
| | |
| Liabilities | |
| Accounts payable | 5,029 |
| Due to students | 90,092 |
| Due to others | 621 |
| Total liabilities | <u>\$ 95,742</u> |

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The North Ridgeville City 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 city 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, 2003 was 3,403. The District employs 278 certificated and 156 non-certificated employees.

REPORTING ENTITY

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

Within the District boundaries, there are various nonpublic schools. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed by the District on behalf of the nonpublic schools by the Treasurer of the School District, as directed by the nonpublic schools. These transactions are reported as a governmental activity of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organizations' governing board and, 1) the District is able to significantly influence the programs or services performed or provided by the organization; or 2) the District is legally entitled to or can otherwise access the organizations' resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or 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.

Blended component units, although legally separated entities are, in substance, part of the District's operations and so data from these units are combined with data of the District. The District's blended component unit is described below:

Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees (the Trust) – Although the Trust is legally separate from the District, it should be reported as if it were part of the primary government because its sole purpose is to provide benefits to District employees for hospitalization, medical, dental, vision, and prescription drugs as provided for in the collective bargaining agreements. The District's participation is disclosed in Note 11 to the financial statements.

Financial information for the Trust's year ended March 31, 2004 is presented in these financial statements as an internal service fund. Complete financial statements for the Trust may be obtained by contacting the Plan Administrator at 10045 College Park, Concord, Ohio 44060.

The District is associated with the Lake Erie Educational Computer Association, the Lake Erie Regional Council, the Lorain County Joint Vocational School District, and the Ohio School Council Association which are considered to be jointly governed organizations. The District also participates in a public risk pool managed by the Ohio Schools Boards Association Workers' Compensation Group Rating Program. These organizations and their relationships with the District are described in more detail in Notes 11 and 21 to these financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the District's accounting policies.

A. BASIS OF PRESENTATION

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

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

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

Fund Financial Statements

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. FUND ACCOUNTING

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental, proprietary, and fiduciary.

Governmental Funds

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

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.

Emergency Levy Fund - this fund is to provide an account for the proceeds from a special levy.

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

Proprietary Fund

The proprietary fund focuses on the determination of the changes in net assets, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the District has no enterprise funds.

Internal Service Fund - the internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. The District's only internal service fund accounts for the activities of the Trust; a blended component unit of the District.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds account for student activities and unclaimed monies.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Assets. The Statement of Activities presents increases (revenues) and decreases (expenses) in the total net assets.

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

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

D. BASIS OF ACCOUNTING

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

Revenues - Exchange and Non-exchange Transactions

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING (continued)

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenditures/Expenses

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETARY PROCESS

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate that were in effect at the time the final appropriations were passed by the Board of Education, prior to fiscal year-end.

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

F. CASH AND INVESTMENTS

Cash received by the District is deposited in one central bank account with individual fund balance integrity maintained through District records. Monies for all funds are maintained in this account or temporarily transferred to the State Treasurer's investment pool (STAROhio) or other short term investments. Under existing Ohio statutes, interest earnings are allocated to funds based on average monthly cash balances. Interest revenue credited to the General Fund during fiscal year 2004 amounted to \$ 76,532, which includes \$ 14,051 assigned from other School District Funds.

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. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The District has invested in the State Treasury Asset Reserve of Ohio (STAROhio) during the year. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2004.

Investments with an original maturity of three months or less at the time of purchase are considered to be cash equivalents.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. CASH AND INVESTMENTS (continued)

The Trust documents specifically require the maintenance of an insurance reserve, consisting of cash and investments, to provide a minimum funding level within the Trust to provide for future claims. At March 31, 2004 and 2003 this calculated reserve amount was \$ 647,000 and \$ 575,000 respectively. The Trustees authorized partial use of this reserve to subsidize Trust expenses with an understanding that the funds would be replenished by increasing employee and District contributions and changes in benefits provided. This amount is reflected as restricted in the fund equity section of the balance sheet.

In addition, effective April 1, 1999 a run-out reserve account was opened with funding required by January, 2001 of \$ 299,000 as per an actuarial calculation. In subsequent years, the required balance in the run-out reserve is an amount equal to the incurred but unreported claims liability as calculated by the actuary. The balance in the run-out reserve was calculated to be \$ 322,000 and \$ 316,000 at March 31, 2004 and 2003, respectively. The balance in the reserve was not fully funded at March 31, 2004, but in July, 2004 the Board transferred the required amount to fund the reserve from the operating account. The balance in the run-out reserve at March 31, 2003 was fully funded.

G. RESTRICTED ASSETS

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by enabling legislation. (See Note 20).

H. CAPITAL ASSETS

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$ 1,000 and useful life of more than five years. The District does not possess any infrastructure. Improvements are capitalized; 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.

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

| Asset | Estimated Useful Life |
|-------------------------|--------------------------|
| Buildings | 20 years |
| Building improvements | 5 - 20 years |
| Furniture and equipment | 5 - 20 years |
| Vehicles | 5 - 10 years |

I. INTERFUND BALANCES

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental column of the statement of net assets.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. COMPENSATED ABSENCES

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability is based on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit. The liability includes employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

K. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables and accrued liabilities from proprietary funds are reported on the proprietary fund statements.

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

L. NET ASSETS

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

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

M. FUND BALANCE RESERVES AND DESIGNATIONS

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for property taxes and encumbrances.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. FUND BALANCE RESERVES AND DESIGNATIONS (continued)

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

N. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of this fund. Revenues and expenses not meeting those definitions are reported as non-operating.

O. INTERFUND TRANSACTIONS

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

P. ESTIMATES

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

NOTE 3 - PRIOR PERIOD ADJUSTMENT

The beginning balance of bonds payable has been restated to correct for the accretion of interest on capital appreciation bonds. The restatement had the following effect on net assets:

| | Previously Reported, June 30, 2003 | Correction to Accreted Interest | Restated Balance June 30, 2003 |
|------------|--|---------------------------------------|--------------------------------------|
| Net assets | \$ 15,735,574 | \$ 11,531 | \$ 15,747,105 |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 4 – DEFICIT FUND EQUITY

At June 30, 2004, the following funds had the deficit fund balances.

| | |
|-------------------------|-----------|
| Special Revenue Funds | |
| Food Service | \$ 12,977 |
| Uniform School Supplies | 66,393 |
| Summer School | 20,162 |
| | \$ 99,532 |
| | |
| Capital Projects Funds | |
| SchoolNet | \$ 24 |

The General Fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations, and changes in fund balances 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 Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget Basis (Non-GAAP) and Actual presented for the General Fund and Emergency Levy 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 statements are the following:

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the Emergency Levy Fund.

| | Net Change in Fund Balance | |
|----------------------------------|----------------------------|------------------------|
| | General Fund | Emergency Levy Fund |
| Budget basis | \$ (903,927) | \$ 220,555 |
| Adjustments, increase (decrease) | | |
| Revenue accruals | (203,955) | (33,052) |
| Expenditure accruals | 753,171 | 22,444 |
| GAAP basis, as reported | \$ (354,711) | \$ 209,947 |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits the Board of Education has identified as not required for use within the current five 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 monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

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

Interim monies may be invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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 must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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);

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

7. Commercial paper and bankers' acceptances (if authorized by the Board of Education), and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

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

Cash on hand:

At fiscal year end, the District had \$ 3,042 in cash on hand which is included on the balance sheet of the District as part of "Equity in Pooled Cash".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits:

At fiscal year end, the carrying amount of the District's deposits was \$ 558,437 and the bank balance was \$ 775,536, \$ 233,311 of the bank balance was covered by Federal depository insurance. \$ 542,225 was uninsured and uncollateralized.

At March 31, 2004, the fiscal year end of the Trust, the District's component unit, the carrying amount of the Trust's deposits was \$ 518,938 and the bank balance was the same, all of which was covered by Federal depository insurance or by collateral held by a qualified third party trustee in the name of the Trust.

Investments:

The District's investments are categorized to give an indication of the level of risk assumed by the District at fiscal year end. Category 1 includes investments that are insured or registered for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. Investment in STAROhio, the State Treasurer's Investment Pool, is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form.

| | Category | Carrying |
|-----------------------|------------|--------------|
| | 3 | Value |
| Repurchase agreements | \$ 305,000 | \$ 305,000 |
| STAROhio | | 7,210,395 |
| | | \$ 7,515,395 |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

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, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

A reconciliation between the classification of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments according to GASB Statement No. 3 is as follows:

| | Cash and Cash Equivalents | Investments |
|---|---------------------------------|--------------|
| GASB Statement No. 9 | \$ 8,076,874 | \$ - |
| Cash on hand | (3,042) | - |
| Repurchase agreements | (305,000) | 305,000 |
| Investment in State Treasurer's Investment Pool | (7,210,395) | 7,210,395 |
| GASB Statement No. 3 | \$ 558,437 | \$ 7,515,395 |

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real and public utility property tax revenues received in calendar year 2004 represent the collection of calendar year 2003 taxes. Real property taxes for 2004 were levied after April 1, 2004, on the assessed values as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real and tangible personal property taxes for 2004 were levied after April 1, 2004, on the assessed values as of December 31, 2003, the lien date. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2004 (other than public utility property) represent the collection of calendar year 2004 taxes. Tangible personal property taxes for 2004 were levied after April 1, 2003, on the value as of December 31, 2003. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 24 percent of true value for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 7 - PROPERTY TAXES (continued)

The District receives property taxes from Lorain County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2004 are available to finance fiscal year 2004/2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2004 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at June 30, nor were they levied to finance fiscal year 2004 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 was recognized as revenue.

The amount available as an advance at June 30, 2004, was \$ 1,171,514 in the General Fund, \$ 518,201 in the Emergency Levy Fund, \$ 40,816 in the Debt Service Fund and \$ 60,832 in the Capital Projects Fund. The amount available as an advance at June 30, 2003, was \$ 1,120,640 in the General Fund, \$ 551,253 in the Emergency Levy Fund, \$ 44,547 in the Debt Service Fund and \$ 70,204 in the Capital Projects Fund.

The assessed values upon which the fiscal year 2004 taxes were collected are:

| | 2003 Second Half Collections | | 2004 First Half Collections | |
|---|---------------------------------|-----------------|--------------------------------|-----------------|
| | Amount | % | Amount | % |
| Agricultural Residential | | | | |
| Real Estate | \$ 374,057,830 | 80.03 % | \$ 423,935,720 | 81.73 % |
| Other Commercial | 50,221,940 | 10.74 | 55,594,880 | 10.72 |
| Public Utility Tangible | 14,029,430 | 3.00 | 13,468,230 | 2.60 |
| Tangible Personal Property | 29,101,850 | 6.23 | 25,708,440 | 4.95 |
| | <u>\$ 467,411,050</u> | <u>100.00 %</u> | <u>\$ 518,707,270</u> | <u>100.00 %</u> |
| Tax Rate per \$ 1,000 of Assessed Valuation: | <u>45.90</u> | | <u>44.79</u> | |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 8 - RECEIVABLES

Receivables at June 30, 2004, consisted of property taxes, accounts and other, due from other governments and interfund. All receivables are considered substantially 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. All receivables are expected to be collected within one year. A summary of the principal items of intergovernmental receivables follows:

| Fund | Amount |
|----------------------------------|--------------|
| General Fund | \$ 75,143 |
| IDEA Part B | 936,214 |
| Title I | 146,556 |
| Title V | 17,438 |
| Title IV | 11,286 |
| EHA Preschool | 25,380 |
| Title VI-R | 118,008 |
| Miscellaneous Federal Grants | 3,460 |
| Student Reading Intervention | 6,346 |
| Food Service | 19,674 |
| Total due from other governments | \$ 1,359,505 |

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

| Governmental Activities | Balance June 30, 2003 | Additions | Disposals | Balance June 30, 2004 |
|--|--------------------------|--------------|-----------|--------------------------|
| Nondepreciable capital assets | | | | |
| Land | \$ 207,401 | \$ - | \$ - | \$ 207,401 |
| Depreciable capital assets | | | | |
| Buildings and improvements | 19,208,820 | 185,511 | - | 19,394,331 |
| Furniture and equipment | 3,784,675 | 310,767 | 163,131 | 3,932,311 |
| Vehicles | 1,684,346 | 255,874 | 135,710 | 1,804,510 |
| Total capital assets being depreciated | 24,677,841 | 752,152 | 298,841 | 25,131,152 |
| Less accumulated depreciation | | | | |
| Buildings and improvements | 5,356,696 | 1,008,677 | - | 6,365,373 |
| Furniture and equipment | 3,223,449 | 272,279 | 163,103 | 3,332,625 |
| Vehicles | 1,213,566 | 104,943 | 135,205 | 1,183,304 |
| Total accumulated depreciation | 9,793,711 | 1,385,899 | 298,308 | 10,881,302 |
| Depreciable capital assets, net of accumulated depreciation | 14,884,130 | (633,747) | 533 | 14,249,850 |
| Governmental activities capital assets, net | \$ 15,091,531 | \$ (633,747) | \$ 533 | \$ 14,457,251 |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 9 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

| | | |
|---|----|---------------------|
| Instruction | | |
| Regular | \$ | 585,986 |
| Special | | 64,523 |
| Vocational | | 16,321 |
| Supporting services | | |
| Pupil | | 68,982 |
| Instructional staff | | 113,744 |
| Administration | | 75,198 |
| Fiscal | | 14,005 |
| Operation and maintenance of plant | | 84,812 |
| Pupil transportation | | 146,815 |
| Central services | | 2,397 |
| Operation of non-instructional services | | |
| Food service | | 10,414 |
| Community services | | 51,219 |
| Extracurricular activities | | |
| Academic oriented | | 44,753 |
| Sports oriented | | 106,730 |
| Total depreciation expense | | <u>\$ 1,385,899</u> |

NOTE 10 - INTERFUND ASSETS/LIABILITIES

On the fund financial statements at June 30, 2004, interfund balances consisted of the following:

| | <u>Receivable</u> | <u>Payable</u> |
|------------------------------|-------------------|-------------------|
| General Fund | \$ 314,759 | \$ - |
| Special Revenue Funds | | |
| Student Reading Intervention | - | 8,737 |
| IDEA Part B | - | 3,744 |
| Title I | - | 16,001 |
| Title IV | - | 171 |
| Title VI R | - | 3,816 |
| Food Service | - | 5,787 |
| Uniform School Supplies | - | 76,479 |
| Total Special Revenue Funds | <u>-</u> | <u>114,735</u> |
| Capital Projects Funds | | |
| Capital Projects Fund | - | 200,000 |
| SchoolNet | - | 24 |
| | <u>-</u> | <u>200,024</u> |
| | <u>\$ 314,759</u> | <u>\$ 314,759</u> |

These amounts are represented as "Interfund Receivable/Payable" on the balance sheet. The loans were made to support programs and projects in the Special Revenue Funds and the Capital Projects Funds.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 11 - RISK MANAGEMENT

A. PROPERTY AND LIABILITY

The District is exposed to various risks of loss related to torts, theft, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. There have not been any significant reductions in insurance coverage from coverage in the prior year, and the amounts of settlements have not exceeded coverage for any of the prior three years.

The District has a property and casualty policy with the Indiana Insurance Company. The deductible is \$ 2,500 per incident on property and \$ 500 per incident on inland marine. All vehicles are insured with Indiana Insurance Company and have a \$ 500 deductible. The umbrella policy is insured with Indiana Insurance. This umbrella is excess liability insurance over the primary coverage. The limits of this coverage are \$ 4,000,000 per occurrence and \$ 4,000,000 per aggregate. All board members, administrators and employees are covered under a school district liability policy with Indiana Insurance Company with a \$ 2,500 deductible and \$ 1,000,000 limit per claim and a \$ 2,000,000 annual aggregate limit. A surety bond in the amount of \$ 25,000 covers the Treasurer with Ohio Farmers Insurance Company. Remaining employees who handle money are covered with a public employees blanket bond in the amount of \$ 100,000 with Indiana Insurance Company and have a \$ 1,000 deductible.

B. WORKERS' COMPENSATION

The District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

C. EMPLOYEE MEDICAL BENEFITS

In order to minimize the annual cost of medical insurance, the North Ridgeville City School District Board of Education and unions that represent its employees have entered into a Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees (the Trust). The Trust provides benefits for hospitalization, medical, dental, vision, and prescription drugs, in accordance with the terms and provisions as agreed to by the Plan Trustees, including a per person \$ 1,000,000 lifetime limit, with enrollment periods as provided in the Trust agreement. Provisions in the union contracts limit contributions by the District to fund benefits with its employees. Those union contracts require the Plan Trustees to devise cost containment measures in the event that benefit expenditures exceed money contributions that the Board of Education is required to make. Thus in future years, contributions from employees may be required, or other cost containment measures may be implemented.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 11 - RISK MANAGEMENT (continued)

C. EMPLOYEE MEDICAL BENEFITS (continued)

The claims liability of \$ 360,832 at June 30, 2004, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30. The Trust establishes a liability for both reported and unreported insured events. Changes in the balance of claims liability are summarized below. Incurred claims and claim payments are not segregated between current and prior year claims due to the impracticability of obtaining such information.

| | June 30, 2004 | June 30, 2003 |
|----------------------------------|---------------|---------------|
| Unpaid claims, beginning of year | \$ 383,036 | \$ 366,349 |
| Incurred claims | 2,435,718 | 2,698,022 |
| Paid claims | (2,457,922) | (2,681,335) |
| Unpaid claims, end of year | \$ 360,832 | \$ 383,036 |

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

The North Ridgeville City 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. The School Employees Retirement System issues a publicly available, stand alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SERS, 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 10% of their annual covered salary and the North Ridgeville City District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2004, 9.09% of annual covered salary was the portion used to fund obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The North Ridgeville City District's contributions to SERS for the years ended June 30, 2004, 2003, and 2002 were \$ 514,000, \$ 493,000, and \$ 469,300, respectively. The full amount has been contributed for 2003 and 2002. For 2004, \$ 251,000 (49%) has been contributed. The unpaid contribution at June 30, 2004 was \$ \$263,000.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

B. STATE TEACHERS RETIREMENT SYSTEM (STRS)

The North Ridgeville City School District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2004, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed the statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The North Ridgeville City School District's required contribution for pension obligations to the DB Plan for the fiscal years ended June 30, 2004, 2003, and 2002 were \$ 1,894,600 \$ 1,861,500, and \$ 1,765,300, respectively. For 2004, \$ 1,571,900 (83%) has been contributed. The full amount has been contributed for 2003 and 2002.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's Comprehensive Annual Financial Report can be requested by writing STRS Ohio, 275 E. Broad St., Columbus, Ohio 43215-3371, or by calling 614-227-4090.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 13 - POSTEMPLOYMENT BENEFITS

The North Ridgeville City School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2004, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$ 135,300 for fiscal year 2004.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2003, (the latest information available) the balance in the Fund was \$ 2.8 billion. For the year ended June 30, 2003, net health care costs paid by STRS were \$ 352,301,000 and STRS had 108,294 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to 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 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll, a decrease of .92 percent from fiscal year 2003. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay was established at \$ 25,400. For the District, the amount contributed to fund health care benefits, including the surcharge, during the 2004 fiscal year equaled \$ 413,513.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2003 (the latest information available), were \$ 204,930,737 and the target level was \$ 307.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$ 303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 14 - LONG-TERM OBLIGATIONS

Changes in the District's long-term obligations during fiscal year 2004 were as follows:

| | Restated, Balance June 30, 2003 | Increase | Decrease | Balance June 30, 2004 | Amounts Due In One Year |
|----------------------|---------------------------------------|-------------------|-------------------|--------------------------|-------------------------------|
| Note payable | \$ 94,286 | \$ - | \$ 94,286 | \$ - | \$ - |
| Bonds payable | 3,556,867 | 1,000 | 250,000 | 3,307,867 | 260,000 |
| Capital leases | 8,134 | - | 5,766 | 2,368 | 2,368 |
| Compensated absences | 2,447,479 | 214,559 | 363,918 | 2,298,120 | 198,143 |
| | <u>\$ 6,106,766</u> | <u>\$ 215,559</u> | <u>\$ 713,970</u> | <u>\$ 5,608,355</u> | <u>\$ 460,511</u> |

Principal and interest requirements to retire bonds payable outstanding at June 30, 2004, were as follows:

| Year ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|---------------------|
| 2005 | \$ 260,000 | \$ 121,165 | \$ 381,165 |
| 2006 | 270,000 | 112,150 | 382,150 |
| 2007 | 275,000 | 102,407 | 377,407 |
| 2008 | 293,171 | 91,901 | 385,072 |
| 2009 | 116,158 | 278,022 | 394,180 |
| 2010-2014 | 1,123,538 | 795,940 | 1,919,478 |
| 2015-2017 | 970,000 | 65,430 | 1,035,430 |
| | <u>\$ 3,307,867</u> | <u>\$ 1,567,015</u> | <u>\$ 4,874,882</u> |

Bonds payable will be repaid from the Debt Service Fund. The capital lease obligation was repaid from the General Fund. Compensated absences will be repaid from the funds from which employees' salaries are paid.

NOTE 15 - NOTES PAYABLE

Notes payable outstanding at year end consisted of the following tax anticipation notes:

| | Outstanding June 30, 2003 | Additions | Deductions | Outstanding June 30, 2004 |
|--------------------------------------|------------------------------|-----------|------------|------------------------------|
| Capital improvements, 1997, 5.25% | \$ 94,286 | \$ - | \$ 94,286 | \$ - |

The original amount of notes payable issued in 1997 was \$ 660,000.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 16 – BONDS PAYABLE

Bonds payable at year end consisted of:

| | Restated, Balance June 30, 2003 | Additions | Deductions | Balance June 30, 2004 |
|---|---------------------------------------|-----------------|-------------------|--------------------------|
| General obligation bonds | | | | |
| School Improvement, refunding current interest bonds, (2001) 3.85% through 2016 | \$ 3,250,000 | \$ - | \$ 250,000 | \$ 3,000,000 |
| School Improvement, refunding capital appreciation bonds, and accretion of interest (2001) 14.5 (average effective) 2008, 2009, 2010 maturity | 306,867 | 1,000 | - | 307,867 |
| | <u>\$ 3,556,867</u> | <u>\$ 1,000</u> | <u>\$ 250,000</u> | <u>\$ 3,307,867</u> |

The original amount of bonds issued in 2001 was \$ 3,699,550. The general obligation bonds include Serial and capital appreciation bonds. The present value (as of issue date) reported in the Statement of Net Assets at June 30, 2004 was \$ 3,533,550. The accreted interest of \$ 23,317 has been included in the Statement of Activities at June 30, 2004. This year the addition of these bonds was \$ 1,000 which represents the increase in the accretion of interest. The final amount of these bonds will be \$ 300,000 payable through June 2010.

NOTE 17 – CAPITAL LEASE

The District is has entered into lease agreements for financing certain communications equipment and certain postage equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of June 30, 2004. The assets acquired through capital leases are as follows:

| Asset | Cost | Accumulated Depreciation | Net |
|--------------------------|------------------|-----------------------------|-----------------|
| Communications equipment | \$ 11,600 | \$ 10,440 | \$ 1,160 |
| Postage equipment | 5,356 | 5,356 | - |
| Total | <u>\$ 16,956</u> | <u>\$ 15,796</u> | <u>\$ 1,160</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 17 – CAPITAL LEASE (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2004, are as follows:

| | Year ending June 30, | Amount |
|---|-------------------------|----------|
| Total minimum lease payments | 2005 | 2,526 |
| Less amount representing interest | | 158 |
| Net present value of minimum lease payments | | \$ 2,368 |

NOTE 18 – OPERATING LEASE

The District is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations. During 2004, expenditures for operating leases totaled \$ 113,867.

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2004.

| | Year ending June 30, | Amount |
|------------------------------|-------------------------|-----------|
| | 2005 | \$ 39,916 |
| | 2006 | 10,692 |
| | 2007 | 9,756 |
| | 2008 | 2,892 |
| | 2009 | 2,651 |
| Total minimum lease payments | | \$ 65,907 |

NOTE 19 – PRIOR YEAR DEFEASANCE OF DEBT

In 2002, the District defeased 1992 general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2004, \$ 3,545,000 of bonds outstanding are considered to be defeased.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 20 - SET-ASIDES

The District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the purchase of textbooks and other instructional materials, and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward and used for the same purposes in future years. The following cash basis information identifies the changes in the fund balance reserves for textbooks and capital maintenance during fiscal year 2004.

| | Textbook | Capital Maintenance |
|-------------------------|--------------|------------------------|
| Balance, July 1, 2003 | \$ (201,004) | \$ - |
| Required set aside | 478,966 | 478,966 |
| Qualifying expenditures | (621,403) | (478,966) |
| Balance June 30, 2004 | \$ (343,441) | \$ - |

Expenditures and offset credits for textbooks and capital maintenance during the year were \$ 621,403 and \$ 874,070, respectively, which exceeded the required set-aside and the reserve balance. Textbook expenditures have exceeded statutory requirements by \$ 343,441 which may be used as offset credits for future years' set aside requirements. By statute, the negative capital maintenance balance cannot be carried forward to offset future years' requirements.

NOTE 21 - JOINTLY GOVERNED ORGANIZATION

A. LAKE ERIE EDUCATION COMPUTER ASSOCIATION

The Lake Erie Educational Computer Association (LEECA) is a jointly governed organization comprised of thirty-one school districts. The jointly governed organization was formed to provide data processing services for accounting, administrative and instructional functions of member districts. Each of the governments of these districts supports LEECA based upon a per pupil charge dependent upon the software packages utilized. The LEECA assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent.

LEECA is governed by a board of directors chosen from the general membership of the LEECA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each 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 Treasurer at the Educational Service Center of Lorain County, which serves as fiscal agent, located at 1885 Lake Avenue, Elyria, Ohio 44035. During the year ended June 30, 2004, the District paid \$ 51,248 to LEECA.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 21 - JOINTLY GOVERNED ORGANIZATION (continued)

B. LAKE ERIE REGIONAL COUNCIL (LERC)

The Lake Erie Regional Council (LERC) is a jointly governed organization among twelve districts. The jointly governed organization was formed for the purpose of promoting cooperative agreements and activities among its members in dealing with problems of mutual concern such as a media center, gas consumption, food service and insurance. Each member provided operating resources to LERC on a per pupil or usage charge except for insurance. The LERC assembly consists of a superintendent or designated representative from each participating district and the fiscal agent. LERC is governed by a board of directors chosen from the general membership. The degree of control exercised by any participating district is limited to its representation on the board. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Lorain County located at 1885 Lake Avenue, Elyria, Ohio 44035. During the year ended June 30, 2004 the District paid \$ 169,887 to LERC.

C. LORAIN COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

The Lorain County Joint Vocational School District is a separate body politic and corporate, established by the Ohio Revised Code to provide for vocational and special education needs of the students. The Board of the Lorain County Joint Vocational School District is comprised of representatives from each participating school district and is responsible for approving its own budgets, appointing personnel, and accounting and financing related activities. The North Ridgeville City School District's students may attend the Lorain County Joint Vocational School District. Each school district's control is limited to its representation on the board. Financial information can be obtained by contacting the Lorain County Joint Vocational School District, 15181 State Route 58, Oberlin, Ohio 44074.

D. OHIO SCHOOLS COUNCIL

The Ohio Schools Council (Council) is a jointly governed organization among eighty-three school districts. The Council was formed to offer supplies and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee for the services provided. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2004 the District paid \$ 500 to the Council.

The North Ridgeville City Schools participates in the Council's electric purchase program which was implemented during fiscal year 2000. The program allows school districts to purchase electricity at reduced rates for a period of eight years through Energy Acquisition Corporation (Corporation), a non-profit corporation with a self-appointing board of trustees. The Corporation issued \$ 119,140,000 of notes to prepurchase eight years of electricity from Cleveland Electric Illuminating (CEI). The participating school districts are not obligated in any manner for this debt. If a participating school district terminates their agreement during the eight year period, they are required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corporation.

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

Financial information can be obtained by contacting Kathleen T. Neal, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 22 – STATE SCHOOL FUNDING DECISION

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

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

NOTE 23 - INTERFUND TRANSFERS

During the year ended June 30, 2004, the General Fund transferred \$ 34,000 to the Athletics Fund to provide for the payment of expenditures. A transfer of \$ 99,236 was made from the Capital Projects Fund to the Debt Service Fund for payment of principal and interest on bonds payable.

NOTE 24 - CONTINGENCIES

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2004.

NOTE 25 – RETIREMENT INCENTIVE PLAN

The District has adopted an early retirement incentive plan which became effective July 1, 1998 and expired on June 30, 2004. Certificated employees who met certain eligibility requirements will receive a lump sum retirement buyout equal to \$ 700 for each year of STRS service. Payment will be made in three equal installments beginning in January of the calendar year following the date of retirement and the following two Januarys thereafter. As of June 30, 2004 the District's liability related to this retirement incentive plan was \$ 170,440.

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for revenues from specific sources which are legally, or otherwise, restricted to expenditure for specific purposes.

Support Fund - This fund accounts for specific local revenue sources, other than taxes or expendable trusts (i.e. profits from vending machines, sales of pictures, etc.) that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Athletic Fund - The purpose of this fund is to account for those student activity programs, which have student participation in the activity but do not have student management of the programs. This fund includes athletic programs, band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Service Fund - This fund accounts for monies, which provide services and materials to pupils attending non-public schools within the school district.

M.I.S. Fund - The Management Information System Fund is provided for hardware and software development, or other costs associated with the requirements of the management information system.

Data Communications Fund - This fund is provided to account for money appropriated for Ohio Educational Computer Network Connections.

SchoolNet Teacher Development Fund - The purpose of this fund is to account for a limited number of professional development subsidy grants.

Ohio Reads Fund - This fund is intended 1) to improve reading outcomes, especially on the fourth grade reading proficiency test, and 2) for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Student Reading Intervention – This fund is used to account for summer intervention services.

Miscellaneous State Grants Fund - The purpose of this fund is to account for various monies received from state agencies, which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

IDEA Part B Fund- This fund is for the provision of grants to assist states in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

SPECIAL REVENUE FUNDS (CONTINUED)

Title I Fund - This fund is to provide financial assistance to state and local educational agencies to meet the special needs of educationally deprived children.

Title V Fund - This fund provides funds to state and local educational agencies in the form of elementary and secondary education. Funds may be used for various materials, technology, and projects implementing school improvement and parental involvement activities authorized under ESEA, Title 1.

Title IV Fund – This fund provides funds for a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources.

EHA Preschool Fund - The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Title VI-R Fund - This fund is used to account for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund – This fund is used to account for various monies received from the Federal government through state agencies or directly from the Federal government which are not accounted for elsewhere.

Food Service Fund - This fund is used to record financial transactions related to food service operations.

Uniform School Supplies Fund - This is a rotary fund provided to account for the purchase and sale of school supplies as adopted by the board of education for use in the schools of the district. Profit derived from such sale is to be used for school purposes or activities in connection with the school.

Summer School Fund – This fund is used to account for transactions related to the District's summer school program.

Special Projects Fund - This fund is used to account for monies received from others to be used for specific projects.

Entry Year Teacher Fund - This fund accounts for monies used to support an entry year program for beginning teachers that hold a two year provisional teaching license and are teaching in their license field.

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

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

Capital Projects Fund - This fund accounts for all transactions related to the acquisition, construction, or improvement of capital facilities and equipment.

SchoolNet Fund - The purpose of this fund is to provide an account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

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NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2004

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|-------------------------------------|--|--|
| Assets | | | | |
| Equity in pooled cash | \$ 354,656 | \$ 449,482 | \$ 505,932 | \$ 1,310,070 |
| Restricted cash | | | | |
| Receivables, net of allowance | | | | |
| Taxes, current | - | 363,095 | 671,206 | 1,034,301 |
| Taxes, delinquent | - | 7,200 | 17,100 | 24,300 |
| Due from other governments | 1,284,362 | - | - | 1,284,362 |
| Total assets | \$ 1,639,018 | \$ 819,777 | \$ 1,194,238 | \$ 3,653,033 |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Accounts and contracts payable | \$ 40,066 | \$ - | \$ 233,768 | \$ 273,834 |
| Accrued wages and benefits | 82,354 | - | - | 82,354 |
| Due to other governments | 17,494 | - | - | 17,494 |
| Interfund payable | 114,735 | - | 200,024 | 314,759 |
| Deferred revenue | 1,131,592 | 329,479 | 627,474 | 2,088,545 |
| Total liabilities | 1,386,241 | 329,479 | 1,061,266 | 2,776,986 |
| Fund balances | | | | |
| Reserved for property taxes | - | 40,816 | 60,832 | 101,648 |
| Reserved for encumbrances | 71,906 | - | 245,967 | 317,873 |
| Unreserved | 180,871 | 449,482 | (173,827) | 456,526 |
| Total fund balances | 252,777 | 490,298 | 132,972 | 876,047 |
| Total liabilities and fund balances | \$ 1,639,018 | \$ 819,777 | \$ 1,194,238 | \$ 3,653,033 |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|-------------------------------------|--|--|
| Revenues | | | | |
| Taxes | \$ - | \$ 326,889 | \$ 590,256 | \$ 917,145 |
| Tuition and fees | 109,583 | - | - | 109,583 |
| Interest | 911 | - | 2,856 | 3,767 |
| Intergovernmental | 1,561,636 | 40,760 | 186,525 | 1,788,921 |
| Extracurricular | 204,452 | - | - | 204,452 |
| Charges for services | 691,319 | - | - | 691,319 |
| Other | 121,112 | - | - | 121,112 |
| Total revenues | <u>2,689,013</u> | <u>367,649</u> | <u>779,637</u> | <u>3,836,299</u> |
| Expenditures | | | | |
| Current | | | | |
| Instruction | | | | |
| Regular | 327,624 | - | 596,396 | 924,020 |
| Special | 548,533 | - | - | 548,533 |
| Supporting services | | | | |
| Pupil | 159,386 | - | - | 159,386 |
| Instructional staff | 93,203 | - | - | 93,203 |
| Administration | - | - | 659 | 659 |
| Fiscal services | - | 5,412 | 10,008 | 15,420 |
| Operation and maintenance | 10,855 | - | 145,833 | 156,688 |
| Pupil transportation | - | - | 232,309 | 232,309 |
| Central services | 13,765 | - | 68,920 | 82,685 |
| Operation of non-instructional | | | | |
| Food service operation | 849,898 | - | - | 849,898 |
| Community services | 386,403 | - | - | 386,403 |
| Extracurricular activities | | | | |
| Academic and subject oriented | 33,115 | - | - | 33,115 |
| Sports oriented | 140,797 | - | 1,000 | 141,797 |
| Debt service | | | | |
| Principal | - | 344,286 | - | 344,286 |
| Interest | - | 134,155 | - | 134,155 |
| Total expenditures | <u>2,563,579</u> | <u>483,853</u> | <u>1,055,125</u> | <u>4,102,557</u> |
| Excess (deficiency) of revenues over expenditures | <u>125,434</u> | <u>(116,204)</u> | <u>(275,488)</u> | <u>(266,258)</u> |
| Other financing sources (uses) | | | | |
| Transfers-in | 34,000 | 99,236 | - | 133,236 |
| Transfers-out | - | - | (99,236) | (99,236) |
| Total other financing sources (uses) | <u>34,000</u> | <u>99,236</u> | <u>(99,236)</u> | <u>34,000</u> |
| Net change in fund balances | 159,434 | (16,968) | (374,724) | (232,258) |
| Fund balances, beginning of year | <u>93,343</u> | <u>507,266</u> | <u>507,696</u> | <u>1,108,305</u> |
| Fund balances, end of year | <u>\$ 252,777</u> | <u>\$ 490,298</u> | <u>\$ 132,972</u> | <u>\$ 876,047</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

| | Support | Athletic | Auxiliary Service | M.I.S |
|--|------------------|------------------|----------------------|-------------|
| Assets | | | | |
| Equity in pooled cash | \$ 94,909 | \$ 44,250 | \$ 95,340 | \$ - |
| Due from other governments | - | - | - | - |
| Total assets | \$ 94,909 | \$ 44,250 | \$ 95,340 | \$ - |
| | | | | |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Accounts and contracts payable | \$ 3,315 | \$ 4,761 | \$ 4,411 | \$ - |
| Accrued wages and benefits | - | - | 12,333 | - |
| Due to other governments | - | - | 1,127 | - |
| Interfund payable | - | - | - | - |
| Deferred revenue | - | - | - | - |
| Total liabilities | 3,315 | 4,761 | 17,871 | - |
| | | | | |
| Fund balances | | | | |
| Reserved for encumbrances | 22,333 | 5,318 | 24,639 | - |
| Unreserved | 69,261 | 34,171 | 52,830 | - |
| Total fund balances | 91,594 | 39,489 | 77,469 | - |
| | | | | |
| Total liabilities and fund balances | \$ 94,909 | \$ 44,250 | \$ 95,340 | \$ - |

| <u>Data Communications</u> | <u>SchoolNet Teacher Development</u> | <u>Ohio Reads</u> | <u>Student Reading Intervention</u> | <u>Miscellaneous State Grants</u> | <u>IDEA Part B</u> | <u>Title I</u> |
|----------------------------|--------------------------------------|-------------------|-------------------------------------|-----------------------------------|--------------------|-------------------|
| \$ - | \$ 1,140 | \$ 1,760 | \$ 13,625 | \$ 3,373 | \$ 15,508 | \$ 2,781 |
| - | - | - | 6,346 | - | 936,214 | 146,556 |
| <u>\$ -</u> | <u>\$ 1,140</u> | <u>\$ 1,760</u> | <u>\$ 19,971</u> | <u>\$ 3,373</u> | <u>\$ 951,722</u> | <u>\$ 149,337</u> |
| \$ - | \$ - | \$ - | \$ 5,917 | \$ - | \$ 275 | \$ - |
| - | - | - | 4,242 | - | - | - |
| - | 53 | - | 894 | - | - | 1,031 |
| - | - | - | 8,737 | - | 3,744 | 16,001 |
| - | - | - | - | - | 845,172 | 130,702 |
| <u>-</u> | <u>53</u> | <u>-</u> | <u>19,790</u> | <u>-</u> | <u>849,191</u> | <u>147,734</u> |
| - | - | 500 | 7,708 | - | 2,349 | - |
| - | 1,087 | 1,260 | (7,527) | 3,373 | 100,182 | 1,603 |
| - | 1,087 | 1,760 | 181 | 3,373 | 102,531 | 1,603 |
| <u>\$ -</u> | <u>\$ 1,140</u> | <u>\$ 1,760</u> | <u>\$ 19,971</u> | <u>\$ 3,373</u> | <u>\$ 951,722</u> | <u>\$ 149,337</u> |

(CONTINUED)

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

(CONCLUDED)

| | Title V | Title IV | EHA Preschool | Title VI-R |
|--|------------------|------------------|------------------|-------------------|
| Assets | | | | |
| Equity in pooled cash | \$ - | \$ 2,349 | \$ - | \$ - |
| Due from other governments | 17,438 | 11,286 | 25,380 | 118,008 |
| Total assets | \$ 17,438 | \$ 13,635 | \$ 25,380 | \$ 118,008 |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Accounts and contracts payable | \$ - | \$ - | \$ - | \$ - |
| Accrued wages and benefits | - | - | - | 2,780 |
| Due to other governments | - | - | - | 1,776 |
| Interfund payable | - | 171 | - | 3,816 |
| Deferred revenue | 17,438 | 11,286 | 25,380 | 98,154 |
| Total liabilities | 17,438 | 11,457 | 25,380 | 106,526 |
| Fund balances | | | | |
| Reserved for encumbrances | - | - | - | - |
| Unreserved | - | 2,178 | - | 11,482 |
| Total fund balances | - | 2,178 | - | 11,482 |
| Total liabilities and fund balances | \$ 17,438 | \$ 13,635 | \$ 25,380 | \$ 118,008 |

| Miscellaneous Federal Grants | Food Service | Uniform School Supplies | Summer School | Special Projects | Entry Year Teacher | Total |
|---------------------------------|------------------|-------------------------------|------------------|---------------------|--------------------------|---------------------|
| \$ - | \$ 25,995 | \$ 15,998 | \$ 8,896 | \$ 28,732 | \$ - | \$ 354,656 |
| 3,460 | 19,674 | - | - | - | - | 1,284,362 |
| <u>\$ 3,460</u> | <u>\$ 45,669</u> | <u>\$ 15,998</u> | <u>\$ 8,896</u> | <u>\$ 28,732</u> | <u>\$ -</u> | <u>\$ 1,639,018</u> |

| | | | | | | |
|--------------|---------------|---------------|---------------|--------------|----------|------------------|
| \$ - | \$ 5,924 | \$ 5,912 | \$ 381 | \$ 9,170 | \$ - | \$ 40,066 |
| - | 41,202 | - | 21,797 | - | - | 82,354 |
| - | 5,733 | - | 6,880 | - | - | 17,494 |
| - | 5,787 | 76,479 | - | - | - | 114,735 |
| 3,460 | - | - | - | - | - | 1,131,592 |
| <u>3,460</u> | <u>58,646</u> | <u>82,391</u> | <u>29,058</u> | <u>9,170</u> | <u>-</u> | <u>1,386,241</u> |

| | | | | | | |
|-----------------|------------------|------------------|-----------------|------------------|-------------|---------------------|
| - | - | 8,245 | 169 | 645 | - | 71,906 |
| - | (12,977) | (74,638) | (20,331) | 18,917 | - | 180,871 |
| - | (12,977) | (66,393) | (20,162) | 19,562 | - | 252,777 |
| <u>\$ 3,460</u> | <u>\$ 45,669</u> | <u>\$ 15,998</u> | <u>\$ 8,896</u> | <u>\$ 28,732</u> | <u>\$ -</u> | <u>\$ 1,639,018</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

| | Support | Athletic | Auxiliary Service | M.I.S |
|--|------------------|------------------|----------------------|---------------|
| Revenues | | | | |
| Tuition and fees | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | 660 | - |
| Intergovernmental | 1,910 | - | 434,970 | 12,584 |
| Extracurricular | 61,469 | 124,667 | - | - |
| Charges for services | 15,530 | 19,926 | - | - |
| Other | 88,559 | 2,229 | - | - |
| Total revenues | 167,468 | 146,822 | 435,630 | 12,584 |
| Expenditures | | | | |
| Current | | | | |
| Instruction | | | | |
| Regular | - | - | - | - |
| Special | - | - | - | - |
| Supporting services | | | | |
| Pupil | 138,024 | - | - | - |
| Instructional staff | 24,336 | - | - | 12,584 |
| Operation and maintenance | - | - | - | - |
| Central services | - | - | - | - |
| Operation of non-instructional | | | | |
| Food service operation | - | - | - | - |
| Community services | - | - | 355,495 | - |
| Extracurricular activities | | | | |
| Academic and subject oriented | - | 33,115 | - | - |
| Sports oriented | - | 140,797 | - | - |
| Total expenditures | 162,360 | 173,912 | 355,495 | 12,584 |
| Excess (deficiency) of revenues over expenditures | 5,108 | (27,090) | 80,135 | - |
| Other financing sources (uses) | | | | |
| Transfers-in | - | 34,000 | - | - |
| Total other financing sources (uses) | - | 34,000 | - | - |
| Net change in fund balances | 5,108 | 6,910 | 80,135 | - |
| Fund balances, beginning of year | 86,486 | 32,579 | (2,666) | - |
| Fund balances, end of year | \$ 91,594 | \$ 39,489 | \$ 77,469 | \$ - |

| <u>Data Communications</u> | <u>SchoolNet Teacher Development</u> | <u>Ohio Reads</u> | <u>Student Reading Intervention</u> | <u>Miscellaneous State Grants</u> | <u>IDEA Part B</u> | <u>Title I</u> |
|----------------------------|--------------------------------------|-------------------|-------------------------------------|-----------------------------------|--------------------|-----------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| 21,000 | 4,140 | 6,000 | 29,177 | 3,474 | 513,056 | 150,756 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>21,000</u> | <u>4,140</u> | <u>6,000</u> | <u>29,177</u> | <u>3,474</u> | <u>513,056</u> | <u>150,756</u> |
| 21,000 | 5,673 | 8,216 | 25,963 | 90 | - | - |
| - | - | - | - | - | 387,411 | 161,122 |
| - | - | - | - | 3,474 | - | - |
| - | - | - | 3,033 | - | - | 5,184 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 23,114 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>21,000</u> | <u>5,673</u> | <u>8,216</u> | <u>28,996</u> | <u>3,564</u> | <u>410,525</u> | <u>166,306</u> |
| - | (1,533) | (2,216) | 181 | (90) | 102,531 | (15,550) |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | (1,533) | (2,216) | 181 | (90) | 102,531 | (15,550) |
| - | 2,620 | 3,976 | - | 3,463 | - | 17,153 |
| <u>\$ -</u> | <u>\$ 1,087</u> | <u>\$ 1,760</u> | <u>\$ 181</u> | <u>\$ 3,373</u> | <u>\$ 102,531</u> | <u>\$ 1,603</u> |

(CONTINUED)

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

(CONCLUDED)

| | Title V | Title IV | EHA Preschool | Title VI-R |
|--|---------------|-----------------|------------------|------------------|
| Revenues | | | | |
| Tuition and fees | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | - | - |
| Intergovernmental | 23,081 | 12,831 | 20,354 | 101,922 |
| Extracurricular | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>23,081</u> | <u>12,831</u> | <u>20,354</u> | <u>101,922</u> |
| Expenditures | | | | |
| Current | | | | |
| Instruction | | | | |
| Regular | 18,925 | 9,781 | - | 68,375 |
| Special | - | - | - | - |
| Supporting services | | | | |
| Pupil | - | - | - | - |
| Instructional staff | - | 630 | 20,354 | 25,327 |
| Operation and maintenance | - | - | - | - |
| Central services | - | - | - | - |
| Operation of non-instructional | | | | |
| Food service operation | - | - | - | - |
| Community services | 4,079 | 1,351 | - | 1,739 |
| Extracurricular activities | | | | |
| Academic and subject oriented | - | - | - | - |
| Sports oriented | - | - | - | - |
| Total expenditures | <u>23,004</u> | <u>11,762</u> | <u>20,354</u> | <u>95,441</u> |
| Excess (deficiency) of revenues over expenditures | <u>77</u> | <u>1,069</u> | <u>-</u> | <u>6,481</u> |
| Other financing sources (uses) | | | | |
| Transfers-in | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 77 | 1,069 | - | 6,481 |
| Fund balances, beginning of year | <u>(77)</u> | <u>1,109</u> | <u>-</u> | <u>5,001</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 2,178</u> | <u>\$ -</u> | <u>\$ 11,482</u> |

| <u>Miscellaneous Federal Grants</u> | <u>Food Service</u> | <u>Uniform School Supplies</u> | <u>Summer School</u> | <u>Special Projects</u> | <u>Entry Year Teacher</u> | <u>Total</u> |
|---|-------------------------|--|--------------------------|-----------------------------|-----------------------------------|-------------------|
| \$ - | \$ - | \$ 63,390 | \$ 46,193 | \$ - | \$ - | \$ 109,583 |
| - | 206 | - | - | 45 | - | 911 |
| 4,080 | 208,001 | - | - | - | 14,300 | 1,561,636 |
| - | - | 1,889 | - | 16,427 | - | 204,452 |
| - | 649,120 | - | - | 6,743 | - | 691,319 |
| - | 5,771 | - | - | 24,553 | - | 121,112 |
| <u>4,080</u> | <u>863,098</u> | <u>65,279</u> | <u>46,193</u> | <u>47,768</u> | <u>14,300</u> | <u>2,689,013</u> |
| 3,041 | - | 93,851 | 58,409 | - | 14,300 | 327,624 |
| - | - | - | - | - | - | 548,533 |
| - | - | - | - | 17,888 | - | 159,386 |
| 935 | - | - | 820 | - | - | 93,203 |
| - | - | - | - | 10,855 | - | 10,855 |
| - | - | - | - | 13,765 | - | 13,765 |
| - | 843,083 | - | - | 6,815 | - | 849,898 |
| 625 | - | - | - | - | - | 386,403 |
| - | - | - | - | - | - | 33,115 |
| - | - | - | - | - | - | 140,797 |
| <u>4,601</u> | <u>843,083</u> | <u>93,851</u> | <u>59,229</u> | <u>49,323</u> | <u>14,300</u> | <u>2,563,579</u> |
| <u>(521)</u> | <u>20,015</u> | <u>(28,572)</u> | <u>(13,036)</u> | <u>(1,555)</u> | <u>-</u> | <u>125,434</u> |
| - | - | - | - | - | - | 34,000 |
| - | - | - | - | - | - | 34,000 |
| (521) | 20,015 | (28,572) | (13,036) | (1,555) | - | 159,434 |
| 521 | (32,992) | (37,821) | (7,126) | 21,117 | - | 93,343 |
| <u>\$ -</u> | <u>\$ (12,977)</u> | <u>\$ (66,393)</u> | <u>\$ (20,162)</u> | <u>\$ 19,562</u> | <u>\$ -</u> | <u>\$ 252,777</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2004

| | <u>Capital Projects</u> | <u>SchoolNet</u> | <u>Total</u> |
|--|-----------------------------|------------------|---------------------|
| Assets | | | |
| Equity in pooled cash | \$ 505,932 | \$ - | \$ 505,932 |
| Receivables, net of allowance | | | |
| Taxes, current | 671,206 | - | 671,206 |
| Taxes, delinquent | 17,100 | - | 17,100 |
| Total assets | <u>\$ 1,194,238</u> | <u>\$ -</u> | <u>\$ 1,194,238</u> |
| | | | |
| Liabilities and fund balances | | | |
| Liabilities | | | |
| Accounts and contracts payable | \$ 233,768 | \$ - | \$ 233,768 |
| Interfund payable | 200,000 | 24 | 200,024 |
| Deferred revenue | 627,474 | - | 627,474 |
| Total liabilities | <u>1,061,242</u> | <u>24</u> | <u>1,061,266</u> |
| | | | |
| Fund balances | | | |
| Reserved for property taxes | 60,832 | - | 60,832 |
| Reserved for encumbrances | 245,967 | - | 245,967 |
| Unreserved | (173,803) | (24) | (173,827) |
| Total fund balances | <u>132,996</u> | <u>(24)</u> | <u>132,972</u> |
| | | | |
| Total liabilities and fund balances | <u>\$ 1,194,238</u> | <u>\$ -</u> | <u>\$ 1,194,238</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
- NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

| | Capital Projects | SchoolNet | Total |
|--|---------------------|----------------|-------------------|
| Revenues | | | |
| Taxes | \$ 590,256 | \$ - | \$ 590,256 |
| Interest | 2,856 | - | 2,856 |
| Intergovernmental | 186,525 | - | 186,525 |
| Total revenues | 779,637 | - | 779,637 |
| Expenditures | | | |
| Current | | | |
| Instruction | | | |
| Regular | 596,396 | - | 596,396 |
| Supporting services | | | |
| Administration | 659 | - | 659 |
| Fiscal services | 10,008 | - | 10,008 |
| Operation and maintenance | 145,833 | - | 145,833 |
| Pupil transportation | 232,309 | - | 232,309 |
| Central services | 68,920 | - | 68,920 |
| Extracurricular activities | | | |
| Sports oriented | 1,000 | - | 1,000 |
| Total expenditures | 1,055,125 | - | 1,055,125 |
| Excess (deficiency) of revenues over expenditures | (275,488) | - | (275,488) |
| Other financing sources (uses) | | | |
| Transfers-out | (99,236) | - | (99,236) |
| Total other financing sources (uses) | (99,236) | - | (99,236) |
| Net change in fund balances | (374,724) | - | (374,724) |
| Fund balances, beginning of year | 507,720 | (24) | 507,696 |
| Fund balances, end of year | \$ 132,996 | \$ (24) | \$ 132,972 |

**INDIVIDUAL FUND SCHEDULES OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES –
BUDGET BASIS (NON-GAAP) AND ACTUAL**

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | General Fund | | | Variance with Final Budget Positive (Negative) |
|---------------------------|-------------------|-------------------|-------------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 9,222,523 | \$ 9,395,668 | \$ 9,395,668 | \$ - |
| Tuition and fees | 405,539 | 413,153 | 413,153 | - |
| Interest | 75,100 | 76,510 | 76,532 | 22 |
| Intergovernmental | 9,743,763 | 9,926,694 | 9,926,694 | - |
| Miscellaneous | 224,996 | 229,220 | 229,220 | - |
| Total revenues | <u>19,671,921</u> | <u>20,041,245</u> | <u>20,041,267</u> | <u>22</u> |
| Expenditures | | | | |
| Current | | | | |
| Instruction | | | | |
| Regular | | | | |
| Salaries | 5,195,301 | 5,319,614 | 5,319,614 | - |
| Benefits | 1,848,045 | 1,649,570 | 1,649,570 | - |
| Purchased services | 186,878 | 208,983 | 208,983 | - |
| Materials and supplies | 384,660 | 420,938 | 420,938 | - |
| Total regular | <u>7,614,884</u> | <u>7,599,105</u> | <u>7,599,105</u> | <u>-</u> |
| Special | | | | |
| Salaries | 1,596,725 | 1,173,617 | 1,173,617 | - |
| Benefits | 603,760 | 556,093 | 556,093 | - |
| Purchased services | 167,959 | 278,730 | 278,730 | - |
| Materials and supplies | 43,907 | 10,472 | 10,472 | - |
| Total special | <u>2,412,351</u> | <u>2,018,912</u> | <u>2,018,912</u> | <u>-</u> |
| Vocational | | | | |
| Salaries | 316,604 | 329,453 | 329,453 | - |
| Benefits | 89,342 | 89,640 | 89,640 | - |
| Purchased services | 3,150 | 1,346 | 1,346 | - |
| Total vocational | <u>409,096</u> | <u>420,439</u> | <u>420,439</u> | <u>-</u> |
| Other instruction | | | | |
| Purchased services | 157,000 | 335,444 | 335,444 | - |
| Total other instruction | <u>157,000</u> | <u>335,444</u> | <u>335,444</u> | <u>-</u> |
| Total instruction | <u>10,593,331</u> | <u>10,373,900</u> | <u>10,373,900</u> | <u>-</u> |
| Supporting services | | | | |
| Pupil | | | | |
| Salaries | 859,043 | 905,849 | 905,849 | - |
| Benefits | 280,383 | 278,295 | 278,295 | - |
| Purchased services | 5,750 | 3,733 | 3,733 | - |
| Materials and supplies | 96,209 | 33,406 | 33,406 | - |
| Total pupil | <u>1,241,385</u> | <u>1,221,283</u> | <u>1,221,283</u> | <u>-</u> |
| Instructional staff | | | | |
| Salaries | 932,906 | 930,419 | 930,419 | - |
| Benefits | 476,090 | 487,389 | 487,389 | - |
| Purchased services | 15,268 | 23,219 | 23,219 | - |
| Materials and supplies | 16,849 | 16,017 | 16,017 | - |
| Other | 105,800 | 116,981 | 116,981 | - |
| Total instructional staff | <u>1,546,913</u> | <u>1,574,025</u> | <u>1,574,025</u> | <u>-</u> |

(CONTINUED)

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | General Fund - (Continued) | | | Variance with Final Budget Positive (Negative) |
|---------------------------------|----------------------------|------------------|------------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Board of education | | | | |
| Salaries | 13,000 | 9,370 | 9,370 | - |
| Benefits | 600 | 1,224 | 1,224 | - |
| Purchased services | 45,987 | 42,332 | 42,332 | - |
| Materials and supplies | 1,000 | 1,124 | 1,124 | - |
| Other | 17,500 | 4,200 | 4,200 | - |
| Total board of education | <u>78,087</u> | <u>58,250</u> | <u>58,250</u> | - |
| Administration | | | | |
| Salaries | 998,910 | 1,138,347 | 1,138,347 | - |
| Benefits | 364,246 | 377,090 | 377,090 | - |
| Purchased services | 83,754 | 114,985 | 114,985 | - |
| Materials and supplies | 37,096 | 37,299 | 37,299 | - |
| Other | 2,000 | 2,366 | 2,366 | - |
| Total administration | <u>1,486,006</u> | <u>1,670,087</u> | <u>1,670,087</u> | - |
| Fiscal services | | | | |
| Salaries | 215,132 | 209,905 | 209,905 | - |
| Benefits | 71,318 | 36,255 | 36,255 | - |
| Purchased services | 34,000 | 41,627 | 41,627 | - |
| Materials and supplies | 4,000 | 2,903 | 2,903 | - |
| Other | 175,800 | 225,608 | 225,608 | - |
| Total fiscal services | <u>500,250</u> | <u>516,298</u> | <u>516,298</u> | - |
| Business | | | | |
| Salaries | 136,299 | 135,633 | 135,633 | - |
| Benefits | 41,462 | 40,693 | 40,693 | - |
| Purchased services | 1,000 | 3,960 | 3,960 | - |
| Materials and supplies | - | 244 | 244 | - |
| Other | 76,100 | 203,411 | 203,411 | - |
| Total business | <u>254,861</u> | <u>383,941</u> | <u>383,941</u> | - |
| Operation and maintenance | | | | |
| Salaries | 966,591 | 1,053,951 | 1,053,951 | - |
| Benefits | 453,437 | 468,386 | 468,386 | - |
| Purchased services | 773,195 | 867,724 | 867,724 | - |
| Materials and supplies | 72,970 | 77,445 | 77,445 | - |
| Total operation and maintenance | <u>2,266,193</u> | <u>2,467,506</u> | <u>2,467,506</u> | - |
| Pupil transportation | | | | |
| Salaries | 748,825 | 898,073 | 898,073 | - |
| Benefits | 345,859 | 413,749 | 413,749 | - |
| Purchased services | 80,745 | 136,613 | 136,613 | - |
| Materials and supplies | 195,326 | 202,418 | 202,418 | - |
| Total pupil transportation | <u>1,370,755</u> | <u>1,650,853</u> | <u>1,650,853</u> | - |
| Central services | | | | |
| Salaries | 27,614 | 14,959 | 14,959 | - |
| Benefits | 4,634 | 2,663 | 2,663 | - |
| Purchased services | 14,965 | 13,736 | 13,736 | - |
| Total central services | <u>47,213</u> | <u>31,358</u> | <u>31,358</u> | - |
| Total supporting services | <u>8,791,663</u> | <u>9,573,601</u> | <u>9,573,601</u> | - |

(CONTINUED)

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | General Fund - (Concluded) | | | Variance with Final Budget Positive (Negative) |
|---|----------------------------|---------------------|---------------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Extracurricular activities | | | | |
| Academic and subject oriented | | | | |
| Salaries | 72,800 | 72,182 | 72,182 | - |
| Benefits | 15,400 | 9,659 | 9,659 | - |
| Total academic and subject oriented | <u>88,200</u> | <u>81,841</u> | <u>81,841</u> | <u>-</u> |
| Sports oriented | | | | |
| Salaries | 305,971 | 315,257 | 315,257 | - |
| Benefits | 14,747 | 55,646 | 55,646 | - |
| Total sports oriented | <u>320,718</u> | <u>370,903</u> | <u>370,903</u> | <u>-</u> |
| Co-curricular activities | | | | |
| Salaries | 27,600 | 28,044 | 28,044 | - |
| Benefits | 3,250 | 3,368 | 3,368 | - |
| Total co-curricular activities | <u>30,850</u> | <u>31,412</u> | <u>31,412</u> | <u>-</u> |
| Total extracurricular activities | <u>439,768</u> | <u>484,156</u> | <u>484,156</u> | <u>-</u> |
| Capital outlay | 254,535 | 270,503 | 270,503 | - |
| Total expenditures | <u>20,079,297</u> | <u>20,702,160</u> | <u>20,702,160</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(407,376)</u> | <u>(660,915)</u> | <u>(660,893)</u> | <u>22</u> |
| Other financing sources (uses) | | | | |
| Transfers-in | - | 244,186 | 244,186 | - |
| Gain (loss) on sale of assets | - | 1,963 | 1,963 | - |
| Advances in | - | 31,553 | 31,553 | - |
| Refund of prior year expenditures | - | 4,080 | 4,080 | - |
| Transfers-out | (400,000) | (278,186) | (278,186) | - |
| Advances out | - | (246,630) | (246,630) | - |
| Total other financing sources (uses) | <u>(400,000)</u> | <u>(243,034)</u> | <u>(243,034)</u> | <u>-</u> |
| Net change in fund balance | (807,376) | (903,949) | (903,927) | 22 |
| Prior year encumbrances | 417,992 | 417,992 | 417,992 | - |
| Fund balances, beginning of year | 6,137,892 | 6,137,892 | 6,137,892 | - |
| Fund balances, end of year | <u>\$ 5,748,508</u> | <u>\$ 5,651,935</u> | <u>\$ 5,651,957</u> | <u>\$ 22</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Emergency Levy Fund | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|---------------------|-------------------|-------------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 4,627,370 | \$ 4,654,558 | \$ 4,654,558 | \$ - |
| Total expenditures | 4,324,083 | 4,434,003 | 4,434,003 | - |
| Net change in fund balance | 303,287 | 220,555 | 220,555 | - |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | <u>\$ 303,287</u> | <u>\$ 220,555</u> | <u>\$ 220,555</u> | <u>\$ -</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Support Fund | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|-------------------|------------------|------------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 153,000 | \$ 167,468 | \$ 167,468 | \$ - |
| Total expenditures | 40,191 | 228,110 | 191,160 | 36,950 |
| Net change in fund balance | 112,809 | (60,642) | (23,692) | 36,950 |
| Prior year encumbrances | 32,311 | 32,311 | 32,311 | - |
| Fund balances, beginning of year | 60,642 | 60,642 | 60,642 | - |
| Fund balances, end of year | <u>\$ 205,762</u> | <u>\$ 32,311</u> | <u>\$ 69,261</u> | <u>\$ 36,950</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Athletic Fund | | | Variance with Final Budget Positive (Negative) |
|---|----------------|------------|------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 131,000 | \$ 146,822 | \$ 146,822 | \$ - |
| Total expenditures | 35,035 | 191,535 | 182,020 | 9,515 |
| Excess (deficiency) of revenues over expenditures | 95,965 | (44,713) | (35,198) | 9,515 |
| Other financing sources (uses) | | | | |
| Transfers-in | - | 34,000 | 34,000 | - |
| Total other financing sources (uses) | - | 34,000 | 34,000 | - |
| Net change in fund balance | 95,965 | (10,713) | (1,198) | 9,515 |
| Prior year encumbrances | 7,655 | 7,655 | 7,655 | - |
| Fund balances, beginning of year | 27,714 | 27,714 | 27,714 | - |
| Fund balances, end of year | \$ 131,334 | \$ 24,656 | \$ 34,171 | \$ 9,515 |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Auxiliary Service Fund | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|------------------------|-----------------|------------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 410,000 | \$ 435,630 | \$ 435,630 | \$ - |
| Total expenditures | 21,356 | 456,928 | 392,549 | 64,379 |
| Net change in fund balance | 388,644 | (21,298) | 43,081 | 64,379 |
| Prior year encumbrances | 1,912 | 1,912 | 1,912 | - |
| Fund balances, beginning of year | 21,297 | 21,297 | 21,297 | - |
| Fund balances, end of year | <u>\$ 411,853</u> | <u>\$ 1,911</u> | <u>\$ 66,290</u> | <u>\$ 64,379</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | M.I.S. Fund | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|----------------|-----------|-----------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 13,000 | \$ 12,584 | \$ 12,584 | \$ - |
| Total expenditures | - | 12,584 | 12,584 | - |
| Net change in fund balance | 13,000 | - | - | - |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | \$ 13,000 | \$ - | \$ - | \$ - |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Data Communications Fund | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------------|-----------|-----------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 21,000 | \$ 21,000 | \$ 21,000 | \$ - |
| Total expenditures | - | 21,000 | 21,000 | - |
| Net change in fund balance | 21,000 | - | - | - |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | \$ 21,000 | \$ - | \$ - | \$ - |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Schoolnet - Teacher Development Fund | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------------------------|----------|----------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ - | \$ 4,140 | \$ 4,140 | \$ - |
| Total expenditures | - | 6,760 | 5,620 | 1,140 |
| Net change in fund balance | - | (2,620) | (1,480) | 1,140 |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | 2,620 | 2,620 | 2,620 | - |
| Fund balances, end of year | \$ 2,620 | \$ - | \$ 1,140 | \$ 1,140 |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Ohio Reads Fund | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|-----------------|-------------|-----------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ - |
| Total expenditures | 3,476 | 9,976 | 8,716 | 1,260 |
| Net change in fund balance | 2,524 | (3,976) | (2,716) | 1,260 |
| Prior year encumbrances | 500 | 500 | 500 | - |
| Fund balances, beginning of year | 3,476 | 3,476 | 3,476 | - |
| Fund balances, end of year | <u>\$ 6,500</u> | <u>\$ -</u> | <u>\$ 1,260</u> | <u>\$ 1,260</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Student Reading Intervention | | | Variance with Final Budget Positive (Negative) |
|---|------------------------------|-----------|-----------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ - | \$ 63,456 | \$ 22,831 | \$ (40,625) |
| Total expenditures | - | 63,456 | 31,568 | 31,888 |
| Excess (deficiency) of revenues over expenditures | - | - | (8,737) | (8,737) |
| Other financing sources (uses) | | | | |
| Advances in | - | 8,737 | 8,737 | - |
| Advances out | - | (8,737) | - | 8,737 |
| Total other financing sources (uses) | - | - | 8,737 | 8,737 |
| Net change in fund balance | - | - | - | - |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | \$ - | \$ - | \$ - | \$ - |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Miscellaneous State Grants Fund | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|---------------------------------|----------|----------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 4,000 | \$ 3,474 | \$ 3,474 | \$ - |
| Total expenditures | 3,457 | 6,937 | 3,564 | 3,373 |
| Net change in fund balance | 543 | (3,463) | (90) | 3,373 |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | 3,463 | 3,463 | 3,463 | - |
| Fund balances, end of year | \$ 4,006 | \$ - | \$ 3,373 | \$ 3,373 |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | IDEA Part B Fund | | | Variance with Final Budget Positive (Negative) |
|---|------------------|------------|------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 467,264 | \$ 513,057 | \$ 422,014 | \$ (91,043) |
| Total expenditures | 467,264 | 513,057 | 412,874 | 100,183 |
| Excess (deficiency) of revenues over expenditures | - | - | 9,140 | 9,140 |
| Other financing sources (uses) | | | | |
| Advances in | - | 3,744 | 3,744 | - |
| Advances out | - | (3,744) | - | 3,744 |
| Total other financing sources (uses) | - | - | 3,744 | 3,744 |
| Net change in fund balance | - | - | 12,884 | 12,884 |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | \$ - | \$ - | \$ 12,884 | \$ 12,884 |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Title I Fund | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|----------------|------------|------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 205,500 | \$ 184,012 | \$ 168,158 | \$ (15,854) |
| Total expenditures | 37,064 | 187,991 | 169,356 | 18,635 |
| Net change in fund balance | 168,436 | (3,979) | (1,198) | 2,781 |
| Prior year encumbrances | 171 | 171 | 171 | - |
| Fund balances, beginning of year | 3,808 | 3,808 | 3,808 | - |
| Fund balances, end of year | \$ 172,415 | \$ - | \$ 2,781 | \$ 2,781 |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Title V Fund | | | Variance with Final Budget Positive (Negative) |
|---|----------------|-----------|-----------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 23,400 | \$ 27,185 | \$ 27,185 | \$ - |
| Total expenditures | 16,264 | 23,071 | 23,071 | - |
| Excess (deficiency) of revenues over expenditures | 7,136 | 4,114 | 4,114 | - |
| Other financing sources (uses) | | | | |
| Advances in | - | - | - | - |
| Advances out | - | (4,114) | (4,114) | - |
| Total other financing sources (uses) | - | (4,114) | (4,114) | - |
| Net change in fund balance | 7,136 | - | - | - |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | \$ 7,136 | \$ - | \$ - | \$ - |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Title IV Fund | | | Variance with Final Budget Positive (Negative) |
|---|----------------|-------------|-----------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 15,600 | \$ 23,615 | \$ 23,615 | \$ - |
| Total expenditures | 14,111 | 14,111 | 11,762 | 2,349 |
| Excess (deficiency) of revenues over expenditures | 1,489 | 9,504 | 11,853 | 2,349 |
| Other financing sources (uses) | | | | |
| Transfers-in | - | 1,280 | 1,280 | - |
| Transfers-out | (1,280) | (1,280) | (1,280) | - |
| Advances out | - | (9,504) | (9,504) | - |
| Total other financing sources (uses) | (1,280) | (9,504) | (9,504) | - |
| Net change in fund balance | 209 | - | 2,349 | 2,349 |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | <u>\$ 209</u> | <u>\$ -</u> | <u>\$ 2,349</u> | <u>\$ 2,349</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | EHA Preschool Fund | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------|-----------|-----------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 20,524 | \$ 20,354 | \$ 20,354 | \$ - |
| Total expenditures | 20,354 | 20,354 | 20,354 | - |
| Net change in fund balance | 170 | - | - | - |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | \$ 170 | \$ - | \$ - | \$ - |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Title VI-R Fund | | | Variance with Final Budget Positive (Negative) |
|---|------------------|-------------|-------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 135,553 | \$ 135,485 | \$ 115,631 | \$ (19,854) |
| Total expenditures | 120,019 | 120,003 | 103,965 | 16,038 |
| Excess (deficiency) of revenues over expenditures | 15,534 | 15,482 | 11,666 | (3,816) |
| Other financing sources (uses) | | | | |
| Advances in | - | 3,816 | 3,816 | - |
| Advances out | - | (19,348) | (15,532) | 3,816 |
| Total other financing sources (uses) | - | (15,532) | (11,716) | 3,816 |
| Net change in fund balance | 15,534 | (50) | (50) | - |
| Prior year encumbrances | 50 | 50 | 50 | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | <u>\$ 15,584</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Miscellaneous Federal Grants Fund | | | Variance with Final Budget Positive (Negative) |
|---|-----------------------------------|----------|----------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 6,027 | \$ 6,884 | \$ 6,884 | \$ - |
| Total expenditures | 3,745 | 4,601 | 4,601 | - |
| Excess (deficiency) of revenues over expenditures | 2,282 | 2,283 | 2,283 | - |
| Other financing sources (uses) | | | | |
| Advances out | - | (2,404) | (2,404) | - |
| Total other financing sources (uses) | - | (2,404) | (2,404) | - |
| Net change in fund balance | 2,282 | (121) | (121) | - |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | 121 | 121 | 121 | - |
| Fund balances, end of year | \$ 2,403 | \$ - | \$ - | \$ - |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Food Service Fund | | | Variance w ith Final Budget Positive (Negative) |
|----------------------------------|-------------------|------------------|------------------|--|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 783,650 | \$ 810,325 | \$ 810,325 | \$ - |
| Total expenditures | 783,180 | 792,091 | 792,091 | - |
| Net change in fund balance | 470 | 18,234 | 18,234 | - |
| Prior year encumbrances | 1,889 | 1,889 | 1,889 | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | <u>\$ 2,359</u> | <u>\$ 20,123</u> | <u>\$ 20,123</u> | <u>\$ -</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Uniform School Supplies Fund | | | Variance with Final Budget Positive (Negative) |
|---|------------------------------|-----------|-----------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 73,783 | \$ 65,279 | \$ 65,279 | \$ - |
| Total expenditures | 79,429 | 102,321 | 102,321 | - |
| Excess (deficiency) of revenues over expenditures | (5,646) | (37,042) | (37,042) | - |
| Other financing sources (uses) | | | | |
| Advances in | - | 30,334 | 30,334 | - |
| Total other financing sources (uses) | - | 30,334 | 30,334 | - |
| Net change in fund balance | (5,646) | (6,708) | (6,708) | - |
| Prior year encumbrances | 389 | 389 | 389 | - |
| Fund balances, beginning of year | 8,159 | 8,159 | 8,159 | - |
| Fund balances, end of year | \$ 2,902 | \$ 1,840 | \$ 1,840 | \$ - |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Summer School Fund | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------|-----------|-----------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 41,240 | \$ 46,193 | \$ 46,193 | \$ - |
| Total expenditures | 59,009 | 55,816 | 55,816 | - |
| Net change in fund balance | (17,769) | (9,623) | (9,623) | - |
| Prior year encumbrances | 200 | 200 | 200 | - |
| Fund balances, beginning of year | 17,769 | 17,769 | 17,769 | - |
| Fund balances, end of year | \$ 200 | \$ 8,346 | \$ 8,346 | \$ - |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Special Projects Fund | | | Variance w ith Final Budget Positive (Negative) |
|----------------------------------|-----------------------|-------------|------------------|--|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 24,012 | \$ 47,768 | \$ 47,768 | \$ - |
| Total expenditures | 42,749 | 69,148 | 50,231 | 18,917 |
| Net change in fund balance | (18,737) | (21,380) | (2,463) | 18,917 |
| Prior year encumbrances | 2,810 | 2,436 | 2,436 | - |
| Fund balances, beginning of year | 17,275 | 18,944 | 18,944 | - |
| Fund balances, end of year | <u>\$ 1,348</u> | <u>\$ -</u> | <u>\$ 18,917</u> | <u>\$ 18,917</u> |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Entry Year Teacher | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------|-----------|-----------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ - | \$ 14,300 | \$ 14,300 | \$ - |
| Total expenditures | - | 14,300 | 14,300 | - |
| Net change in fund balance | - | - | - | - |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | \$ - | \$ - | \$ - | \$ - |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Debt Service Fund | | | Variance with Final Budget Positive (Negative) |
|---|-------------------|------------|------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 373,930 | \$ 371,380 | \$ 371,380 | \$ - |
| Total expenditures | 484,241 | 483,853 | 483,853 | - |
| Excess (deficiency) of revenues over expenditures | (110,311) | (112,473) | (112,473) | - |
| Other financing sources (uses) | | | | |
| Transfers-in | 99,236 | 99,236 | 99,236 | - |
| Total other financing sources (uses) | 99,236 | 99,236 | 99,236 | - |
| Net change in fund balance | (11,075) | (13,237) | (13,237) | - |
| Prior year encumbrances | - | - | - | - |
| Fund balances, beginning of year | 462,719 | 462,719 | 462,719 | - |
| Fund balances, end of year | \$ 451,644 | \$ 449,482 | \$ 449,482 | \$ - |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET BASIS (NON-GAAP) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2004

| | Capital Projects Fund | | | Variance with Final Budget Positive (Negative) |
|---|-----------------------|------------------|------------------|---|
| | Budget Amounts | | Actual | |
| | Original | Final | | |
| Total revenues | \$ 773,263 | \$ 789,009 | \$ 789,009 | \$ - |
| Total expenditures | 836,635 | 1,412,546 | 1,412,546 | - |
| Excess (deficiency) of revenues over expenditures | (63,372) | (623,537) | (623,537) | - |
| Other financing sources (uses) | | | | |
| Operating transfers-in | - | 74,332 | 74,332 | - |
| Advances in | - | 200,000 | 200,000 | - |
| Transfers-out | - | (173,568) | (173,568) | - |
| Total other financing sources (uses) | - | 100,764 | 100,764 | - |
| Net change in fund balance | (63,372) | (522,773) | (522,773) | - |
| Prior year encumbrances | 351,101 | 351,101 | 351,101 | - |
| Fund balances, beginning of year | 197,870 | 197,870 | 197,870 | - |
| Fund balances, end of year | <u>\$ 485,599</u> | <u>\$ 26,198</u> | <u>\$ 26,198</u> | <u>\$ -</u> |

AGENCY FUNDS

Agency funds are used to account for assets held by the District as an agent for individuals, private organizations, other governments, and/or other funds.

Unclaimed Monies Fund - The purpose of this fund is to account for those assets held by the school district as an agent for individuals, private organizations, other governmental units, and/or other funds.

Student Activities Fund - This fund is used to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2004

| | Student Activities | Unclaimed Monies | Totals |
|--------------------------|-----------------------|---------------------|------------------|
| Assets | | | |
| Equity in pooled cash | \$ 95,121 | \$ 621 | \$ 95,742 |
| Total assets | 95,121 | 621 | 95,742 |
| Liabilities | | | |
| Accounts payable | 5,029 | - | 5,029 |
| Due to students | 90,092 | - | 90,092 |
| Due to others | - | 621 | 621 |
| Total liabilities | \$ 95,121 | \$ 621 | \$ 95,742 |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

| Student Activities Fund | | | | |
|-------------------------|---------------------------------------|------------|------------|------------------------------------|
| | Beginning Balance June 30, 2003 | Additions | Deductions | Ending Balance June 30, 2004 |
| Assets | | | | |
| Equity in pooled cash | \$ 100,704 | \$ 131,095 | \$ 136,678 | \$ 95,121 |
| Total assets | 100,704 | 131,095 | 136,678 | 95,121 |
| Liabilities | | | | |
| Accounts payable | 44 | 5,029 | 44 | 5,029 |
| Due to students | 100,660 | 126,066 | 136,634 | 90,092 |
| Total liabilities | \$ 100,704 | \$ 131,095 | \$ 136,678 | \$ 95,121 |

| Unclaimed Monies Fund | | | | |
|-----------------------|---------------------------------------|-----------|------------|------------------------------------|
| | Beginning Balance June 30, 2003 | Additions | Deductions | Ending Balance June 30, 2004 |
| Assets | | | | |
| Equity in pooled cash | \$ 620 | \$ 1 | \$ - | \$ 621 |
| Total assets | 620 | 1 | - | 621 |
| Liabilities | | | | |
| Due to others | 620 | 1 | - | 621 |
| Total liabilities | \$ 620 | \$ 1 | \$ - | \$ 621 |

| Total Agency Funds | | | | |
|-----------------------|---------------------------------------|------------|------------|------------------------------------|
| | Beginning Balance June 30, 2003 | Additions | Deductions | Ending Balance June 30, 2004 |
| Assets | | | | |
| Equity in pooled cash | \$ 101,324 | \$ 131,096 | \$ 136,678 | \$ 95,742 |
| Total assets | 101,324 | 131,096 | 136,678 | 95,742 |
| Liabilities | | | | |
| Accounts payable | 44 | 5,029 | 44 | 5,029 |
| Due to students | 100,660 | 126,066 | 136,634 | 90,092 |
| Due to others | 620 | 1 | - | 621 |
| Total liabilities | \$ 101,324 | \$ 131,096 | \$ 136,678 | \$ 95,742 |

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS

| | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Taxes | \$ 14,474,241 | \$ 12,826,732 | \$ 13,094,844 | \$ 12,763,443 | \$ 13,168,049 | \$ 11,700,396 | \$ 13,360,613 | \$ 10,695,215 | \$ 9,950,252 | \$ 7,840,994 |
| Tuition and Fees | 517,422 | 601,733 | 153,564 | 210,736 | 60,704 | 66,548 | 243,263 | 60,596 | 120,273 | 37,263 |
| Interest | 80,299 | 135,797 | 223,497 | 476,113 | 417,405 | 332,404 | 247,565 | 214,161 | 126,417 | 84,816 |
| Intergovernmental | 12,281,597 | 11,383,487 | 11,084,782 | 10,961,705 | 11,003,032 | 9,889,421 | 10,649,785 | 9,963,759 | 9,484,808 | 8,910,336 |
| Extracurricular | 204,452 | 194,542 | 176,659 | 229,689 | 246,728 | 233,724 | 280,700 | 327,828 | 336,615 | 255,978 |
| Charges for service | 691,319 | 673,925 | 42,781 | 34,436 | - | - | - | - | - | - |
| Other | 327,569 | 244,693 | 238,896 | 276,075 | 484,392 | 494,473 | 275,017 | 177,023 | 234,415 | 301,956 |
| Total | \$ 28,576,899 | \$ 26,060,909 | \$ 25,015,023 | \$ 24,952,197 | \$ 25,380,310 | \$ 22,716,966 | \$ 25,056,943 | \$ 21,438,582 | \$ 20,252,780 | \$ 17,431,343 |

Source: School District Financial Records, All Governmental Fund Types.

Note: Beginning in fiscal year 2003, the Food Service Fund, the Uniform School Supply Fund and the Summer School Fund are being accounted for in the General Governmental Revenues as opposed to the Proprietary Fund Revenues.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

| | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Current | | | | | | | | | | |
| Instruction | \$ 16,232,624 | \$ 15,238,648 | \$ 14,191,471 | \$ 14,289,932 | \$ 13,456,787 | \$ 12,652,949 | \$ 12,800,170 | \$ 11,799,265 | \$ 11,857,480 | \$ 11,372,833 |
| Pupil Support Services | 1,401,962 | 1,352,067 | 1,362,532 | 1,253,079 | 1,202,992 | 1,127,599 | 1,130,331 | 1,022,252 | 1,033,490 | 1,106,300 |
| Instructional Support | 1,683,192 | 1,559,511 | 1,394,569 | 1,050,533 | 988,362 | 804,915 | 722,147 | 693,153 | 713,893 | 654,707 |
| Administration | 1,733,788 | 1,615,634 | 1,582,775 | 1,563,505 | 1,389,464 | 1,319,011 | 1,273,865 | 1,332,509 | 1,233,579 | 1,391,656 |
| Business and Fiscal | 985,178 | 774,862 | 680,719 | 706,657 | 648,007 | 631,458 | 594,889 | 530,233 | 484,262 | 445,309 |
| Operation & Maintenance of Plant | 2,536,605 | 2,373,310 | 2,302,006 | 2,284,766 | 2,095,974 | 2,113,792 | 1,709,652 | 1,778,053 | 1,746,520 | 2,046,944 |
| Pupil Transportation | 1,888,359 | 1,544,063 | 1,333,852 | 1,343,009 | 1,278,628 | 1,203,863 | 1,099,306 | 1,038,584 | 1,011,498 | 974,594 |
| Central Services | 112,334 | 66,167 | 28,460 | 55,981 | 88,443 | 49,157 | 64,693 | 53,240 | 9,250 | 22,349 |
| Operational of Non-Instructional Services | 1,236,031 | 1,396,065 | 303,599 | 637,871 | 325,248 | 546,295 | 300,599 | 308,374 | 334,014 | 42,264 |
| Extra-Curricular Activities | 657,740 | 616,364 | 592,954 | 672,136 | 628,183 | 508,990 | 442,467 | 497,761 | 436,202 | 518,147 |
| Capital Outlay | - | - | 193,118 | 440,914 | 175,122 | 30,401 | 340,390 | 325,561 | 93,378 | 623,023 |
| Debt Service | 486,108 | 488,693 | 529,606 | 417,840 | 440,336 | 478,826 | 612,803 | 641,058 | 671,922 | 597,288 |
| Total | \$ 28,953,921 | \$ 27,025,384 | \$ 24,495,661 | \$ 24,716,223 | \$ 22,717,746 | \$ 21,467,256 | \$ 21,091,312 | \$ 20,020,043 | \$ 19,625,488 | \$ 19,795,414 |

Source: School District Financial Records, All Governmental Fund Types.

Note: Beginning in fiscal year 2003, the Food Service Fund, the Uniform School Supply Fund and the Summer School Fund is being accounted for in the General Governmental Expenditures as opposed to the Proprietary Fund Expenditures.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

| Collection Year | Current Taxes Levy | Delinquent Taxes Levy | Total Taxes Levy | Current Taxes Collections | Percent of Current Levy Collected | Delinquent Taxes Collections | Total Tax Collections | Total Collection As a Percent of Current Levy |
|-----------------|--------------------|-----------------------|------------------|---------------------------|-----------------------------------|------------------------------|-----------------------|---|
| 2004 | \$ 15,414,892 | \$ 646,636 | \$ 16,061,528 | \$ 14,977,700 | 97.164% | \$ 442,311 | \$ 15,420,011 | 100.033% |
| 2003 | 14,294,009 | 626,538 | 14,920,547 | 13,925,978 | 97.425% | 395,297 | 14,321,275 | 100.191% |
| 2002 | 13,847,896 | 638,397 | 14,486,293 | 13,483,930 | 97.372% | 404,767 | 13,888,697 | 100.295% |
| 2001 | 13,805,885 | 556,761 | 14,362,646 | 13,425,883 | 97.248% | 368,165 | 13,794,048 | 99.914% |
| 2000 | 12,613,589 | 533,644 | 13,147,233 | 12,169,210 | 96.477% | 324,845 | 12,494,055 | 99.052% |
| 1999 | 12,345,970 | 431,987 | 12,777,957 | 12,021,534 | 97.372% | 262,676 | 12,284,210 | 99.500% |
| 1998 | 12,173,962 | 389,895 | 12,563,857 | 11,871,765 | 97.518% | 274,467 | 12,146,232 | 99.772% |
| 1997 | 10,997,811 | 327,560 | 11,325,371 | 10,773,939 | 97.964% | 203,987 | 10,977,926 | 99.819% |
| 1996 | 10,915,076 | 285,550 | 11,200,626 | 10,796,724 | 98.916% | 181,202 | 10,977,926 | 100.576% |
| 1995 | 8,238,368 | 267,436 | 8,505,804 | 8,070,939 | 97.968% | 170,390 | 8,241,329 | 100.036% |

Source: Lorain County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) Includes Homestead/Rollback taxes assessed locally but distributed through the State and reported as Intergovernmental Revenue.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

| Year | Real Property | | Public Utility Property | | Tangible Personal Property | | Total | | Assessed Value Ratio |
|------|----------------|----------------------------|-------------------------|----------------------------|----------------------------|----------------------------|----------------|------------------------|----------------------|
| | Assessed Value | Estimated Actual Value (1) | Assessed Value | Estimated Actual Value (2) | Assessed Value | Estimated Actual Value (3) | Assessed Value | Estimated Actual Value | |
| 2004 | \$ 479,530,600 | \$ 1,370,087,429 | \$ 13,468,230 | \$ 15,304,807 | \$ 25,708,440 | \$ 102,833,760 | \$ 518,707,270 | \$ 1,488,225,995 | 34.85% |
| 2003 | 424,279,770 | 1,212,227,914 | 14,029,430 | 15,942,534 | 29,101,850 | 116,407,400 | 467,411,050 | 1,344,577,848 | 34.76% |
| 2002 | 403,743,540 | 1,153,552,971 | 13,448,390 | 15,282,261 | 29,496,480 | 117,985,920 | 446,688,410 | 1,286,821,152 | 34.71% |
| 2001 | 388,264,140 | 1,109,326,114 | 16,757,650 | 19,042,784 | 25,822,240 | 103,288,960 | 430,844,030 | 1,231,657,858 | 34.98% |
| 2000 | 333,488,470 | 952,824,200 | 17,870,720 | 20,307,636 | 25,230,804 | 100,923,216 | 376,589,994 | 1,074,055,052 | 35.06% |
| 1999 | 320,654,700 | 916,156,286 | 17,245,160 | 19,596,773 | 23,960,770 | 95,843,080 | 361,860,630 | 1,031,596,139 | 35.08% |
| 1998 | 306,872,660 | 876,779,029 | 17,371,330 | 19,740,148 | 22,726,840 | 90,907,360 | 346,970,830 | 987,426,537 | 35.14% |
| 1997 | 248,684,360 | 710,526,743 | 17,835,730 | 20,267,875 | 22,732,700 | 90,930,800 | 289,252,790 | 821,725,418 | 35.20% |
| 1996 | 245,705,620 | 702,016,057 | 18,670,790 | 21,216,807 | 19,227,605 | 76,910,420 | 283,604,015 | 800,143,284 | 35.44% |
| 1995 | 238,866,910 | 682,476,886 | 20,018,490 | 22,748,284 | 17,651,026 | 70,604,104 | 276,536,426 | 775,829,274 | 35.64% |

Source: Lorain County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) This amount is calculated based upon an assessed value of 35 percent of actual value.

(2) This amount is calculated based upon the current assessed value of 88 percent of actual value.

(3) The amount is calculated based upon an assessed value of 25 percent of actual value.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS

(PER \$ 1,000 ASSESSED VALUATION)

LAST TEN FISCAL YEARS

| Year | School District | | | Total | Lorain County | Lorain County Joint Vocational School | City | Total |
|------|-----------------|---------------|---------------------------|-------|---------------|--|-------|-------|
| | General | Voted Debt | Permanent Improvements | | | | | |
| 2004 | 41.59 | 0.70 | 2.50 | 44.79 | 12.89 | 2.45 | 13.36 | 73.49 |
| 2003 | 42.60 | 0.80 | 2.50 | 45.90 | 12.89 | 2.45 | 13.41 | 74.65 |
| 2002 | 43.07 | 0.90 | 2.50 | 46.47 | 12.89 | 2.45 | 12.41 | 74.22 |
| 2001 | 43.75 | 1.00 | 2.50 | 47.25 | 10.79 | 2.45 | 13.56 | 74.05 |
| 2000 | 45.10 | 1.35 | 2.50 | 48.95 | 10.79 | 2.45 | 13.71 | 75.90 |
| 1999 | 45.25 | 1.69 | 2.50 | 49.44 | 10.79 | 2.45 | 12.25 | 74.93 |
| 1998 | 46.00 | 1.69 | 2.50 | 50.19 | 10.79 | 2.45 | 12.45 | 75.88 |
| 1997 | 49.00 | 1.69 | 2.50 | 53.19 | 12.69 | 2.45 | 12.75 | 81.08 |
| 1996 | 49.35 | 1.69 | 2.50 | 53.54 | 12.69 | 2.45 | 12.75 | 81.43 |
| 1995 | 39.20 | 2.19 | 2.50 | 43.89 | 11.49 | 2.45 | 13.25 | 71.08 |

Source: Lorain County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

| Year | General Obligation Bonded Debt (1) | Debt Service Funds Available | Net General Obligation Bonded Debt | Assessed Value (2) | Population (3) | Ratio of Net Debt to Assessed Value | Net Debt Per Capita |
|------|--|------------------------------------|--|-----------------------|----------------|---|------------------------|
| 2003 | \$ 3,556,867 | \$ 462,719 | \$ 3,094,148 | \$ 467,411,050 | 24,294 | 0.662% | \$ 127 |
| 2002 | 3,806,348 | 456,951 | 3,349,397 | 446,688,410 | 23,397 | 0.750% | 143 |
| 2001 | 3,990,000 | 374,874 | 3,615,126 | 430,844,030 | 22,902 | 0.839% | 158 |
| 2000 | 4,125,000 | 294,582 | 3,830,418 | 376,589,994 | 22,469 | 1.017% | 170 |
| 1999 | 4,250,000 | 124,100 | 4,125,900 | 361,860,630 | 23,939 | 1.140% | 172 |
| 1998 | 4,370,000 | 219,043 | 4,150,957 | 346,970,830 | 23,572 | 1.196% | 176 |
| 1997 | 4,575,000 | 153,518 | 4,421,482 | 289,252,790 | 23,190 | 1.529% | 191 |
| 1996 | 4,775,000 | 84,379 | 4,690,621 | 283,604,015 | 22,911 | 1.654% | 205 |
| 1995 | 4,970,000 | 43,332 | 4,926,668 | 276,536,426 | 22,661 | 1.782% | 217 |
| 1994 | 5,160,000 | 49,703 | 5,110,297 | 244,325,889 | 22,599 | 2.092% | 226 |

Source: (1) School District Financial Records

(2) Lorain County Auditor

(3) The Cleveland Public Library - Document Section as of July 1st

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
COMPUTATION OF LEGAL DEBT MARGIN
AS OF JUNE 30, 2004

| | |
|---|----------------|
| Assessed Valuation | \$ 518,707,270 |
| | |
| Debt Limit -9% of Assessed Value (1) | 46,683,654 |
| | |
| Amount of Debt Application to Debt Limit: | |
| General Obligation Bonds | 3,307,867 |
| Less: Amount Available in Debt Service Fund | 449,482 |
| Total | 2,858,385 |
| Overall Debt Margin | \$ 43,825,269 |
| | |
| Overall Limit - .10% of Assessed Value (1) | \$ 518,707 |
| | |
| Amount of Debt Applicable | |
| Tax Anticipation Notes | |
| General Long Term Debt | - |
| Unvoted Debt Margin | \$ 518,707 |

Source: Lorain County Auditor and School District Financial Records.

(1) Ohio Bond Law established a limit of 9% for voted debt and 1/10 of .1% of unvoted debt.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

AS OF JUNE 30, 2004

| Jurisdiction | Debt Outstanding | Total Assessed Value | Percentage Applicable to School District (1) | Amount Applicable to School District |
|---------------------------------------|------------------|----------------------|--|--------------------------------------|
| North Ridgeville City School District | \$ 3,307,867 | \$ 467,411,050 | 100.00% | \$ 3,307,867 |
| Lorain County | 25,320,000 (2) | 5,959,347,790 | 7.84% | 1,985,930 |
| Lorain County Joint Vocational School | - | 5,068,254,645 | 9.22% | - |
| North Ridgeville City | 4,077,000 (2) | 467,411,050 | 100.00% | 4,077,000 |
| Sub Total | | | | 6,062,930 |
| Total | \$ 32,704,867 | \$ 11,962,424,535 | | \$ 9,370,797 |

Source: Lorain County Auditor - Total Assessed Value is presented on a calendar year basis (including School District's) because that is the manner in which the information is maintained by the County Auditor.

(1) Percentages are computed by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision.

(2) Debt is as of December 31, 2003.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

| Year | Debt Service | | Total | Total General Expenditures | Percent of Debt Service to General Expenditures |
|------|--------------|------------|------------|----------------------------------|--|
| | Principal | Interest | | | |
| 2004 | \$ 250,000 | \$ 129,205 | \$ 379,205 | \$ 28,953,921 | 1.310% |
| 2003 | 240,000 | 138,272 | 378,272 | 27,025,384 | 1.400% |
| 2002 | 215,000 | 119,982 | 334,982 | 24,495,661 | 1.368% |
| 2001 | 135,000 | 248,626 | 383,626 | 24,716,223 | 1.552% |
| 2000 | 125,000 | 255,785 | 380,785 | 22,717,746 | 1.676% |
| 1999 | 120,000 | 265,009 | 385,009 | 21,467,256 | 1.793% |
| 1998 | 205,000 | 279,648 | 484,648 | 21,091,312 | 2.298% |
| 1997 | 200,000 | 295,622 | 495,622 | 20,020,043 | 2.476% |
| 1996 | 195,000 | 311,097 | 506,097 | 19,625,488 | 2.579% |
| 1995 | 190,000 | 326,072 | 516,072 | 19,795,414 | 2.607% |

Source: School District Financial Records, All Governmental Fund Types.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

| Year | Lorain County Population (1) | North Ridgeville City Population (1) | Average Daily School Enrollment (2) | Unemployment Rate (1) | |
|------|------------------------------|--------------------------------------|-------------------------------------|-----------------------|-------|
| | | | | Lorain County | State |
| 2003 | 291,164 | 24,294 | 3,403 | 7.6% | 6.2% |
| 2002 | 288,360 | 23,397 | 3,277 | 7.2% | 5.7% |
| 2001 | 286,380 | 22,902 | 3,309 | 5.6% | 4.3% |
| 2000 | 285,225 | 22,469 | 3,167 | 5.4% | 4.1% |
| 1999 | 282,100 | 23,939 | 3,153 | 5.0% | 4.3% |
| 1998 | 281,716 | 23,572 | 3,265 | 3.6% | 4.3% |
| 1997 | 281,924 | 23,190 | 3,359 | 6.1% | 4.6% |
| 1996 | 280,945 | 22,911 | 3,422 | 7.8% | 4.9% |
| 1995 | 279,924 | 22,661 | 3,511 | 5.1% | 4.8% |
| 1994 | 278,832 | 22,599 | 3,531 | 4.4% | 5.5% |

Source: (1) The Cleveland Public Library - Document Section as of July 1st

(2) Average Daily Student Enrollment is compiled as of the first week in October reported to the Ohio Department of Education for the fiscal year.

Note: Population statistics for the City of North Ridgeville for the years 1994 through 1999 were estimated by the U.S. Census Bureau in the Population Estimate Program. The population figure for the year 2000 is actual based on the 2000 Census.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

PROPERTY VALUES
FINANCIAL INSTITUTION DEPOSITS AND BUILDING PERMITS
LAST TEN FISCAL YEARS

| Year | Real Estate Property Value (1) | Bank Deposits Lorain County (1,000's) | Value of City Building Permits Issued |
|------|--------------------------------------|--|---|
| 2003 | \$ 424,279,770 | \$ 649,005 | \$ 65,906,345 |
| 2002 | 403,743,540 | 614,592 | 65,506,373 |
| 2001 | 388,264,140 | 555,591 | 41,807,060 |
| 2000 | 333,488,470 | 513,102 | 46,430,275 |
| 1999 | 320,654,700 | 463,993 | 41,203,243 |
| 1998 | 306,872,660 | 444,974 | 43,683,278 |
| 1997 | 248,684,360 | 1,381,977 | 26,524,614 |
| 1996 | 245,705,620 | 1,329,795 | 22,709,080 |
| 1995 | 238,866,910 | 1,237,991 | 14,759,351 |
| 1994 | 207,180,410 | 1,254,116 | 16,850,797 |

Source: North Ridgeville City Building Department Reports and the Federal Reserve Bank of Cleveland Data is presented on a calendar year basis because that is the manner in which it is maintained.

(1) Represents assessed value as reported by the Lorain County Auditor.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
AS OF JUNE 30, 2004

| Name of Taxpayer | Nature of Business | Assessed Value (1) | Percent of Total Assessed Value |
|---------------------------|---------------------------------|--------------------|---------------------------------|
| R.W. Beckett Corporation | Manufacturer of oil burners | \$ 2,524,980 | 0.49% |
| Morris Pontiac GMC Inc. | New and used automobile sales | 1,953,360 | 0.38% |
| Invacare Corporation | Manufacturer of wheelchairs | 1,738,700 | 0.34% |
| Beckett Gas, Inc. | Manufacturer of gas burners | 1,503,040 | 0.29% |
| Beckett Air, Inc. | Manufacturer of blow er w heels | 1,030,320 | 0.20% |
| Riser Foods Company | Retail grocery | 801,300 | 0.15% |
| Tops Markets LLC | Retail grocery | 711,700 | 0.14% |
| Dreco, Inc. | Plastic product manufacturing | 683,400 | 0.13% |
| Comcast of Massachusetts | Cable and Internet provider | 662,040 | 0.13% |
| Norlake Manufacturing Co. | Manufacturer of transformers | 650,290 | 0.13% |

Source: Lorain County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) Assessed Values are for the 2004 collection year.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
PRINCIPAL TAXPAYERS
REAL ESTATE TAX
AS OF JUNE 30, 2004

| Name of Taxpayer | Nature of Business | Assessed Value (1) | Percent of Total Assessed Value |
|--------------------------|-----------------------------|--------------------|---------------------------------|
| Bob Schmitt Homes Inc. | Real estate development | \$ 2,483,790 | 0.48% |
| Rini Realty Company | Retail grocery store | 2,003,330 | 0.39% |
| FJD Properties LLC | Real estate development | 1,487,810 | 0.29% |
| R.W. Beckett Corporation | Manufacturer of oil burners | 1,409,040 | 0.27% |
| R.W. Beckett | Manufacturer | 1,304,800 | 0.25% |
| Lake Ridge Holding Ltd. | Nursing home | 1,292,740 | 0.25% |
| Sugar Chestnut LLC | Real estate development | 1,281,610 | 0.25% |
| North Ridge Plaza | Property management | 1,046,720 | 0.20% |
| Vendome Associates Corp. | Apartment complex | 1,043,970 | 0.20% |
| Mould Development LLC | Real estate development | 979,660 | 0.19% |

Source: Lorain County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) Assessed Values are for the 2004 collection year.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

PRINCIPAL TAXPAYERS
PUBLIC UTILITIES TAX
AS OF JUNE 30, 2004

| Name of Taxpayer | Nature of Business | Assessed Value (1) | Percent of Total Assessed Value |
|---|--------------------|--------------------|---------------------------------|
| Ohio Edison Company | Electric | \$ 4,370,250 | 0.84% |
| Alltel Ohio | Communications | 3,010,750 | 0.58% |
| Cleveland Electric Illuminating Co. (a) | Electric | 1,246,930 | 0.24% |
| Columbia Gas Transmission | Natural gas | 975,150 | 0.19% |
| America Transmission | Natural gas | 960,570 | 0.19% |
| Columbia Gas of Ohio Inc. | Natural gas | 900,850 | 0.17% |

Source: Lorain County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) Assessed Values are for the 2004 collection year.

(a) Subsidiary of First Energy Corp.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
PER PUPIL COST
LAST TEN FISCAL YEARS

| Year | Governmental Fund Types Expenditures | Average Daily Student Enrollment (1) | Average Cost Per Pupil |
|------|---|--|------------------------------|
| 2004 | \$ 28,953,921 | 3,403 | \$ 8,508 |
| 2003 | 27,025,384 | 3,428 | 7,884 |
| 2002 | 24,495,661 | 3,277 | 7,475 |
| 2001 | 24,716,223 | 3,309 | 7,469 |
| 2000 | 22,717,746 | 3,167 | 7,173 |
| 1999 | 21,467,256 | 3,153 | 6,809 |
| 1998 | 21,091,312 | 3,265 | 6,460 |
| 1997 | 20,020,043 | 3,359 | 5,960 |
| 1996 | 19,625,488 | 3,422 | 5,735 |
| 1995 | 19,795,414 | 3,511 | 5,638 |

Source: School District Financial Records.

(1) Average Daily Student Enrollment is compiled as of the first week in October and reported to the Ohio Department of Education for the fiscal year.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
TEACHER EDUCATION AND EXPERIENCE
AS OF JUNE 30, 2004

| Degree | Number of Teachers | Percent of Total |
|------------------------------|--------------------------|------------------------|
| Bachelor's | 45 | 19.82% |
| Bachelor's + 8 credit hours | 11 | 4.85% |
| Bachelor's + 16 credit hours | 14 | 6.17% |
| Bachelor's + 24 credit hours | 59 | 25.99% |
| Master's | 27 | 11.89% |
| Master's + 15 credit hours | 24 | 10.57% |
| Master's + 30 credit hours | 47 | 20.70% |
| Total | <u>227</u> | <u>100.00%</u> |

| Years of Experience | Number of Teachers | Percent of Total |
|---------------------|--------------------------|------------------------|
| 0 - 5 | 106 | 46.70% |
| 6 - 10 | 21 | 9.25% |
| 11 and Over | 100 | 44.05% |
| Total | <u>227</u> | <u>100.00%</u> |

Source: School District Personnel Records.



**Auditor of State
Betty Montgomery**

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NORTH RIDGEVILLE CITY SCHOOL DISTRICT

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 24, 2005**