

WOODRIDGE LOCAL SCHOOL DISTRICT

Audit Report

For the Year Ended June 30, 2002

CHARLES E. HARRIS & ASSOCIATES, INC.
Certified Public Accountants



**Auditor of State
Betty Montgomery**

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Board of Education
Woodridge Local School District
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We have reviewed the Independent Auditor's Report of the Woodridge Local School District, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2001 through June 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

January 22, 2003

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WOODRIDGE LOCAL SCHOOL DISTRICT
Audit Report
For the Year Ended June 30, 2002

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Education
Woodridge Local School District
Peninsula, Ohio

We have audited the accompanying general purpose financial statements of the Woodridge Local School District (the District), as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with 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 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2002 and the results of its operations and cash flows of its proprietary fund types 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 a report dated December 13, 2002 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.

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

Charles E. Harris & Associates, Inc.
December 13, 2002

Woodridge Local School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2002

Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits:</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 1,468,144	\$ 316,272	\$ 480,880	\$ 74,737
Receivables:				
Taxes	12,074,888	-	1,415,262	348,825
Accounts	800	-	-	-
Intergovernmental	22,404	27,313	-	-
Interfund receivable	34,489	-	-	-
Inventory held for resale	-	-	-	-
Materials and supplies inventory	-	-	-	-
Equity in pooled cash and cash equivalents (restricted)	69,591	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-
<u>Other debits:</u>				
Amount available in debt service fund for retirement of general obligation bonds	-	-	-	-
Amount to be provided from general government resources	-	-	-	-
general government resources	-	-	-	-
Total assets and other debits	<u>\$ 13,670,316</u>	<u>\$ 343,585</u>	<u>\$ 1,896,142</u>	<u>\$ 423,562</u>
<u>Liabilities, fund equity and other credits:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 34,661	\$ 25,978	\$ -	\$ 14,058
Accrued wages	994,644	51,276	-	-
Compensated absences payable	40,476	-	-	-
Interfund payable	-	4,189	-	2,500
Intergovernmental payable	318,667	912	-	-
Deferred revenue	11,839,205	12,097	1,386,457	341,723
Due to students	-	-	-	-
Capital leases payable	-	-	-	-
Energy conservation loan payable	-	-	-	-
General obligation bonds payable	-	-	-	-
Total liabilities	<u>13,227,653</u>	<u>94,452</u>	<u>1,386,457</u>	<u>358,281</u>
<u>Fund equity and other credits:</u>				
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Unreserved	-	-	-	-
Fund balance:				
Reserved for encumbrances	219,197	40,824	-	33,850
Reserved for debt service	-	-	480,880	-
Reserved for property taxes	249,439	-	28,805	7,102
Reserved for textbooks/instructional material	69,591	-	-	-
Unreserved:				
Undesignated	(95,564)	208,309	-	24,329
Total fund equity and other credits	<u>442,663</u>	<u>249,133</u>	<u>509,685</u>	<u>65,281</u>
Total liabilities, fund equity and other credits	<u>\$ 13,670,316</u>	<u>\$ 343,585</u>	<u>\$ 1,896,142</u>	<u>\$ 423,562</u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 4,164	\$ 21,756	\$ 38,977	\$ -	\$ -	\$ 2,404,930
-	-	-	-	-	13,838,975
-	-	-	-	-	800
54,130	-	-	-	-	103,847
-	-	-	-	-	34,489
28,710	-	-	-	-	28,710
5,939	-	-	-	-	5,939
-	-	-	-	-	69,591
174,227	-	-	26,121,199	-	26,295,426
-	-	-	-	509,685	509,685
-	-	-	-	17,195,372	17,195,372
<u>\$ 267,170</u>	<u>\$ 21,756</u>	<u>\$ 38,977</u>	<u>\$ 26,121,199</u>	<u>\$ 17,705,057</u>	<u>\$ 60,487,764</u>
\$ 1,267	\$ 44	\$ 2,198	\$ -	\$ -	\$ 78,206
26,661	1,492	-	-	-	1,074,073
11,173	-	-	-	618,024	669,673
27,800	-	-	-	-	34,489
23,091	22	-	-	122,368	465,060
19,575	-	-	-	-	13,599,057
-	-	35,521	-	-	35,521
-	-	-	-	99,806	99,806
-	-	-	-	151,786	151,786
-	-	-	-	16,713,073	16,713,073
<u>109,567</u>	<u>1,558</u>	<u>37,719</u>	<u>-</u>	<u>17,705,057</u>	<u>32,920,744</u>
-	-	-	26,121,199	-	26,121,199
157,603	20,198	-	-	-	177,801
-	-	-	-	-	293,871
-	-	-	-	-	480,880
-	-	-	-	-	285,346
-	-	-	-	-	69,591
-	-	1,258	-	-	138,332
<u>157,603</u>	<u>20,198</u>	<u>1,258</u>	<u>26,121,199</u>	<u>-</u>	<u>27,567,020</u>
<u>\$ 267,170</u>	<u>\$ 21,756</u>	<u>\$ 38,977</u>	<u>\$ 26,121,199</u>	<u>\$ 17,705,057</u>	<u>\$ 60,487,764</u>

Woodridge Local School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2002

Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
<u>Revenues:</u>				
Property and other local taxes	\$ 11,343,110	\$ -	\$ 1,372,852	\$ 324,162
Intergovernmental	2,379,854	780,984	156,093	88,829
Interest	82,869	2,456	-	1,451
Tuition and fees	71,690	-	-	-
Extracurricular activities	146	144,579	-	-
Gifts and donations	1,500	33,462	-	-
Miscellaneous	9,160	6,660	-	-
Total revenues	13,888,329	968,141	1,528,945	414,442
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	6,087,198	403,455	-	75,163
Special	1,333,654	147,642	-	-
Vocational	225,096	11,530	-	2,492
Other	134,528	-	-	-
Support services:				
Pupils	858,117	76,049	-	-
Instructional staff	531,198	135,992	-	9,402
Board of education	15,413	-	-	-
Administration	1,237,091	40,431	-	1,614
Fiscal	416,673	-	20,092	4,746
Business	380	903	-	38,950
Operation and maintenance of plant	1,202,104	1,640	-	91,900
Pupil transportation	926,880	20,149	-	65,488
Central	39,714	-	-	10,000
Operation of non-instructional services	-	-	-	-
Extracurricular activities	242,924	120,364	-	-
Capital outlay	-	-	-	66,330
Debt service:				
Principal retirement	46,477	-	679,047	18,458
Interest and fiscal charges	9,217	-	968,211	74
Total expenditures	13,306,664	958,155	1,667,350	384,617
Excess of revenues over (under) expenditures	581,665	9,986	(138,405)	29,825
<u>Other financing sources (uses):</u>				
Proceeds from sale of fixed assets	150	-	-	-
Proceeds of refunding bonds	-	-	9,123,439	-
Payment to refunded bond escrow agent	-	-	(8,965,428)	-
Operating transfers in	-	92,429	67,418	-
Operating transfers out	(127,247)	-	-	(49,000)
Total other financing sources (uses)	(127,097)	92,429	225,429	(49,000)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	454,568	102,415	87,024	(19,175)
Fund balances (deficit) at beginning of year	(11,905)	146,718	422,661	84,456
Fund balances (deficit) at end of year	\$ 442,663	\$ 249,133	\$ 509,685	\$ 65,281

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type	Totals (Memorandum Only)
Expendable Trust	
\$ -	\$ 13,040,124
-	3,405,760
-	86,776
-	71,690
-	144,725
-	34,962
621	16,441
<u>621</u>	<u>16,800,478</u>
-	6,565,816
-	1,481,296
-	239,118
-	134,528
-	934,166
-	676,592
-	15,413
-	1,279,136
-	441,511
-	40,233
-	1,295,644
-	1,012,517
-	49,714
799	799
-	363,288
-	66,330
-	743,982
-	977,502
<u>799</u>	<u>16,317,585</u>
<u>(178)</u>	<u>482,893</u>
-	150
-	9,123,439
-	(8,965,428)
-	159,847
-	(176,247)
<u>-</u>	<u>141,761</u>
(178)	624,654
<u>1,436</u>	<u>643,366</u>
<u>\$ 1,258</u>	<u>\$ 1,268,020</u>

Woodridge Local School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2002

	Governmental Fund Types		
	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues:</u>			
Taxes	\$ 11,254,110	\$ 11,504,112	\$ 250,002
Intergovernmental	2,290,999	2,371,206	80,207
Interest	84,463	84,463	-
Tuition and fees	72,186	72,186	-
Rent	2,047	2,047	-
Extracurricular activities	146	146	-
Gifts and donations	1,500	1,500	-
Miscellaneous	6,313	6,313	-
Total revenues	<u>13,711,764</u>	<u>14,041,973</u>	<u>330,209</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	6,135,240	6,133,583	1,657
Special	1,345,027	1,345,027	-
Vocational	220,893	220,892	1
Other	135,297	135,297	-
Support services:			
Pupils	870,171	870,170	1
Instructional staff	533,456	532,804	652
Board of education	15,495	15,495	-
Administration	1,274,182	1,274,180	2
Fiscal	416,025	415,472	553
Business	380	380	-
Operation and maintenance of plant	1,316,249	1,315,690	559
Pupil transportation	975,466	975,453	13
Central	53,137	53,137	-
Operation of non-instructional services	-	-	-
Extracurricular activities	245,639	245,639	-
Capital outlay			-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>13,536,657</u>	<u>13,533,219</u>	<u>3,438</u>
Excess of revenues over (under) expenditures	<u>175,107</u>	<u>508,754</u>	<u>333,647</u>
<u>Other financing sources (uses):</u>			
Proceeds from sale of fixed assets	150	150	-
Advances in	6,600	6,600	-
Advances out	(34,489)	(34,489)	-
Operating transfers in	-	-	-
Operating transfers out	(135,329)	(127,247)	8,082
Total other financing sources (uses)	<u>(163,068)</u>	<u>(154,986)</u>	<u>8,082</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	12,039	353,768	341,729
Fund balances at beginning of year	762,309	762,309	-
Prior year encumbrances appropriated	177,791	177,791	-
Fund balances at end of year	<u>\$ 952,139</u>	<u>\$ 1,293,868</u>	<u>\$ 341,729</u>

See accompanying notes to the general purpose financial statements.

Governmental Fund Types

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 1,308,794	\$ 1,392,701	\$ 83,907
766,622	762,318	(4,304)	156,093	156,093	-
2,595	2,595	-	19,790	19,790	-
-	-	-	-	-	-
-	-	-	-	-	-
123,347	144,579	21,232	-	-	-
30,833	33,462	2,629	-	-	-
6,660	6,660	-	-	-	-
<u>930,057</u>	<u>949,614</u>	<u>19,557</u>	<u>1,484,677</u>	<u>1,568,584</u>	<u>83,907</u>
426,913	412,673	14,240	-	-	-
217,874	154,241	63,633	-	-	-
11,530	11,530	-	-	-	-
-	-	-	-	-	-
79,095	78,094	1,001	-	-	-
188,748	152,086	36,662	-	-	-
-	-	-	-	-	-
44,236	40,431	3,805	-	-	-
-	-	-	23,000	20,092	2,908
903	903	-	-	-	-
1,640	1,640	-	-	-	-
20,190	20,189	1	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
151,440	151,401	39	-	-	-
-	-	-	-	-	-
-	-	-	679,048	679,048	-
-	-	-	898,223	829,989	68,234
<u>1,142,569</u>	<u>1,023,188</u>	<u>119,381</u>	<u>1,600,271</u>	<u>1,529,129</u>	<u>71,142</u>
<u>(212,512)</u>	<u>(73,574)</u>	<u>138,938</u>	<u>(115,594)</u>	<u>39,455</u>	<u>155,049</u>
-	-	-	-	-	-
4,189	4,189	-	-	-	-
(6,600)	(6,600)	-	-	-	-
92,429	92,429	-	67,418	67,418	-
-	-	-	-	-	-
<u>90,018</u>	<u>90,018</u>	<u>-</u>	<u>67,418</u>	<u>67,418</u>	<u>-</u>
(122,494)	16,444	138,938	(48,176)	106,873	155,049
192,007	192,007	-	374,007	374,007	-
38,139	38,139	-	-	-	-
<u>\$ 107,652</u>	<u>\$ 246,590</u>	<u>\$ 138,938</u>	<u>\$ 325,831</u>	<u>\$ 480,880</u>	<u>\$ 155,049</u>

(Continued)

Woodridge Local School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2002 - (Continued)

	Governmental Fund Types		
	Revised Budget	Capital Projects Funds Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 384,927	\$ 328,135	\$ (56,792)
Intergovernmental	112,829	88,829	(24,000)
Interest	1,623	1,623	-
Tuition and fees	-	-	-
Rent	-	-	-
Extracurricular activities	-	-	-
Gifts and donations	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>499,379</u>	<u>418,587</u>	<u>(80,792)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	134,166	125,008	9,158
Special	-	-	-
Vocational	2,500	2,492	8
Other	-	-	-
Support services:			
Pupils	-	-	-
Instructional staff	9,634	9,634	-
Board of education	-	-	-
Administration	1,615	1,614	1
Fiscal	4,936	4,746	190
Business	40,270	40,270	-
Operation and maintenance of plant	131,560	126,928	4,632
Pupil transportation	69,921	65,488	4,433
Central	10,000	10,000	-
Operation of non-instructional services	-	-	-
Extracurricular activities	-	-	-
Capital outlay	101,920	92,072	9,848
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>506,522</u>	<u>478,252</u>	<u>28,270</u>
Excess of revenues over (under) expenditures	<u>(7,143)</u>	<u>(59,665)</u>	<u>(52,522)</u>
<u>Other financing sources (uses):</u>			
Proceeds from sale of fixed assets	-	-	-
Advances in	2,500	2,500	-
Advances out	-	-	-
Operating transfers in	-	-	-
Operating transfers out	(49,000)	(49,000)	-
Total other financing sources (uses)	<u>(46,500)</u>	<u>(46,500)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(53,643)	(106,165)	(52,522)
Fund balances at beginning of year	53,643	53,643	-
Prior year encumbrances appropriated	84,388	84,388	-
Fund balances at end of year	<u>\$ 84,388</u>	<u>\$ 31,866</u>	<u>\$ (52,522)</u>

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type			Totals (Memorandum Only)		
Expendable Trust Fund					
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 12,947,831	\$ 13,224,948	\$ 277,117
-	-	-	3,326,543	3,378,446	51,903
-	-	-	108,471	108,471	-
-	-	-	72,186	72,186	-
-	-	-	2,047	2,047	-
-	-	-	123,493	144,725	21,232
-	-	-	32,333	34,962	2,629
381	621	240	13,354	13,594	240
<u>381</u>	<u>621</u>	<u>240</u>	<u>16,626,258</u>	<u>16,979,379</u>	<u>353,121</u>
1,270	-	1,270	6,697,589	6,671,264	26,325
-	-	-	1,562,901	1,499,268	63,633
-	-	-	234,923	234,914	9
-	-	-	135,297	135,297	-
-	-	-	949,266	948,264	1,002
-	-	-	731,838	694,524	37,314
-	-	-	15,495	15,495	-
-	-	-	1,320,033	1,316,225	3,808
-	-	-	443,961	440,310	3,651
-	-	-	41,553	41,553	-
-	-	-	1,449,449	1,444,258	5,191
-	-	-	1,065,577	1,061,130	4,447
-	-	-	63,137	63,137	-
410	383	27	410	383	27
137	-	137	397,216	397,040	176
-	-	-	101,920	92,072	9,848
-	-	-	679,048	679,048	-
-	-	-	898,223	829,989	68,234
<u>1,817</u>	<u>383</u>	<u>1,434</u>	<u>16,787,836</u>	<u>16,564,171</u>	<u>223,665</u>
<u>(1,436)</u>	<u>238</u>	<u>1,674</u>	<u>(161,578)</u>	<u>415,208</u>	<u>576,786</u>
-	-	-	150	150	-
-	-	-	13,289	13,289	-
-	-	-	(41,089)	(41,089)	-
-	-	-	159,847	159,847	-
-	-	-	(184,329)	(176,247)	8,082
-	-	-	<u>(52,132)</u>	<u>(44,050)</u>	<u>8,082</u>
(1,436)	238	1,674	(213,710)	371,158	584,868
1,436	1,436	-	1,383,402	1,383,402	-
-	-	-	300,318	300,318	-
<u>\$ -</u>	<u>\$ 1,674</u>	<u>\$ 1,674</u>	<u>\$ 1,470,010</u>	<u>\$ 2,054,878</u>	<u>\$ 584,868</u>

Woodridge Local School District
Combined Statement of Revenues,
Expenses and Changes in Retained Earnings
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2002

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<u>Operating revenues:</u>			
Sales	\$ 338,290	\$ 4,780	\$ 343,070
Other operating revenues	-	32,599	32,599
Total operating revenue	<u>338,290</u>	<u>37,379</u>	<u>375,669</u>
<u>Operating expenses:</u>			
Salaries	206,826	1,897	208,723
Fringe benefits	65,496	22	65,518
Purchased services	7,971	-	7,971
Materials and supplies	109,252	580	109,832
Cost of sales	224,149	-	224,149
Depreciation	15,867	-	15,867
Other operating expenses	-	34,426	34,426
Total operating expenses	<u>629,561</u>	<u>36,925</u>	<u>666,486</u>
Operating income (loss)	<u>(291,271)</u>	<u>454</u>	<u>(290,817)</u>
<u>Non-operating revenues:</u>			
Federal donated commodities	42,217	-	42,217
Operating grants	206,734	-	206,734
Interest	119	-	119
Total non-operating revenues	<u>249,070</u>	<u>-</u>	<u>249,070</u>
Income (loss) before operating transfers	<u>(42,201)</u>	<u>454</u>	<u>(41,747)</u>
Operating transfers in	16,400	-	16,400
Net income (loss)	<u>(25,801)</u>	<u>454</u>	<u>(25,347)</u>
Retained earnings at beginning of year	183,404	19,744	203,148
Retained earnings at end of year	<u>\$ 157,603</u>	<u>\$ 20,198</u>	<u>\$ 177,801</u>

See accompanying notes to the general purpose financial statements.

Woodridge Local School District
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2002

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<u>Cash flows from operating activities:</u>			
Cash received from customers	\$ 338,290	\$ 8,520	\$ 346,810
Cash received from other operating sources	-	28,859	28,859
Cash payments to suppliers for goods and services	(305,657)	(34,962)	(340,619)
Cash payments to employees for services	(180,727)	(405)	(181,132)
Cash payments for employee benefits	(76,030)	-	(76,030)
Net cash provided by (used for) operating activities	(224,124)	2,012	(222,112)
<u>Cash flows from noncapital financing activities:</u>			
Operating grants	152,604	-	152,604
Transfer in	16,400	-	16,400
Advances in	27,800	-	27,800
Net cash provided by noncapital financing activities	196,804	-	196,804
<u>Cash flows from investing activities:</u>			
Interest on investments	119	-	119
Net cash provided by investing financing	119	-	119
Net increase (decrease) in cash and cash equivalents	(29,026)	2,012	(27,014)
Cash and cash equivalents at beginning of year	33,190	19,744	52,934
Cash and cash equivalents at end of year	\$ 4,164	\$ 21,756	\$ 25,920
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>			
Operating income (loss)	\$ (291,271)	\$ 454	\$ (290,817)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	15,867	-	15,867
Federal donated commodities	42,217	-	42,217
Change in assets and liabilities:			
(Increase) decrease in assets:			
Inventory	(12,931)	-	(12,931)
Increase (decrease) in liabilities:			
Accounts payable	(1,259)	44	(1,215)
Accrued wages	3,699	1,492	5,191
Compensated absences payable	2,876	-	2,876
Intergovernmental payable	8,990	22	9,012
Deferred revenue	7,688	-	7,688
Total adjustments	67,147	1,558	68,705
Net cash provided by (used for) operating activities	\$ (224,124)	\$ 2,012	\$ (222,112)

Noncash Activities:

Donated commodities are received from the federal government in the Food Service enterprise fund in the amount of \$42,217.

See accompanying notes to the general purpose financial statements.

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's five instructional/support facilities staffed by 100 non-certificated employees, 148 certificated full time teaching personnel/support staff, and ten administrators, who provide services to 1,735 students and other community members.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Notes to the General Purpose Financial Statements

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

B. Basis of Presentation – Fund Accounting

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

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

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

Governmental Fund Types

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

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

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

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

Woodridge Local School District

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

Proprietary Fund Types

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

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

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

Fiduciary Fund Types

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

Account Groups

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. 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 fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants and entitlements, student fees and property taxes available in the County Auditor's office.

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

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

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

D. Budgets and Budgetary Accounting

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

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

Notes to the General Purpose Financial Statements

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

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

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

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

Encumbrances: As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of 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. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent year expenditures for governmental funds and reported in the notes to the financial statements for enterprise funds.

Woodridge Local School District

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

E. Cash and Investments

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

The District invested funds in STAR Ohio during fiscal year 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2002.

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

F. Inventory of Supplies

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

G. Fixed Assets and Depreciation

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

Notes to the General Purpose Financial Statements

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

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

H. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets may include unexpended revenues restricted for the purchase of buses, and amounts required by statute to be set-aside by the School District for the purchase of textbooks and for the acquisition or construction of capital assets. Although no longer required by statute, at the discretion of the Board, the School District may establish a set-aside for budget stabilization. See Note 17 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

I. Intergovernmental Revenues

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

The School District currently participates in several State and Federal programs. Management has determined the following programs to be material.

Entitlements

General Fund

- State Foundation Program
- State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

- Disadvantaged Pupil Impact Aid
- Title VI-B
- Title I
- Title VI-R
- Raising the Bar

Capital Project Fund

- SchoolNet

Reimbursable Grants

General Fund

- School Bus Purchase Reimbursement

Proprietary Fund

- National School Lunch Program
- National School Breakfast Program
- Government Donated Commodities

Woodridge Local School District

Grants and entitlements amounted to approximately 21% of the School District's operating revenue during the fiscal year.

J. Compensated Absences

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

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

K. Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Bonds and capital leases are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

L. Interfund Transactions

During the course of normal operations, the School District has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers.

M. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, purchase of textbooks and instructional materials, and debt service.

N. Estimates

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

- O. Memorandum Only - Total Columns on General Purpose Financial Statements** - Total columns on the general-purpose financial statements are captioned "Totals Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. Proceeds from and principal payment on bond and tax anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).

Woodridge Local School District

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

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
<i>GAAP Basis</i>	\$ 454,568	\$ 102,415	\$ 87,024	\$ (19,175)	\$ (178)
<i>Revenue accruals</i>	160,244	(14,338)	(9,083,800)	6,645	-
<i>Expenditure accruals</i>	(20,356)	(5,552)	9,103,649	(50,906)	476
<i>Encumbrances (Budget Basis) outstanding at year end</i>	<u>(240,688)</u>	<u>(66,081)</u>	<u>-</u>	<u>(42,729)</u>	<u>(60)</u>
<i>Budget Basis</i>	<u>\$ 353,768</u>	<u>\$ 16,444</u>	<u>\$ 106,873</u>	<u>\$ (106,165)</u>	<u>\$ 238</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School 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 School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

1. United States Treasury bills, notes, bonds, or any other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Notes to the General Purpose Financial Statements

3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of settlement;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days.
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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 School 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits: The carrying value of the School District's deposits and petty cash totaled (\$174,823) and the bank balances of the deposits totaled \$4,924. Of the bank balance, \$4,924 was covered by federal depository insurance. The School District maintains a "zero balance" account for their payroll checking account and a similar low balance account for the general checking account. Money is credited to their checking account from a repurchase account that is linked to those accounts as checks are presented.

Woodridge Local School District

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

	<u>Category 3</u>	<u>Fair Value</u>
<u>Categorized Investments</u>		
<i>Repurchase Agreements</i>	<u>\$ 270,000</u>	<u>\$ 270,000</u>
<i>Total Categorized</i>	<u>\$ 270,000</u>	<u>270,000</u>
 <u>Noncategorized Investments</u>		
<i>State Treasurer's Pool</i>		<u>2,379,344</u>
<i>Total Investments</i>		<u>\$ 2,649,344</u>

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2002 amounted to \$82,869, which includes \$16,710 assigned from other School District funds.

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

NOTE 5 - PROPERTY TAX

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located within the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88% of true value (with certain exceptions) and on real property at 35% of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25% of true value.

Notes to the General Purpose Financial Statements

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternative payment dates to be established.

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

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, tangible personal property and public utility taxes which became measurable as of year end. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at year end is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year-end was \$249,439 in the General fund, \$28,805 in the Bond Retirement debt service fund, and \$7,102 in the Permanent Improvement capital projects fund and is recognized as revenue.

The assessed values upon which fiscal year 2002 taxes were collected are:

<u>Property Category</u>	<u>2001 Assessed Value</u>	<u>2000 Assessed Value</u>
<u>Real Property</u>		
<i>Residential and Agricultural</i>	\$ 276,808,450	\$ 265,315,460
<i>Commercial and Industrial</i>	80,045,070	75,947,190
<i>Public Utilities</i>	3,500	3,940
<u>Tangible Personal Property</u>		
<i>General</i>	52,175,787	47,625,352
<i>Public Utilities</i>	10,130,450	11,587,350
<i>Total</i>	<u>\$ 419,163,257</u>	<u>\$ 400,479,292</u>

Woodridge Local School District

NOTE 6 - RECEIVABLES

Receivables at year-end consisted of taxes, accounts, interfund and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. Intergovernmental receivables at year-end amounted to \$22,404, \$27,313 and \$54,130, in the general, special revenue and enterprise fund types, respectively.

NOTE 7 - FIXED ASSETS

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

<u>Classification</u>	<u>Balance at June 30, 2002</u>
<i>Equipment</i>	\$ 353,618
<i>Less: accumulated depreciation</i>	<u>(179,391)</u>
<i>Net fixed assets</i>	<u>\$ 174,227</u>

General Fixed Assets: Changes in general fixed assets during fiscal year 2002 were as follows:

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
<i>Land and Land Improvements</i>	\$ 1,409,997	\$ -	\$ -	\$ 1,409,997
<i>Buildings</i>	18,952,471	-	-	18,952,471
<i>Furniture, Fixtures and Equipment</i>	4,009,275	392,774	-	4,402,049
<i>Vehicles</i>	<u>1,246,740</u>	<u>109,942</u>	-	<u>1,356,682</u>
<i>Total</i>	<u>\$ 25,618,483</u>	<u>\$ 502,716</u>	<u>\$ -</u>	<u>\$ 26,121,199</u>

NOTE 8 - RISK MANAGEMENT

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

Notes to the General Purpose Financial Statements

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

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

NOTE 9 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute an actuarially determined rate of 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to the statutory maximum amounts, by the SERS Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$360,699, \$293,219, and \$189,180, respectively; 46% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$195,099 representing the unpaid contribution for fiscal year 2002 is recorded as a liability within the respective funds and the general long-term obligations account group.

Woodridge Local School District

B. State Teachers Retirement System

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

Plan members are required to contribute 9.3% of their annual covered salary and the School District is required to contribute an actuarially determined rate of 14% of annual covered payroll. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$942,101, \$829,003, and \$604,659, respectively; 85% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$144,853 representing the unpaid contribution for fiscal year 2002 is recorded as a liability within the respective funds.

NOTE 10 – POST-EMPLOYMENT BENEFITS

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

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The retirement board currently allocates employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District this amount equaled \$302,818 during the 2002 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$3.256 million at June 30, 2001, (latest information available). For the year ended June 30, 2001, the net health care costs paid by the STRS were \$300,772,000 and eligible benefit recipients totaled 102,132.

Notes to the General Purpose Financial Statements

For the School Employees Retirement System (SERS), coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. For this fiscal year, employer contributions to fund health care benefits were 9.80% of covered payroll. 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 year 2002, the minimum pay was established at \$12,400. The surcharge, added to the unallocated portion of the 14% contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount of employer contributions used to fund health care equaled \$281,988, which includes a surcharge of \$29,499 during the 2002 fiscal year.

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, 2001, (latest information available) were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, the SERS's net assets available for payment of health care benefits was \$315.7 million, at cost. The number of participants receiving health care benefits was approximately 50,000.

NOTE 11 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

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

<u>General Long-Term Obligations</u>	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
<u>Bonds</u>				
Energy Conservation Bonds, 4.75%, maturing December 2002	\$ 78,000	\$ -	\$ (38,000)	\$ 40,000
Energy Conservation Bonds, 4.85%, maturing December 2006	131,138	-	(19,352)	111,786
Administration Building Bond, 4.85%, maturing December 2006	214,772	-	(31,695)	183,077
Middle School Bonds, 5.00-6.80% maturing December 2019	17,120,000	-	(8,625,000)	8,495,000
School Improve Refunding Bonds, 2.45-4.8% maturing December 2019	-	8,209,996	(175,000)	8,034,996
Subtotal bonds	<u>17,543,910</u>	<u>8,209,996</u>	<u>(8,889,047)</u>	<u>16,864,859</u>
<u>Other Obligations</u>				
Compensated absences	574,926	184,916	(141,818)	618,024
Capital leases	164,741	-	(64,935)	99,806
Employer pension obligations	109,777	122,368	(109,777)	122,368
Subtotal other obligations	<u>849,444</u>	<u>307,284</u>	<u>(316,530)</u>	<u>840,198</u>
Total General Long-Term Obligations	<u>\$ 18,393,354</u>	<u>\$ 8,517,280</u>	<u>\$ (9,205,577)</u>	<u>\$ 17,705,057</u>

Woodridge Local School District

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

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

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

Retirement incentive bonus: Effective August 1, 1997, the Board of Education approved a retirement incentive bonus program. Participation is open to certified employees who meet eligibility requirements set forth in the current collective bargaining agreement. All payments are to be made out of the general fund over a two-year period subsequent to the year of retirement. Related liabilities are included in compensated absences on the combined balance sheet and in the schedule above, the liability at year-end was \$17,150.

On September 17, 2001, the District issued \$8.2 million in General Obligation Bonds with an average interest rate of 3.9 percent to advance refund \$8.21 million of outstanding Middle School Bonds with an average interest rate of 5.9 percent. The net proceeds of \$8,965,428 (after payment of \$158,011 in underwriting fees, insurance, and other issuance costs) was deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the portion of Middle School Bonds refunded. As a result, the Middle School Bonds (portion refunded) are considered to defeased and the liability has been removed from the general long-term account group.

The School District advance refunded the Middle School Bonds to reduce its total debt service payments over the next 17 years by almost \$434,540 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$299,117.

Notes to the General Purpose Financial Statements

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

General Obligation Bonds

<i>Fiscal year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2003	\$ 683,523	\$ 880,876	\$ 1,564,399
2004	701,119	847,379	1,548,498
2005	753,840	812,187	1,566,027
2006	400,200	1,198,726	1,598,926
2007	352,755	1,266,171	1,618,926
2008-2012	4,068,422	3,977,645	8,046,067
2013-2017	5,950,000	1,732,933	7,682,933
2018-2020	3,955,000	274,039	4,229,039
<i>Total</i>	<u>\$ 16,864,859</u>	<u>\$ 10,989,956</u>	<u>\$ 27,854,815</u>

NOTE 12 – CAPITALIZED LEASES – LESSEE DISCLOSURE

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

General fixed assets acquired by lease have been capitalized in the general fixed assets account group at \$784,323 equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term debt account group.

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

<i>Fiscal Year</i>	<i>Lease Payments</i>
2003	55,694
2004	<u>52,143</u>
<i>Total minimum lease payments</i>	107,837
<i>Less: amount representing interest</i>	<u>(8,031)</u>
<i>Total</i>	<u>\$ 99,806</u>

Woodridge Local School District

NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEONET is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All Districts in the consortium are required to pay fees, charges, and assessments as charged. A board made up of superintendents from all of the participating districts governs NEONET. An elected Executive Board consisting of five members of the governing board is the managerial body of the consortium and meets on a monthly basis. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to NEONET are made from the general fund. During fiscal year 2002, the School District contributed \$19,458 to NEONET.

NOTE 14- SEGMENT INFORMATION - ENTERPRISE FUNDS

Financial segment information as of and for the year ended June 30, 2002 for the enterprise funds is presented as follows:

<u>Description</u>	<u>Food</u> <u>Service</u>	<u>Uniform</u> <u>School Supply</u>	<u>Total</u>
<i>Operating revenues</i>	\$ 292,395	\$ 45,895	\$ 338,290
<i>Depreciation expense</i>	15,867	-	15,867
<i>Operating loss</i>	274,859	16,412	291,271
<i>Operating grants</i>	206,734	-	206,734
<i>Donated commodities</i>	42,217	-	42,217
<i>Net loss</i>	25,789	12	25,801
<i>Net working capital</i>	(10,089)	4,638	(5,451)
<i>Total assets</i>	262,410	4,760	267,170
<i>Compensated absences payable</i>	11,173	-	11,173
<i>Total equity</i>	152,965	4,638	157,603
<i>Encumbrances outstanding (budget basis) at June 30, 2002</i>	1,464	358	1,822

NOTE 15- FUND DEFICITS

As of June 30, 2002, several funds had deficit fund balances. These deficits were caused by the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur. The following funds had deficits at year end:

<i>DPIA special revenue</i>	<u>Deficit</u> 5,692
<i>Vocational Education capital projects</i>	2,492

NOTE 16 – CONTINGENCIES

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

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

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

1. A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a timeline for distribution is not specified.
2. Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November, 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

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

Woodridge Local School District

NOTE 17 – STATUTORY RESERVES

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

Effective April 10, 2001, Senate Bill 345, eliminated the requirement that School District's establish and maintain a budget stabilization reserve. By resolution, the Board can eliminate the reserve in accordance with the Act. During the year the Board decided to eliminate the Budget Stabilization Reserve by resolution, and used the funds to acquire instructional materials textbooks. The reserve activity was as follows:

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Bus Purchase Reserve</u>
<i>Set-aside Cash Balance as of June 30, 2001</i>	\$ 42,957	\$ -	\$ 58,392	\$ -
<i>Current Year Set-aside Requirement</i>	240,985	240,985	-	30,228
<i>Qualifying Disbursements</i>	<u>(214,351)</u>	<u>(395,554)</u>	<u>(58,392)</u>	<u>(30,228)</u>
<i>Total</i>	<u>\$ 69,591</u>	<u>\$ (154,569)</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Balance Carried Forward to Next Year</i>	<u>\$ 69,591</u>			
<i>Restricted Cash</i>	<u>\$ 69,591</u>			

NOTE 18 – INTERFUND TRANSACTIONS

Interfund balances at June 30, 2002, consist of the following interfund receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
<i>General fund</i>	\$ 34,489	\$ -
<i>Food Service enterprise</i>	-	27,800
<i>Vocational Education capital projects</i>	-	2,500
<i>Title II special revenue</i>	-	789
<i>Entry year program special revenue</i>	-	3,400
<i>Total</i>	<u>\$ 34,489</u>	<u>\$ 34,489</u>

WOODRIDGE LOCAL SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2002

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Receipts	Expenditures
U.S. Department of Agriculture:				
Pass through Ohio Department of Education				
Nutrition Cluster:				
Food Distribution - Commodities - See Note 2	10.550	n/a	\$ 42,217	\$ 42,217
National School Lunch Program	10.555	04-PU-02	105,267	105,267
Breakfast Program	10.553	05-PU-02	37,763	37,763
Total U.S. Department of Agriculture - Nutrition Cluster			<u>185,247</u>	<u>185,247</u>
U.S. Department of Education:				
Pass through Ohio Department of Education				
Title I - Financial Assistance to Meet Special Educational Needs of Disadvantaged Children				
Title I - FY00	84.010	C1-S1-00	-	646
Title I - FY01	84.010	C1-S1-01	153,754	118,290
Title I - FY02	84.010	C1-S1-02	16,790	12,629
Total Title I			<u>170,544</u>	<u>131,565</u>
Title VI - B, Special Education - Assistance to States for Education of Handicapped Children				
Title VI - B - FY00	84.027	6B-SF-00P	-	7,052
Title VI - B - FY01	84.027	6B-SF-01P	-	5,677
Title VI - B - FY02	84.027	6B-SF-02P	124,523	101,845
Total Title VI - B			<u>124,523</u>	<u>114,574</u>
Education of Economic Security Act - Eisenhower Grant				
Eisenhower Grant - FY01	84.164	MS-S1-01	789	4,077
Eisenhower Grant - FY02	84.164	MS-S1-02	8,897	2,263
Total Eisenhower Grant			<u>9,686</u>	<u>6,340</u>
Drug - Free School Grant				
Drug - Free School Grant - FY01	84.186	DR-S1-01	1,281	3,401
Drug - Free School Grant - FY02	84.186	DR-S1-02	3,608	299
Total Drug - Free School Grant			<u>4,889</u>	<u>3,700</u>
Innovative Education Program Strategies				
Innovative Education Program Strategies - FY00	84.298	C2-S1-00	-	53
Innovative Education Program Strategies - FY01	84.298	C2-S1-01	6,752	6,576
Innovative Education Program Strategies - FY02	84.298	C2-S1-02	2,651	-
Total Innovative Education Program Strategies			<u>9,403</u>	<u>6,629</u>
Reducing Class Size				
Reducing Class Size - FY02	84.340	CR-S1-01	50,545	50,545
Reducing Class Size - FY02	84.340	CR-S1-01	3,650	4,666
Total Reducing Class Size			<u>54,195</u>	<u>55,211</u>
Technology Literacy Challenge Fund				
Raising the Bar	84.318	TF-CF-02	200,000	175,399
Virtual M.S.	84.318	TF-VM-02	65,000	65,000
Virtual Learning Review Project	84.318	TF-VM-01	9,000	9,000
Total Innovative Education Program Strategies			<u>274,000</u>	<u>249,399</u>
Entry Year Implementation				
Entry Year Implementation - FY02	84.276	G2-S4-02	7,769	-
Total Entry Year Implementation			<u>7,769</u>	<u>-</u>
Total U.S. Department of Education			<u>655,009</u>	<u>567,418</u>
TOTAL FEDERAL AWARDS			<u>840,256</u>	<u>752,665</u>

See Notes to the Schedule of Federal Awards Expenditures

WOODRIDGE LOCAL SCHOOL DISTRICT
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2002

1. Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred.

2. Food Distribution

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had food commodities in inventory recorded in the Enterprise Fund.

3. Matching Requirements

Certain federal programs require that the District contribute non-federal funds (matching funds) to support the federally funded programs. The District has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the schedule.

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

**Board of Education
Woodridge Local School District
Peninsula, Ohio**

We have audited the general purpose financial statements of the Woodridge Local School District as of and for the year ended June 30, 2002, and have issued our report thereon dated December 13, 2002. 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 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated December 13, 2002.

Internal Controls 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 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.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the District in a separate letter dated December 13, 2002.

This report is intended for the information and use of 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.

Charles E. Harris & Associates, Inc.
December 13, 2002

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

**Board of Education
Woodridge Local School District
Peninsula, Ohio**

Compliance

We have audited the compliance of the Woodridge Local School District with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The 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 its major federal program 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe 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 program for the year ended June 30, 2002.

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.

This report is intended for the information and use of 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.

Charles E. Harris & Associates, Inc.
December 13, 2002

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

**WOODRIDGE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

WOODRIDGE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY, OHIO
JUNE 30, 2002

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the period ending June 30, 2001, included no material citations or recommendations.



**Auditor of State
Betty Montgomery**

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WOODRIDGE LOCAL SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 30, 2003**