

RITTMAN EXEMPTED VILLAGE
SCHOOL DISTRICT

GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490
www.auditor.state.oh.us

The Board of Education
Rittman Exempted Village School District
220 North First St.
Rittman, Ohio 44270

We have reviewed the independent auditor's report of the Rittman Exempted Village School District, Wayne County, prepared by Rea & Associates, Inc., for the audit period July 1, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

November 22, 2000

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2000

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

September 30, 2000

The Board of Education
Rittman Exempted Village School District
Rittman, Ohio 44270

INDEPENDENT AUDITOR'S REPORT

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

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Rittman Exempted Village School District as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2000, on our consideration of Rittman Exempted Village School 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.

Rea & Associates, Inc.

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT

Combined Balance Sheet

All Fund Types and Account Groups

June 30, 2000

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<u>Assets</u>			
Cash and Cash Equivalents - Unrestricted	\$ 2,914,331	\$ 123,905	\$ 202,508
Cash and Cash Equivalents - Restricted	96,299	0	0
Receivables:			
Taxes	3,446,445	0	221,286
Accounts	1,200	157	0
Interfund	72	0	0
Prepaid Items	9,651	0	0
Inventory Held For Resale	0	0	0
Materials and Supplies Inventory	4,609	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0
<u>Other Debits</u>			
Amount to be Provided From General Resources	0	0	0
Total Assets and Other Debits	\$ 6,472,607	\$ 124,062	\$ 423,794
<u>Liabilities</u>			
Accounts Payable	\$ 13,167	\$ 551	\$ 0
Accrued Wages and Benefits	572,223	41,580	0
Compensated Absences Payable	0	0	0
Interfund Payable	0	72	0
Intergovernmental Payable	153,583	11,153	0
Deferred Revenue	3,392,426	0	217,817
Undistributed Monies	0	0	0
Claims Payable	0	0	0
Total Liabilities	4,131,399	53,356	217,817
<u>Fund Equity and Other Credits</u>			
Investment in General Fixed Assets	0	0	0
Retained Earnings:			
Unreserved	0	0	0
Fund Balance:			
Reserved for Encumbrances	217,844	7,484	100,022
Reserved for Inventory	4,609	0	0
Reserved for Prepaid Items	9,651	0	0
Reserved for Tax Revenue Unavailable for Appropriations	54,019	0	3,469
Reserved for Budget	96,299	0	0
Unreserved:			
Undesignated	1,958,786	63,222	102,486
Total Fund Equity and Other Credits	2,341,208	70,706	205,977
Total Liabilities, Fund Equity and Other Credits	\$ 6,472,607	\$ 124,062	\$ 423,794

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups			Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations		
\$ 973	\$ 214,662	\$ 10,119	\$ 0	\$ 0	\$ 0	\$ 3,466,498
0	0	0	0	0	0	96,299
0	0	0	0	0	0	3,667,731
448	766	753	0	0	0	3,324
0	0	0	0	0	0	72
10	0	100	0	0	0	9,761
3,782	0	0	0	0	0	3,782
0	0	0	0	0	0	4,609
104,614	0	0	6,073,279	0	0	6,177,893
0	0	0	0	513,532	0	513,532
<u>\$ 109,827</u>	<u>\$ 215,428</u>	<u>\$ 10,972</u>	<u>\$ 6,073,279</u>	<u>\$ 513,532</u>	<u>\$ 0</u>	<u>\$ 13,943,501</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,718
6,807	0	0	0	0	0	620,610
9,537	0	0	0	458,381	0	467,918
0	0	0	0	0	0	72
11,814	0	0	0	55,151	0	231,701
7,584	0	0	0	0	0	3,617,827
0	0	6,972	0	0	0	6,972
0	91,095	0	0	0	0	91,095
35,742	91,095	6,972	0	513,532	0	5,049,913
0	0	0	6,073,279	0	0	6,073,279
74,085	124,333	0	0	0	0	198,418
0	0	0	0	0	0	325,350
0	0	0	0	0	0	4,609
0	0	0	0	0	0	9,651
0	0	0	0	0	0	57,488
0	0	0	0	0	0	96,299
0	0	4,000	0	0	0	2,128,494
74,085	124,333	4,000	6,073,279	0	0	8,893,588
<u>\$ 109,827</u>	<u>\$ 215,428</u>	<u>\$ 10,972</u>	<u>\$ 6,073,279</u>	<u>\$ 513,532</u>	<u>\$ 0</u>	<u>\$ 13,943,501</u>

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT

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

All Governmental Fund Types and Expendable Trust Funds

For the Year Ended June 30, 2000

	Governmental Fund Type		
	General	Special Revenue	Capital Projects
<u>Revenues</u>			
Taxes	\$ 3,181,473	\$ 0	\$ 205,436
Intergovernmental	3,926,151	674,134	18,020
Investment Income	196,590	0	0
Tuition and Fees	196,451	0	0
Extracurricular Activities	0	41,316	0
Miscellaneous	38,306	100,646	0
Total Revenues	7,538,971	816,096	223,456
<u>Expenditures</u>			
Current:			
Instruction			
Regular	3,403,505	330,594	7,478
Special	648,934	248,589	0
Vocational	61,115	0	0
Support Services:			
Pupils	287,681	156,256	0
Instructional Staff	412,854	96,993	595
Board of Education	104,360	0	0
Administration	570,174	44,645	0
Fiscal	326,229	5,000	6,673
Operation and Maintenance of Plant	863,787	5,086	1,550
Pupil Transportation	167,997	0	0
Central	682	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	102,918	54,564	0
Capital Outlay	32,775	0	99,231
Total Expenditures	6,983,011	941,727	115,527
Excess of Revenues Over (Under) Expenditures	555,960	(125,631)	107,929
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sales of Fixed Assets	320	0	0
Operating Transfers In	0	3,275	0
Operating Transfers Out	(10,488)	0	0
Total Other Financing Sources (Uses)	(10,168)	3,275	0
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	545,792	(122,356)	107,929
Fund Balance at Beginning Of Year	1,792,938	193,062	98,048
Increase in Reserve for Inventory	2,478	0	0
Fund Balance at End of Year	\$ 2,341,208	\$ 70,706	\$ 205,977

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type			
Expendable Trust		Totals (Memorandum Only)	
\$	0	\$	3,386,909
	0		4,618,305
	0		196,590
	0		196,451
	0		41,316
	0		138,952
	0		8,578,523
	0		3,741,577
	0		897,523
	0		61,115
	0		443,937
	0		510,442
	0		104,360
	0		614,819
	0		337,902
	0		870,423
	0		167,997
	0		682
	500		500
	0		157,482
	0		132,006
	500		8,040,765
	(500)		537,758
	0		320
	0		3,275
	0		(10,488)
	0		(6,893)
	(500)		530,865
	4,500		2,088,548
	0		2,478
\$	4,000	\$	2,621,891

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT

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

For the Year Ended June 30, 2000

GENERAL FUND			
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 3,184,193	\$ 3,184,193	\$ 0
Intergovernmental	3,926,400	3,926,400	0
Investment Income	196,590	196,590	0
Tuition and Fees	196,451	196,451	0
Extracurricular Activities	0	0	0
Rentals	0	0	0
Miscellaneous	39,861	39,861	0
Total Revenues	7,543,495	7,543,495	0
Expenditures			
Current			
Instruction	4,462,096	4,290,267	171,829
Support Services			
Pupils	283,370	284,653	(1,283)
Instructional Staff	421,689	414,415	7,274
Board of Education	99,670	115,289	(15,619)
Administration	512,798	505,999	6,799
Fiscal	284,844	274,915	9,929
Operation and Maintenance of Plant	924,666	897,155	27,511
Pupil Transportation	257,914	245,534	12,380
Non-instructional services	0	0	0
Extracurricular Activities	110,037	102,919	7,118
Capital Outlay	82,000	38,934	43,066
Debt Service			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	7,439,084	7,170,080	269,004
Excess of Revenues Over (Under) Expenditures	104,411	373,415	269,004
Other Financing Sources (Uses)			
Other Financing Sources	26	26	0
Advances In	50,000	50,000	0
Advances Out	(500)	(72)	428
Operating Transfers In		0	0
Operating Transfers Out	(37,500)	(10,488)	27,012
Total Other Financing Sources (Uses)	12,026	39,466	27,440
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	116,437	412,881	296,444
Fund Balance at Beginning of Year	2,254,504	2,254,504	0
Prior Year Encumbrances Appropriated	112,230	112,230	0
Fund Balance at End of Year	\$ 2,483,171	\$ 2,779,615	\$ 296,444

See accompanying notes to the general purpose financial statements.

SPECIAL REVENUE FUND			CAPITAL PROJECTS FUND		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 0	\$ 0	\$ 0	\$ 205,619	\$ 205,619	\$ 0
656,978	656,978	0	68,020	68,020	0
0	0	0	0	0	0
0	0	0	0	0	0
41,316	41,316	0	0	0	0
0	0	0	0	0	0
100,754	100,754	0	0	0	0
799,048	799,048	0	273,639	273,639	0
596,731	581,477	15,254	7,478	7,478	0
163,967	159,238	4,729	0	0	0
94,942	101,060	(6,118)	595	595	0
0	0	0	0	0	0
50,032	45,846	4,186	0	0	0
5,000	5,000	0	6,673	6,673	0
5,086	5,086	0	1,550	1,550	0
0	0	0	0	0	0
0	0	0	0	0	0
55,311	55,329	(18)	0	0	0
0	0	0	191,777	199,253	(7,476)
0	0	0	0	0	0
0	0	0	0	0	0
971,069	953,036	18,033	208,073	215,549	(7,476)
(172,021)	(153,988)	18,033	65,566	58,090	(7,476)
17,156	17,156	0	0	0	0
72	72	0	0	0	0
0	0	0	(50,000)	(50,000)	0
3,164	3,275	111	0	0	0
0	0	0	0	0	0
20,392	20,503	111	(50,000)	(50,000)	0
(151,629)	(133,485)	18,144	15,566	8,090	(7,476)
228,252	228,252	0	86,499	86,499	0
21,100	21,100	0	7,896	7,896	0
\$ 97,723	\$ 115,867	\$ 18,144	\$ 109,961	\$ 102,485	\$ (7,476)

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT

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

For the Year Ended June 30, 2000

EXPENDABLE TRUST FUNDS			
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 0	\$ 0	\$ 0
Intergovernmental	0	0	0
Investment Income	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Rentals	0	0	0
Miscellaneous	0	0	0
Total Revenues	0	0	0
Expenditures			
Current			
Instruction	0	0	0
Support Services			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Non-instructional services	1,500	500	1,000
Extracurricular Activities	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	1,500	500	1,000
Excess of Revenues Over (Under) Expenditures	(1,500)	(500)	1,000
Other Financing Sources (Uses)			
Other Financing Sources	0	0	0
Advances In	0	0	0
Advances Out	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,500)	(500)	1,000
Fund Balance at Beginning of Year	4,500	4,500	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balance at End of Year	\$ 3,000	\$ 4,000	\$ 1,000

See accompanying notes to the general purpose financial statements.

TOTALS
(MEMORANDUM ONLY)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 3,389,812	\$ 3,389,812	\$ 0
4,651,398	4,651,398	0
196,590	196,590	0
196,451	196,451	0
41,316	41,316	0
0	0	0
140,615	140,615	0
<u>8,616,182</u>	<u>8,616,182</u>	<u>0</u>
5,066,305	4,879,222	187,083
447,337	443,891	3,446
517,226	516,070	1,156
99,670	115,289	(15,619)
562,830	551,845	10,985
296,517	286,588	9,929
931,302	903,791	27,511
257,914	245,534	12,380
1,500	500	1,000
165,348	158,248	7,100
273,777	238,187	35,590
0	0	0
0	0	0
<u>8,619,726</u>	<u>8,339,165</u>	<u>280,561</u>
(3,544)	277,017	280,561
0	0	
17,182	17,182	0
50,072	50,072	0
(50,500)	(50,072)	428
3,164	3,275	111
(37,500)	(10,488)	27,012
<u>(17,582)</u>	<u>9,969</u>	<u>27,551</u>
(21,126)	286,986	308,112
2,573,755	2,573,755	0
141,226	141,226	0
<u>2,693,855</u>	<u>3,001,967</u>	<u>\$ 308,112</u>

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT

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

For the Year Ended June 30, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)
<u>Operating Revenues</u>			
Sales	\$ 264,511	\$ 0	\$ 264,511
Charges for Services	0	786,158	786,158
Other Operating Revenues	188	(1,508)	(1,320)
<i>Total Operating Revenues</i>	<u>264,699</u>	<u>784,650</u>	<u>1,049,349</u>
<u>Operating Expenses</u>			
Salaries	124,924	0	124,924
Fringe Benefits	65,864	0	65,864
Materials and Supplies	184,385	0	184,385
Depreciation	7,738	0	7,738
Maintenance	2,922	0	2,922
Claims	0	779,671	779,671
<i>Total Operating Expenses</i>	<u>385,833</u>	<u>779,671</u>	<u>1,165,504</u>
Operating Income (Loss)	<u>(121,134)</u>	<u>4,979</u>	<u>(116,155)</u>
<u>Non-Operating Revenues (Expenses)</u>			
Operating Grants	114,953	0	114,953
Refund of Prior Year Expenses	173	0	173
Other Non-Operating Revenue	867	0	867
Interest	21	0	21
Other Non-Operating Expenses	(255)	0	(255)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>115,759</u>	<u>0</u>	<u>115,759</u>
Income (Loss) Before Operating Transfers	(5,375)	4,979	(396)
Operating Transfers In	<u>7,213</u>	<u>0</u>	<u>7,213</u>
Net Income (Loss)	1,838	4,979	6,817
Retained Earnings/Fund Balance at Beginning of Year	<u>72,247</u>	<u>119,354</u>	<u>191,601</u>
Total Fund Equity at End of Year	<u>\$ 74,085</u>	<u>\$ 124,333</u>	<u>\$ 198,418</u>

See accompanying notes to the general purpose financial statements.

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT

Combined Statement of Cash Flows
All Proprietary Fund Types

For the Year Ended June 30, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)
<u>Cash Flows From Operating Activities</u>			
Cash Received from Customers	\$ 269,584	\$ 0	\$ 269,584
Cash Received from Quasi-External Transactions with other funds	0	830,380	830,380
Cash Paid for Goods and Services	(187,007)	0	(187,007)
Cash Paid to Employees	(191,027)	0	(191,027)
Cash Paid for Claims	0	(779,671)	(779,671)
Net Cash Provided By (Used For) Operating Activities	(108,450)	50,709	(57,741)
<u>Cash Flows From Capital & Related Financing Activities</u>			
Purchase of equipment	(21,613)	0	(21,613)
Net Cash Used for Capital & Related Financing Activities	(21,613)	0	(21,613)
<u>Cash Flows From Non-Capital Financing Activities</u>			
Grants	114,953	0	114,953
Other Non-Operating Revenues	806	0	806
Operating Transfers-In	7,213	0	7,213
Net Cash Provided By Non-Capital Activities	122,972	0	122,972
Net Increase (Decrease) in Cash and Cash Equivalents	(7,091)	50,709	43,618
Cash and Cash Equivalents at Beginning of Year	8,064	163,953	172,017
Cash and Cash Equivalents at End of Year	\$ 973	\$ 214,662	\$ 215,635
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities</u>			
Operating Income (Loss)	\$ (121,134)	\$ 4,979	\$ (116,155)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Depreciation	7,738	0	7,738
(Increase) decrease in assets:			
Accounts Receivable	(269)	742	473
Inventory	(1,024)	0	(1,024)
Prepaid Items	(10)	0	(10)
Increase (decrease) in liabilities:			
Accrued wages and benefits	(1,412)	0	(1,412)
Compensated absences payable	1,173	0	1,173
Intergovernmental payable	1,334	0	1,334
Deferred revenue	5,154	0	5,154
Claims payable	0	44,988	44,988
Total Adjustments	12,684	45,730	58,414
Net Cash Provided By (Used For) Operating Activities	\$ (108,450)	\$ 50,709	\$ (57,741)

See accompanying notes to the general purpose financial statements.

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 1 NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY

The Rittman Exempted Village 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 school district as defined by Section 3311.04 of the Ohio Revised Code. The District operates under an elected Board of Education, consisting of five members, and is responsible for providing public education to residents of the District. Average daily membership on, or as of, October 1, 1999, was 1,316. The District employs 97 certificated and 64 non-certificated employees.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

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

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

Governmental Fund Types

Governmental fund types are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay obligations of the current period, which is considered to be approximately sixty days. Generally property taxes, although measurable, are not available soon enough after the current period to finance current period obligations, and accordingly, property taxes receivable are reflected as deferred revenue until available. Reimbursements due for federally funded programs are recognized when the corresponding expenditures are made.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, since the measurement focus of governmental funds is on decreases in financial resources. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payment to be made early in the following year. Compensated absences are reported as a fund liability when payment will require the current available financial resources. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds. Governmental funds include the following fund types:

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

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

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

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION (continued)

Proprietary Fund Types

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

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

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

Fiduciary Fund Types

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

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

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

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION (continued)

Account Groups

The District maintains two account groups as described below:

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

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

B. DEPOSITS AND INVESTMENTS

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The District pools its cash for investment and administration purposes. Deposit and investment procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments and other cash equivalents are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Investment income is recorded in the general fund, as permitted by the Ohio Revised Code. Investments are stated at cost which approximates fair value at year-end. Cash deposits are reported as carrying amount, which reasonably estimates fair value.

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

C. RESTRICTED CASH

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

D. RECEIVABLES

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

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. INVENTORIES AND SUPPLIES

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

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

F. PREPAID EXPENSES

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

G. FIXED ASSETS AND DEPRECIATION

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

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

H. LONG-TERM LIABILITIES

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

I. UNPAID COMPENSATED ABSENCES

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

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. UNPAID COMPENSATED ABSENCES (continued)

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination method. The liability is based on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit.

K. FUND EQUITY

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

L. TOTAL COLUMNS

Total columns on the general purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object code level within each fund. Budgetary modifications may only be made by resolution of the Board of Education.

B. BUDGETARY BASIS

Tax Budget

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

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

B. BUDGETARY BASIS (continued)

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the District by March 1. As part of the certification, the District receives the official certificate of estimated resources which states that projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. Budget receipts, as shown in the accompanying "Combined Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - All Governmental Fund Types" do not include July 1, 1999 unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations

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

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

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

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

B. BUDGETARY BASIS (continued)

Encumbrances

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

Budgetary Reporting

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

- 1.) Revenues are recorded when received (budget basis) rather than when susceptible to accrual (GAAP basis).
- 2.) Expenditures are recorded when paid or encumbered (budget basis) rather than when the liability is incurred (GAAP basis).
- 3.) Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

The adjustments necessary to convert the results of operations for the year from the budget basis to the GAAP basis for the governmental funds follow:

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 2000

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

B. BUDGETARY BASIS (continued)

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Expendable Trust Fund
Budget Basis	\$ 412,881	\$ (133,485)	\$ 8,090	\$ (500)
Adjustments, increase (decrease)				
Revenue accruals	(54,229)	(180)	(50,183)	0
Expenditures accruals	(43,871)	3,274	50,000	0
Encumbrances	231,011	8,035	100,022	0
GAAP basis, as reported	\$ 545,792	\$ (122,356)	\$ 107,929	\$ (500)

NOTE 4 DEPOSITS AND INVESTMENTS

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

A. LEGAL REQUIREMENTS

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

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

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

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

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

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

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 4 DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

- (1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association and student loan marketing association. All federal agency securities shall be direct issuance's of federal government agencies or instrumentalities;
- (3) Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement exceeds the principal value of the agreement by at least two percent and be market to market daily with the term of the agreement not exceeding thirty days;
- (4) Bonds and other obligations of the State of Ohio;
- (5) No load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- (6) The State Treasurer's investments pool (STAR Ohio);
- (7) Certain bankers' acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
- (8) Under limited circumstances, corporate debt instruments 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 Rittman Exempted Village School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specific dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 2000

NOTE 4 DEPOSITS AND INVESTMENTS (continued)

B. DEPOSITS AND CASH

At year-end, the carrying amount of the Rittman Exempted Village School District deposits was (\$87,279), the bank balance was \$193,983 which was covered by federal depository insurance, by collateral held by the Rittman Exempted Village School District, or by collateral held by a qualified third party trustee in the name of Rittman Exempted Village School District.

C. INVESTMENTS

The District's investments are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name.

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

	<u>Category</u>			<u>Carrying value</u>	<u>Fair value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Repurchase Agreement	\$ 0	\$ 0	\$ 356,450	\$ 356,450	\$ 356,450
Investment in State Treasurers Investment Pool				<u>\$ 3,293,626</u>	<u>\$ 3,293,626</u>
Total				<u>\$ 3,650,076</u>	<u>\$ 3,650,076</u>

NOTE 5 FIXED ASSETS AND ACCUMULATED DEPRECIATION

A. GENERAL FIXED ASSETS ACCOUNT GROUP

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

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2000</u>
Land and improvements	\$ 592,090	\$ 0	\$ 0	\$ 592,090
Buildings	3,595,917	0	0	3,595,917
Furniture and Equipment	1,291,293	310,609	9,943	1,591,959
Vehicles	<u>293,313</u>	<u>0</u>	<u>0</u>	<u>293,313</u>
	<u>\$ 5,772,613</u>	<u>\$ 310,609</u>	<u>\$ 9,943</u>	<u>\$ 6,073,279</u>

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 2000

NOTE 5 FIXED ASSETS AND ACCUMULATED DEPRECIATION (continued)

B. PROPRIETARY FUND TYPE FIXED ASSETS

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

Enterprise	Balance June 30, 2000
Equipment	\$ 206,348
Less: accumulated depreciation	(101,734)
Net fixed asset	\$ 104,614

NOTE 6 GENERAL LONG-TERM OBLIGATIONS

	Outstanding June 30, 1999	Additions	Deductions	Outstanding June 30, 2000
Accrued vacation pay	\$ 20,232	\$ 17,977	\$ 20,232	\$ 17,977
SERS Benefits	58,888	55,151	58,888	55,151
Accrued sick leave benefits	456,339	0	15,935	440,404
	\$ 535,459	\$ 73,128	\$ 95,055	\$ 513,532

NOTE 7 PROPERTY TAXES

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

Real property taxes are based on assessed value equal to thirty-five percent of appraisal value. The Wayne and Medina County Auditors reappraises real property every six years with a triennial update, the last update for Wayne County was 1996, and Medina County was 1998. Real property tax, which becomes a lien on the applicable real property, becomes due annually on December 31. However, in Wayne and Medina Counties, real property taxes are billed semi-annually, one year in arrears. The tax rate applied to real property collected in 1999 before certain homestead and rollback reductions, which reductions are reimbursed to the District by the State of Ohio, amounted to \$54.80 per \$1,000 of valuation for Wayne and Medina County. The effective rate for Wayne County, applied after adjustment for inflationary increases in property values, was \$32.88 per \$1,000 of assessed valuation for residential and agricultural real property and \$50.92 per \$1,000 of assessed valuation for other real property. The effective rate for Medina County, applied after adjustment for inflationary increases in property values, was \$32.88 per \$1,000 of assessed valuation for residential and agricultural real property and \$50.92 per \$1,000 of assessed valuation for other real property.

Tangible personal property used in business is required to be reported by its owners by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost.

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 2000

NOTE 7 PROPERTY TAXES (continued)

The tax rate applied to tangible personal property for the current year ended December 31, 1999 was \$54.80 per \$1,000 of valuation for Wayne and Medina Counties.

The property valuation consisted of:

	<u>Wayne County</u>	<u>Medina County</u>
Real Property - 1999		
Residential/Agricultural	\$ 61,841,030	\$ 1,991,300
Commercial/Agricultural	10,307,570	54,650
Public Utilities	29,070	133,290
Manufactured Homes	17,340	0
Tangible Personal Property - 2000		
General	19,834,162	69,950
Public Utilities	3,322,420	123,080
Total valuation	\$ 95,351,592	\$ 2,372,270

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable at June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 is recognized as revenue. The amount available to the District as an advance at June 30, 2000, was \$57,488.

NOTE 8 INTERFUND TRANSACTIONS

Interfund balances at June 30, 2000, consists of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 72	\$ 0
Special Revenue	0	72
	\$ 72	\$ 72

NOTE 9 PENSION PLANS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

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

Plan members are required to contribute 9% of their annual covered salary and Rittman Exempted Village School District is required to contribute at an actuarially determine rate. The

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 9 PENSION PLANS (continued)

current rate is 14% of annual covered payroll. The contribution requirement of plan members and Rittman Exempted Village School District are established and may be amended by the SERS Board of Trustees. The School District's contributions to SERS for the years ending June 30, 2000, 1999, and 1998 were \$137,814, \$133,056, and \$126,990, respectively; 50 percent has been contributed for fiscal year 2000, and 100 percent for the fiscal years 1999 and 1998. The amount representing the unpaid contribution for fiscal year 2000, \$68,028 is recorded as a liability within the respective funds and the general long-term obligations account group.

B. STATE TEACHERS RETIREMENT SYSTEM (STRS)

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

Plan members are required to contribute 9.3% of their annual covered salary and Rittman Exempted Village School District is required to contribute at an actuarially determine rate. The current rate is 14% of annual covered payroll. The contribution requirement of plan members and Rittman Exempted Village School District are established and may be amended by the STRS Board of Trustees. The School District's contributions to STRS for the years ending June 30, 2000, 1999, and 1998 were \$526,956, \$487,632, and \$461,352, respectively; 83.3 percent has been contributed for fiscal year 2000, and 100 percent for fiscal years 1999 and 1998. The amount representing the unpaid contribution for fiscal year 2000, \$93,580 is recorded as a liability within the respective funds.

NOTE 10 POSTEMPLOYMENT BENEFITS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

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

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

After the allocation for basic benefits, the remainder of the employer's contribution is allocated to providing health care benefits. At June 30, 1999, (the latest information available) the allocation rate was 6.3%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 1999, the minimum pay has been established as \$12,400.

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 10 POSTEMPLOYMENT BENEFITS (continued)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) (continued)

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

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 1999 were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, the Retirement System's net assets available for payment of health care benefits was \$188.0 million, at cost. The number of participants currently receiving health care benefits is approximately 51,000. The portion employer contributions that were used to fund postemployment benefits was approximately \$77,978.

B. STATE TEACHERS RETIREMENT SYSTEM (STRS)

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

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

The Board currently allocates employer contributions equal to 2% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. However, for the fiscal year ended June 30, 1999, the board allocated employer contributions equal to 8.0% of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2,783 million at June 30, 1999, (the latest information available). The Health Care Reserve Fund allocation for the year ended June 30, 2000, will be 8% of covered payroll. For the year ended, June 30, 1999, the net health care costs paid by STRS were \$249,929,000. There were 95,796 eligible benefit recipients.

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 11 SEGMENT INFORMATION - ENTERPRISE FUNDS

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

	<u>Food Services</u>	<u>Uniform Supplies</u>	<u>Total</u>
Operating revenues	\$ 240,339	\$ 24,360	\$ 264,699
Operating expenses			
Salaries and wages	124,924	0	124,924
Fringe benefits	65,864	0	65,864
Materials and supplies	151,498	32,887	184,385
Capital outlay	2,922	0	2,922
Depreciation	<u>7,738</u>	<u>0</u>	<u>7,738</u>
Total operating expenses	<u>352,946</u>	<u>32,887</u>	<u>385,833</u>
Operating income (loss)	(112,607)	(8,527)	(121,134)
Non-operating revenues, net	<u>115,586</u>	<u>173</u>	<u>115,759</u>
Income (loss) before operating transfers	2,979	(8,354)	(5,375)
Operating transfers in	<u>0</u>	<u>7,213</u>	<u>7,213</u>
Net income (loss)	<u>\$ 2,979</u>	<u>\$ (1,141)</u>	<u>\$ 1,838</u>
Other information:			
Net working capital	<u>\$ (30,610)</u>	<u>\$ 81</u>	<u>\$ (30,529)</u>
Fixed assets, net	<u>\$ 104,614</u>	<u>\$ 0</u>	<u>\$ 104,614</u>
Total assets	<u>\$ 109,746</u>	<u>\$ 81</u>	<u>\$ 109,827</u>
Total equity	<u>\$ 74,004</u>	<u>\$ 81</u>	<u>\$ 74,085</u>

NOTE 13 JOINTLY GOVERNED ORGANIZATIONS

A. TRI-COUNTY COMPUTER SERVICE ASSOCIATION (TCCSA)

The Tri-County Computer Services Association (TCCSA) is a jointly governed organization comprised of 22 school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts. Each of the governments of these districts supports TCCSA based upon on per pupil charge dependent upon the software package utilized. The TCCSA assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. TCCSA is governed by a board of directors chosen from the general membership of the TCCSA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least an assembly member from each county from which participating districts are located. Financial information can be obtained by contacting the Treasurer at the Ashland - Wayne County Education Services Center, which serves as fiscal agent, located at 2534 Burbank Road, Wooster, Ohio 44691. During the year ended June 30, 2000, the District paid approximately \$51,675 to TCCSA for basic service charges.

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 2000

NOTES 13 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District has a comprehensive property and casualty policy with Nationwide Insurance Company. The deductible is \$500 per incident on property and \$100 per incident on equipment. All vehicles are also insured with Nationwide Insurance Company and have a \$250 deductible. All board members, administrators, and employees are covered under a school district liability policy with Nationwide Insurance Company. The limits of this coverage are \$2,000,000 per occurrence and \$5,000,000 per aggregate. The board president and superintendent have a \$20,000 position bond with the Cincinnati Insurance Company.

The treasurer is covered under a surety bond in the amount of \$20,000. This bond is provided by the Cincinnati Insurance Company.

The District participates in the Ohio School Boards Association 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, President-Elect and the immediate Past President of the Ohio School Boards Association. 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 School 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 to the GRP. A participant will then either receive money from or be required to contribute 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.

The District has established a limited risk management program for hospital/medical benefits. Premiums are paid into the Self-Insurance Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. An excess coverage insurance policy covers individual claims in excess of \$35,000.

Changes in the fund's claims liability amount in 1999 and 2000 were:

	<u>Balance at</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
1999	\$ 51,709	\$ 817,875	\$ 823,477	\$ 46,107
2000	46,107	824,659	779,671	91,095

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 14 OTHER MATTERS

On March 24, 1998, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of it ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 2000, the District received \$3,831,881 of school foundation support all of which is recorded in the general fund.

Since the Supreme Court Ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the Ohio Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly..." including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

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

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

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 2000

NOTE 15 STATUTORY RESERVES

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

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Total</u>
Set-Aside Cash Balance as of June 30, 1999	\$ 0	\$ 0	\$ 96,299	\$ 96,299
Current Year Set-Aside Requirement	166,738	166,738	0	333,476
Qualifying Disbursements	<u>(217,547)</u>	<u>(256,621)</u>	<u>0</u>	<u>(474,168)</u>
Total	<u>\$ (50,809)</u>	<u>\$ (89,883)</u>	<u>\$ 96,299</u>	<u>\$ (44,393)</u>
Cash balance Carried Forward FY 2000	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 96,299</u>	
Amount Restricted for Set-Asides				<u>\$ 96,299</u>
Total Restricted Assets				<u>\$ 96,299</u>

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

September 30, 2000

The Board of Education
Rittman Exempted Village School District
Rittman, Ohio 44270

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

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

Compliance

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

Internal Control Over Financial Reporting

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

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

Rea & Associates, Inc.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

September 30, 2000

The Board of Education
Rittman Exempted Village School District
Rittman, Ohio 44270

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

Compliance

We have audited the compliance of Rittman Exempted Village School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. Rittman Exempted Village School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Rittman Exempted Village School District's management. Our responsibility is to express an opinion on Rittman Exempted Village School District's compliance based on our audit.

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

In our opinion, Rittman Exempted Village School District complied, in all material respects, with the requirements referred to above that are applicable to the major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal awards

We have audited the general purpose financial statements of Rittman Exempted Village School District as of and for the year ended June 30, 2000, and have issued our report thereon dated September 30, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of Rittman Exempted Village School District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Rea & Associates, Inc.

**RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Grant Number	Federal Receipts	Federal Disbursements	Non - Cash Disbursements
U. S. Department of Education					
(Passed Through State Department of Education):					
Title 1	84.010	C1-S1-00	\$ 208,849	\$ 197,343	\$ 0
Title 1	84.010	C1-S1-99	33,047	64,457	0
<i>Total Title 1</i>			<u>241,896</u>	<u>261,800</u>	<u>0</u>
Title VI-B	84.027	6B-SF-00P	104,680	94,108	0
Title VI-B	84.027	6B-SF-99P	0	16,150	0
<i>Total Title VI-B</i>			<u>104,680</u>	<u>110,258</u>	<u>0</u>
Title VI	84.298	C2-S1-00	6,526	6,526	0
Title VI	84.298	C2-S1-99C	864	864	0
<i>Total Title VI</i>			<u>7,390</u>	<u>7,390</u>	<u>0</u>
Title VI-R	84.340	CR-S1-00	25,520	22,668	0
<i>Total Title VI-R</i>			<u>25,520</u>	<u>22,668</u>	<u>0</u>
Drug Free Schools	84.186	DR-S1-00	5,177	4,805	0
Drug Free Schools	84.186	DR-S1-99C	811	128	0
Drug Free Schools	84.186	DR-S1-99	(304)	100	0
<i>Total Drug Free Schools</i>			<u>5,684</u>	<u>5,033</u>	<u>0</u>
Continuous Improvement Development	84.276	G2-S2-99	(25)	9,975	0
Raising the Bar Grant	84.318	TF-34-99	62,500	0	0
Raising the Bar Grant	84.318	TF-33-99	62,500	62,500	0
Raising the Bar Grant	84.318	TF-32-99	100,000	100,000	0
Raising the Bar Grant	84.318	TF-31-99	0	150,000	0
<i>Total Raising the Bar Grant</i>			<u>225,000</u>	<u>312,500</u>	<u>0</u>
Total U.S. Department of Education			<u>610,145</u>	<u>729,624</u>	<u>0</u>
U. S. Department of Agriculture					
(Passed Through State Department of Education):					
<i>Nutrition Cluster</i>					
Food Distribution Program (A) (B)	10.550		36,506	0	35,076
National School Lunch Program	10.555		109,015	109,015	0
Total U.S. Department of Agriculture - Nutrition Cluster			<u>145,521</u>	<u>109,015</u>	<u>35,076</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>755,666</u>	<u>838,639</u>	<u>35,076</u>

(A) Federal money commingled with state subsidy reimbursements. It is assumed the money was spent on a first-in, first-out basis.
(B) Represents market value less cost.

**RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 , Section .505
JUNE 30, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Was there any reported material non- compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	Raising the Bar Grant, CFDA #84.318
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

None were noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

RITTMAN EXEMPTED VILLAGE SCHOOL DISTRICT

WAYNE 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
DECEMBER 5, 2000**