

WOODRIDGE LOCAL SCHOOL DISTRICT

Audit Report

For the Year Ended June 30, 2003

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



**Auditor of State
Betty Montgomery**

Board of Education
Woodridge Local School District
4411 Quick Road
Peninsula, Ohio 44264

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, 2002 to June 30, 2003. 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.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

March 16, 2004

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WOODRIDGE LOCAL SCHOOL DISTRICT
Audit Report
For the Year Ended June 30, 2003

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Education
Woodridge Local School District
Peninsula, Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Woodridge Local School District, Summit County, Ohio, (the District), as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Woodridge Local School District, Summit County, Ohio, as of June 30, 2003, and the respective budgetary position for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of Government Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and Interpretation No. 6.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated February 20, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Woodridge Local School District taken as a whole. The accompanying schedule of federal awards expenditures is presented for the 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Charles E. Harris & Associates, Inc.
February 20, 2004

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

This discussion and analysis of Woodridge Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance. Since this is the first year of financial presentation under Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", some analyses with prior year data is not available. Future Management Discussion and Analyses will be comparative.

Financial Highlights

Key financial highlights for 2003 are as follows:

- General revenues accounted for \$17,356,817 in revenue or 90.8 percent of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and interest, and capital grants and contributions accounted for \$1,758,991 or 9.2 percent of total revenues of \$19,115,808.
- The School District had \$17,871,860 in expenses related to governmental activities; program revenues offset only \$1,758,991 of these expenses. \$17,356,817 of general revenues was available to provide for these programs resulting in an increase in net assets of \$1,243,948.
- Total expenses amounted to \$17.9 million, and expenses related to instruction amounted to \$9.7 million or 54.0 percent of this total.
- At the end of the fiscal year, unreserved fund balance for the general fund was \$676,832 or 4.6 percent of the total general fund expenditures and the total fund balance increased by \$581,790 or 124.9 percent from \$465,989.

Using this Annual Financial Report

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

The statement of net assets and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements present how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant fund with all other nonmajor funds presented in total in one column.

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While these statements contain information about a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and helps answer the question, "How did we do financially during 2003?" These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's current property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the School Districts' activities are considered to be all governmental activities:

Governmental Activities - Most of the School District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and food service operations.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 14. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant fund. The School District's major governmental fund is the general fund.

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

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. This is the School District's first year for reporting government-wide financial statements using the accrual basis of accounting; therefore a comparison with the prior year is not available. A comparative analysis will be presented in future years when prior year information is available.

Table 1 provides a summary of the School District's net assets for 2003.

*Table 1
Net Assets*

	<i>Governmental Activities</i>
Assets	
<i>Current and other assets</i>	\$ 16,874,294
<i>Capital assets, net of depreciation</i>	<u>14,852,527</u>
<i>Total assets</i>	<u><u>31,726,821</u></u>
Liabilities	
<i>Current and other liabilities</i>	14,491,277
<i>Long-term liabilities:</i>	
<i>Due within one year</i>	925,926
<i>Due in more than one year</i>	<u>16,141,011</u>
<i>Total liabilities</i>	<u><u>31,558,214</u></u>
Net Assets	
<i>Invested in capital assets, net of debt</i>	(1,540,230)
<i>Restricted</i>	1,094,730
<i>Unrestricted</i>	<u>614,107</u>
<i>Total net assets</i>	<u><u>\$ 168,607</u></u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2003, the School District's assets exceeded liabilities by \$168,607.

Capital assets, net of related debt reported on the government-wide statements represents a large deficit due to the excess amount of outstanding debt over the depreciated value of capital assets. Capital assets include land, buildings and improvements, furniture, fixtures and equipment and vehicles, and are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net assets, \$1,094,730, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$491,390 is restricted for debt service payments and \$328,408 is restricted for capital projects and a small amount, \$274,932, is restricted for other purposes. The remaining balance of net assets of \$614,107 is unrestricted and may be used to meet the government's ongoing obligations to students and staff.

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Table 2 shows changes in net assets for fiscal year 2003. Since this is the first year the School District has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to fiscal year 2002 are not available. In future years a comparative analysis of government-wide data will be presented.

Table 2
Change in Net Assets

	<u>Governmental Activities</u>
Revenues	
<i>Program revenues:</i>	
Charges for services	\$ 689,279
Operating grants, contributions and interest	1,042,799
Capital grants and contributions	26,913
<i>General revenues:</i>	
Property taxes	14,244,122
Grants and entitlements	2,748,850
Gain on sale of capital assets	135,284
Investment earnings	56,268
Miscellaneous	172,293
Total revenues	<u>19,115,808</u>
Program Expenses	
<i>Instruction:</i>	
Regular	7,191,609
Special	1,958,791
Vocational	350,534
Adult/continuing	1,035
Other	154,068
<i>Support services:</i>	
Pupils	1,043,046
Instructional staff	664,387
Board of education	13,587
Administration	1,626,025
Fiscal	455,891
Business	27,903
Operation and maintenance of plant	1,415,038
Pupil transportation	1,079,043
Central	34,944
Community services	305
Extracurricular activities	375,279
Food service operations	589,920
Interest and fiscal charges	890,455
Total expenses	<u>17,871,860</u>
Increase in net assets	<u>\$ 1,243,948</u>

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Governmental Activities

Several revenue sources fund our governmental activities with property taxes and State foundation revenues being the largest contributors. Property tax levies generated over \$14.2 million in 2003. General revenues from grants and entitlements, such as the school foundation program, generated over \$2.7 million. With the combination of taxes and intergovernmental funding 88.9 percent of all revenues, the School District monitors both of these revenue sources very closely for fluctuations.

Instruction and interest and fiscal charges comprise 54.0 percent and 5.0 percent, respectively, of governmental program expenses. Interest expense was attributable to outstanding bonds and various lease payments for equipment.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements for fiscal year 2003. Comparisons to 2002 have not been presented since that information is not available.

*Table 3
Governmental Activities*

	<i>Total Cost of Services</i>	<i>Net Cost of Services</i>
Program Expenses		
<i>Instruction:</i>		
<i>Regular</i>	\$ 7,191,609	\$ 6,505,156
<i>Special</i>	1,958,791	1,788,836
<i>Vocational</i>	350,534	349,617
<i>Adult/continuing</i>	1,035	-
<i>Other</i>	154,068	154,068
<i>Support services:</i>		
<i>Pupils</i>	1,043,046	988,449
<i>Instructional staff</i>	664,387	625,915
<i>Board of education</i>	13,587	13,587
<i>Administration</i>	1,626,025	1,579,319
<i>Fiscal</i>	455,891	455,891
<i>Business</i>	27,903	27,903
<i>Operation and maintenance of plant</i>	1,415,038	1,413,581
<i>Pupil transportation</i>	1,079,043	1,052,130
<i>Central</i>	34,944	34,944
<i>Community services</i>	305	305
<i>Extracurricular activities</i>	375,279	216,234
<i>Food service operations</i>	589,920	16,479
<i>Interest and fiscal charges</i>	890,455	890,455
<i>Total expenses</i>	<u>\$ 17,871,860</u>	<u>\$ 16,112,869</u>

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The School District's Funds

The School District's major fund is accounted for using the modified accrual basis of accounting. The total revenues for governmental funds were \$18,767,323 and total expenditures were \$18,394,905. The excess of revenues over (under) expenditures for the year was significant in the general fund, with an increase of \$478,337. This increase was due, in part, to an increase in property tax revenue. The School District received additional taxes due to an increase in the valuation of taxable property within the School District. In addition, the amount of taxes available as an advance at June 30, 2003 increased by \$764,002 from the prior year. Although the net decrease in the remaining governmental funds' balances amounted to \$105,919 the School District continues to be financially stable.

General Fund Budgeting Highlights

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

During fiscal year 2003, the School District amended its general fund budget, however this amendment was not significant. Budget revisions are presented to the Board of Education for approval.

For the general fund, the final budget basis revenue estimate, excluding other financing sources, was \$14,488,484, which was somewhat higher than the original budget estimate of \$14,114,070. Much of this \$374,414 difference was due to estimates for grant awards, the amounts of which are unknown during the original budgeting process. This estimate must be adjusted during the year as the grant awards are finalized. Also, the original estimate for property taxes, provided by the Summit County Fiscal Officer, contains amounts for Homestead and Rollback. Later in the fiscal year, when this amount is known, it is removed from the tax estimate and included in the estimate for intergovernmental revenue.

The original expenditures estimate, excluding other financing uses, of \$15,016,914 was revised during the fiscal year. The final estimate for expenditures and encumbrances, however, was only \$14,928,792, \$88,122 or .6 percent less than originally anticipated. In total this would be considered insignificant, with decreases from the original to final budget posted to several line items of the budget. The year closed out with only .8 percent of the final budget remaining for expenditures.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2003, the School District had \$14,852,527 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 4 shows fiscal year 2003 balances compared to fiscal year 2002.

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

Table 4
Capital Assets, at Fiscal Year End
(Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2002</u>
<i>Land</i>	\$ 102,500	\$ 116,000
<i>Land improvements</i>	4,169	8,717
<i>Buildings and improvements</i>	13,574,880	13,948,976
<i>Furniture, fixtures and equipment</i>	879,777	622,669
<i>Vehicles</i>	291,201	357,349
<i>Total capital assets</i>	<u>\$ 14,852,527</u>	<u>\$ 15,053,711</u>

The most notable changes occurred in furniture, fixtures and equipment. This increase is the result of several acquisitions financed by capital leases. See Note 8 to the basic financial statements for detail on the School District's capital assets.

Debt

At June 30, 2003 the School District had \$16,181,336 in bonds outstanding with \$701,118 due within one year. This balance reflected a reduction of \$683,523 from the previous year's balance of \$16,864,859. Table 5 summarizes the debt and capital lease outstanding:

Table 5
Outstanding Debt and Capital Lease, at Fiscal Year End

	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
	<u>2003</u>	<u>2002</u>
<i>Energy conservation</i>	\$ 91,495	\$ 151,786
<i>Administration building</i>	149,845	183,077
<i>School improvement</i>	8,045,000	8,495,000
<i>School improvement refunding</i>	7,894,996	8,034,996
<i>Capital leases</i>	211,421	99,806
<i>Total outstanding</i>	<u>\$ 16,392,757</u>	<u>\$ 16,964,665</u>

During fiscal year 2002, the School District issued \$8.2 million in bonds, the proceeds of which were used to refund bonds of the same amount but with a higher interest rate. See Notes 14 and 15 to the basic financial statements for the repayment schedules of the bonded debt and the capital leases.

Capital leases are to be repaid from the general and permanent improvements capital projects funds, and the bonds are to be repaid from the debt service fund. The School District has budgeted to meet all of the School District's debt requirements.

WOODRIDGE LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

Current Issues Affecting Financial Condition

The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the School District is not without its challenges though. These challenges stem from issues that are local and at the State level. The local challenges will continue to exist, as the School District must rely heavily on property taxes to fund its operations. State level challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system. Although the School District relies heavily on its property taxpayers to support its operations, the community support for the schools is quite strong.

The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational funding system, one that was neither 'adequate' nor 'equitable'. Since 1997, the State has directed its additional financial support toward School Districts with little property tax wealth. In May 2001, the Ohio Supreme Court again, ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not 'equitable' nor 'adequate'. The court directed the Governor and the legislature to address the fundamental issue creating the inequities. See Note 17 to the basic financial statements for more on this contingent matter.

Due to the unsettled issues in the school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In conclusion, the School District's system of budgeting and internal controls is well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions or need additional financial information, contact Deanna Levenger, Treasurer, at Woodridge Local School District, 4411 Quick Road, Peninsula OH, 44264.

Woodridge Local School District
Statement of Net Assets
June 30, 2003

	Governmental Activities
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 2,415,431
Receivables:	
Taxes	14,064,173
Accounts	151,756
Intergovernmental	174,114
Prepaid items	33,905
Inventory held for resale	30,342
Materials and supplies inventory	4,573
Capital assets:	
Land	102,500
Depreciable capital assets, net	14,750,027
Total capital assets	<u>14,852,527</u>
Total assets	<u>31,726,821</u>
<u>Liabilities:</u>	
Accounts payable	119,827
Accrued wages	1,161,897
Matured compensated absences payable	41,561
Intergovernmental payable	490,478
Deferred revenue	12,636,939
Accrued interest payable	40,575
Long-term liabilities:	
Due within one year	925,926
Due in more than one year	16,141,011
Total liabilities	<u>31,558,214</u>
<u>Net assets:</u>	
Invested in capital assets, net of related debt	(1,540,230)
Restricted for:	
Capital outlay	328,408
Debt service	491,390
Other purposes	274,932
Unrestricted	<u>614,107</u>
Total net assets	<u>\$ 168,607</u>

See accompanying notes to the basic financial statements.

Woodridge Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2003

	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants, Contributions and Interest		
<u>Governmental Activities:</u>					
Instruction:					
Regular	\$ 7,191,609	\$ 213,316	\$ 473,137	\$ -	\$ (6,505,156)
Special	1,958,791	-	169,955	-	(1,788,836)
Vocational	350,534	-	917	-	(349,617)
Adult/continuing	1,035	-	1,035	-	-
Other	154,068	-	-	-	(154,068)
Support services:					
Pupils	1,043,046	2,698	51,899	-	(988,449)
Instructional staff	664,387	-	38,472	-	(625,915)
Board of education	13,587	-	-	-	(13,587)
Administration	1,626,025	-	46,706	-	(1,579,319)
Fiscal	455,891	-	-	-	(455,891)
Business	27,903	-	-	-	(27,903)
Operation and maintenance of plant	1,415,038	-	1,457	-	(1,413,581)
Pupil transportation	1,079,043	-	-	26,913	(1,052,130)
Central	34,944	-	-	-	(34,944)
Operation of non-instructional services:					
Food service operations	589,920	314,740	258,701	-	(16,479)
Other non-instructional services	305	-	-	-	(305)
Extracurricular activities	375,279	158,525	520	-	(216,234)
Interest and fiscal charges	890,455	-	-	-	(890,455)
Total governmental activities	\$ 17,871,860	\$ 689,279	\$ 1,042,799	\$ 26,913	(16,112,869)

General Revenues:

Property taxes levied for:

General purposes	12,503,509
Debt service	1,368,073
Capital outlay	372,540
Grants and entitlements not restricted to specific programs	2,748,850
Investment earnings	56,268
Gain on sale of capital assets	135,284
Miscellaneous	172,293
Total general revenues	17,356,817

Change in net assets 1,243,948

Net assets beginning of year - (See Note 3) (1,075,341)

Net assets end of year \$ 168,607

See accompanying notes to the basic financial statements.

Woodridge Local School District
Balance Sheet
Governmental Funds
June 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 1,205,286	\$ 1,081,560	\$ 2,286,846
Receivables:			
Taxes	12,428,536	1,635,637	14,064,173
Accounts	147,300	4,456	151,756
Intergovernmental	2,707	171,407	174,114
Interfund receivable	141,492	-	141,492
Prepaid items	33,905	-	33,905
Inventory held for resale	-	30,342	30,342
Materials and supplies inventory	-	4,573	4,573
Equity in pooled cash and cash equivalents (restricted)	128,585	-	128,585
Total assets	<u>\$ 14,087,811</u>	<u>\$ 2,927,975</u>	<u>\$ 17,015,786</u>
<u>Liabilities and fund balances:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 61,663	\$ 58,164	\$ 119,827
Accrued wages	1,078,080	83,817	1,161,897
Matured compensated absences payable	41,561	-	41,561
Interfund payable	-	141,492	141,492
Intergovernmental payable	324,281	8,394	332,675
Deferred revenue	11,534,447	1,595,878	13,130,325
Total liabilities	<u>13,040,032</u>	<u>1,887,745</u>	<u>14,927,777</u>
<u>Fund balances:</u>			
Reserved for encumbrances	242,362	145,721	388,083
Reserved for bus purchases	26,913	-	26,913
Reserved for textbooks/instructional material	101,672	-	101,672
Unreserved,			
Undesignated, reported in:			
General fund	676,832	-	676,832
Special revenue funds	-	148,170	148,170
Debt service fund	-	479,488	479,488
Capital projects funds	-	266,851	266,851
Total fund balances	<u>1,047,779</u>	<u>1,040,230</u>	<u>2,088,009</u>
Total liabilities and fund balances	<u>\$ 14,087,811</u>	<u>\$ 2,927,975</u>	<u>\$ 17,015,786</u>

See accompanying notes to the basic financial statements.

Woodridge Local School District
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2003

Total governmental fund balances		\$ 2,088,009
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		14,852,527
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes	\$ 279,551	
Intergovernmental	94,483	
Charges for services	<u>119,352</u>	
		493,386
Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and are therefore not reported in the funds.		(157,803)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (16,181,336)	
Compensated absences	(674,180)	
Capital leases	(211,421)	
Accrued interest payable	<u>(40,575)</u>	
Total		<u>(17,107,512)</u>
Net assets of governmental activities		<u>\$ 168,607</u>

See accompanying notes to the basic financial statements.

Woodridge Local School District
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>			
Property taxes	\$ 12,523,581	\$ 1,744,229	\$ 14,267,810
Intergovernmental	2,595,758	1,045,928	3,641,686
Interest	53,537	4,056	57,593
Tuition and fees	53,166	62,783	115,949
Extracurricular activities	-	152,995	152,995
Gifts and donations	27,385	22,223	49,608
Customer services	-	314,740	314,740
Rent	1,982	-	1,982
Miscellaneous	78,883	86,077	164,960
Total revenues	<u>15,334,292</u>	<u>3,433,031</u>	<u>18,767,323</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	6,616,263	610,747	7,227,010
Special	1,721,653	216,678	1,938,331
Vocational	344,296	141	344,437
Adult/continuing	-	1,035	1,035
Other	154,068	-	154,068
Support services:			
Pupils	964,947	67,722	1,032,669
Instructional staff	563,918	78,085	642,003
Board of education	13,587	-	13,587
Administration	1,477,039	98,905	1,575,944
Fiscal	436,222	23,035	459,257
Business	306	27,597	27,903
Operation and maintenance of plant	1,242,497	163,430	1,405,927
Pupil transportation	955,922	49,438	1,005,360
Central	34,989	-	34,989
Operation of non-instructional services:			
Food service operations	-	498,940	498,940
Community services	-	305	305
Extracurricular activities	243,108	131,415	374,523
Debt service:			
Principal retirement	75,338	689,142	764,480
Interest and fiscal charges	11,802	882,335	894,137
Total expenditures	<u>14,855,955</u>	<u>3,538,950</u>	<u>18,394,905</u>
Excess of revenues over (under) expenditures	478,337	(105,919)	372,418
<u>Other financing sources (uses):</u>			
Proceeds from sale of fixed assets	-	140,001	140,001
Inception of capital lease	214,149	18,242	232,391
Transfers in	-	110,696	110,696
Transfers out	(110,696)	-	(110,696)
Total other financing sources (uses)	<u>103,453</u>	<u>268,939</u>	<u>372,392</u>
Net change in fund balances	581,790	163,020	744,810
Fund balances at beginning of year, as restated (Note 3)	465,989	877,210	1,343,199
Fund balances at end of year	<u>\$ 1,047,779</u>	<u>\$ 1,040,230</u>	<u>\$ 2,088,009</u>

See accompanying notes to the basic financial statements.

Woodridge Local School District
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2003

Net change in fund balances - total governmental funds \$ 744,810

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

In the current period, these amounts are:

Capital asset additions	\$ 379,817	
Depreciation expense	(536,465)	
Excess of capital outlay over depreciation expense		(156,648)

The proceeds from the sale of capital assets are reported as a source of financing in the governmental funds. However, the value of the capital assets sold/disposed is removed from the capital assets account in the statement of net assets and offset against the sales proceeds resulting in a "gain on the disposal of capital assets" in the statement of activities. Thus, potentially more revenue is reported in the governmental funds and more expenses in the statement of activities.

In the current period expenses exceeded revenues. (13,500)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:

Property taxes	\$ (23,689)	
Intergovernmental	82,386	
Charges for services	105,596	
Net change in deferred revenues during the year		164,293

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

683,523

Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statements of net assets, the lease obligation is reported as a liability. The following activities are the results of capital lease transactions:

Inception of a capital lease	\$ (232,391)	
Gain on trade-in of capital leases	8,783	
Net change caused by capitalized lease transactions		(223,608)

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets

80,957

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	\$ (21,657)	
Increase in pension obligation	(17,904)	
Decrease in accrued interest	3,682	
Total additional expenditures		(35,879)

Change in net assets of governmental activities

\$ 1,243,948

See accompanying notes to the basic financial statements.

Woodridge Local School District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$ 11,710,500	\$ 11,724,991	\$ 11,759,579	\$ 34,588
Intergovernmental	2,288,870	2,601,699	2,601,699	-
Interest	62,000	55,575	55,575	-
Tuition and fees	41,900	41,779	41,779	-
Rent	2,400	1,982	1,982	-
Gifts and donations	1,800	27,385	27,385	-
Miscellaneous	6,600	35,073	35,073	-
Total revenues	14,114,070	14,488,484	14,523,072	34,588
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	6,569,917	6,513,649	6,479,260	34,389
Special	1,739,095	1,706,990	1,702,017	4,973
Vocational	253,828	314,070	310,645	3,425
Other	130,000	155,000	154,068	932
Support services:				
Pupils	977,636	991,415	981,705	9,710
Instructional staff	533,481	569,223	561,664	7,559
Board of education	16,680	16,988	13,902	3,086
Administration	1,531,688	1,508,457	1,488,013	20,444
Fiscal	453,352	454,911	445,747	9,164
Business	650	650	306	344
Operation and maintenance of plant	1,453,568	1,324,205	1,322,659	1,546
Pupil transportation	1,008,973	1,076,004	1,063,615	12,389
Central	62,376	47,976	38,633	9,343
Extracurricular activities	285,670	249,254	246,800	2,454
Total expenditures	15,016,914	14,928,792	14,809,034	119,758
Excess of revenues over (under) expenditures	(902,844)	(440,308)	(285,962)	154,346
<u>Other financing sources (uses):</u>				
Refund of prior year expenditures	1,000	27,727	27,727	-
Refund of prior year receipts	(11,273)	(10,803)	(10,773)	30
Advances in	34,000	34,489	34,489	-
Advances out	(15,000)	(141,492)	(141,492)	-
Transfers out	(152,000)	(110,696)	(110,696)	-
Total other financing sources (uses)	(143,273)	(200,775)	(200,745)	30
Net change in fund balance	(1,046,117)	(641,083)	(486,707)	154,376
Fund balance at beginning of year, as restated	1,293,867	1,293,867	1,293,867	-
Prior year encumbrances appropriated	240,688	240,688	240,688	-
Fund balance at end of year	\$ 488,438	\$ 893,472	\$ 1,047,848	\$ 154,376

See accompanying notes to the basic financial statements.

Woodridge Local School District
Statement of Fiduciary Net Assets
Fiduciary Fund
June 30, 2003

	<u>Agency</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	<u>\$ 33,933</u>
<u>Liabilities:</u>	
Accounts payable	\$ 1,512
Due to students	32,421
Total liabilities	<u>\$ 33,933</u>

See accompanying notes to the basic financial statements.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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 112 non-certificated employees and 154 certificated teaching and support personnel, including ten administrators that provide services to 1,714 students and other community members.

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 the School District, this includes general operations, food service, preschool 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 their budget, the issuance of their debt or the levying of their taxes. Based on the above criteria, the School District had no component units at June 30, 2003.

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 16.

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 governmental activities provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the School District's accounting policies.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

A. Basis of Presentation - Fund Accounting

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

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

Fund Financial Statements

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into two categories: governmental and fiduciary.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Governmental Fund Types:

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

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.

Fiduciary Fund Types

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary fund is an agency fund which reports resources that belong to the student bodies of the various schools.

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (revenues) and decreases (expenses) in total net assets.

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

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

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Revenue - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. 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 property taxes is recognized in the fiscal year for which taxes are levied. 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 the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

The fair value of donated commodities used during the year is reported on the statement of activities as an expense with a like amount reported within the "Operating Grants, Contributions and Interest" program revenue account.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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 primary level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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. The amounts reported as the original budget revenue in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenue amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2003. The amounts reported as the original budgeted expenditure amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted expenditure amounts represent the final appropriation amounts passed by the Board during the year.

At the close of each 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 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". During the fiscal year, investments were limited to overnight repurchase agreements and interest in Star Ohio, the State Treasurer's Investment Pool. All investments of the School District had a maturity of two years or less. These investments are stated at cost, which approximates market value (fair value). Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds; required by a grant agreement; or when approved by the Board of Education to be recorded in another fund. The Board of Education has passed a resolution to allow interest to also be recorded in other funds.

The School District invested funds in STAR Ohio during fiscal year 2003. 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 Securities Exchange Commission 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, 2003.

For presentation on the basic financial statements, investments of the cash management pool and investments with a 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.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

G. Interfund Balances

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

H. Inventory

Within the basic financial statements, inventories are presented at cost on a first-in, first out basis and are expensed when used.

Inventories of the general fund were not significant at the end of the year. Inventories of the food service special revenue fund consist of donated food, purchased food and supplies held for resale.

I. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are imposed by creditors, contributors, grantors, and laws of other governments or by enabling legislation. Restricted assets may include unexpended revenues restricted for the purchase of school buses, and amounts required to be set aside by the School District for the purchase of textbooks or for the acquisition or construction of capital assets. Restricted assets may also include amounts set aside as a reserve for budget stabilization, which is now optional as determined by the School District. The School District did not spend all restricted assets in accordance with specific restrictions during the fiscal year. See Note 18 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

J. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The School District's policy is not to capitalize interest costs incurred as part of construction.

All reported capital assets, other than land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

<u>Description</u>	<u>Estimated Lives</u>
<i>Land improvements</i>	<i>5 - 20 years</i>
<i>Buildings and improvements</i>	<i>20 - 50 years</i>
<i>Furniture, fixtures and equipment</i>	<i>3 - 20 years</i>
<i>Vehicles</i>	<i>10 - 20 years</i>

K. 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. The entire compensated absences liability is reported on the government-wide financial statements.

For the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

M. Net Assets

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

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

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

N. Interfund Transactions

Interfund transactions are reported as other financing sources/uses for governmental funds in the fund financial statements. All transfers between governmental funds have been eliminated within the governmental activities column of the statement of net assets.

O. Estimates

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

P. Fund Balance Reserves

The School District records reservations for portions of fund balances, which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Unreserved fund balance indicates the portion of fund balances that are available for appropriation in future periods. Fund balance reserves are established for encumbrances, the purchase of textbooks and school buses.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES

A. Changes in Accounting Principles

For fiscal year 2003, the School District has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"; GASB Statement No. 37, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures", GASB Statement No. 41, "Budgetary Comparison Schedules - Perspective Differences" and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements".

GASB Statement No. 34 creates new basic financial statements for reporting on the School District's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the School District's programs between governmental and business-type activities. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at June 30, 2002, caused by the conversion to the accrual basis of accounting and the reclassification of funds based on the guidance provided in Statement No. 34. Due to these fund reclassifications, there are no business-type activities reported.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice. The School District restated the fund liability of compensated absences that had not matured during fiscal year 2002 and has reported prepaid amounts for services not yet consumed.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2003

B. Restatement of Fund Balances

It was determined that enterprise funds should be reclassified to special revenue funds. The restatements for GASB Statement No. 34 and GASB Interpretation No. 6 had the following effects on fund balance of the major and nonmajor funds of the School District as they were previously reported. Also, this restatement changed the beginning balance of the general fund's Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<i>Fund balances,</i>			
<i>June 30, 2002</i>	\$ 442,663	\$ 825,357	\$ 1,268,020
<i>Fund reclassification</i>	-	51,853	51,853
<i>Interpretation No. 6</i>			
<i>Compensated absences</i>	<u>23,326</u>	<u>-</u>	<u>23,326</u>
<i>Adjusted fund balances,</i>			
<i>June 30, 2002</i>	<u>\$ 465,989</u>	<u>\$ 877,210</u>	1,343,199
 <u><i>GASB Statement No. 34 Adjustments:</i></u>			
<i>Capital assets</i>			15,053,711
<i>Long-term debt</i>			(16,864,859)
<i>Capital leases</i>			(99,806)
<i>Long-term liabilities</i>			(652,523)
<i>Intergovernmental payable - full accrual</i>			(139,899)
<i>Accrued interest</i>			(44,257)
<i>Long-term (deferred) assets</i>			<u>329,093</u>
<i>Governmental activities net assets, June 30, 2002</i>			<u>\$ (1,075,341)</u>

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual presentation for the general 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).

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	<u>General</u>
<i>GAAP Basis</i>	\$ 581,790
<i>Revenue Accruals</i>	(963,153)
<i>Expenditure Accruals</i>	179,255
<i>Encumbrances (Budget Basis)</i>	
<i>Outstanding at year end</i>	<u>(284,599)</u>
<i>Budget Basis</i>	<u><u>\$ (486,707)</u></u>

NOTE 5 - 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 five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim 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;

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

3. Written repurchase agreements for a period not to exceed thirty days in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily;
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; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 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 totaled \$(103,387), and the bank balances of the deposits totaled \$397. The School District maintains a "zero balance" account for their checking account. Money is credited to their checking account from a repurchase account that is linked to the account as checks are presented. The School District had \$100 in petty cash at June 30, 2003. All of the bank balance was covered by federal depository insurance.

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

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during the fiscal year 2003 amounted to \$53,537, which included \$8,673 assigned from other School District funds.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

	<u>Category 3</u>	<u>Fair Value</u>
<u>Categorized Investments</u>		
Repurchase Agreements	\$ 170,000	\$ 170,000
<u>Noncategorized Investments</u>		
State Treasurer's Pool		<u>2,382,651</u>
Total Investments		<u>\$ 2,552,651</u>

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 6 - 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 at 35% of true value and public utility tangible personal property currently is assessed at varying percentages 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.

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 Fiscal Officer 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 and therefore a reservation of fund balance is not reported. 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 \$1,013,441 in the general fund, \$103,370 in the bond retirement debt service fund and \$30,872 in the permanent improvement capital projects fund and is recognized as revenue on the fund financial statements.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2003

On the accrual basis, collectible delinquent property taxes have been recorded as revenue on the statement of activities.

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

<u>Property Category</u>	<u>2002 Assessed Value</u>	<u>2001 Assessed Value</u>
<u>Real Property</u>		
Residential and agricultural	\$ 313,499,400	\$ 276,808,450
Commercial, industrial and minerals	86,450,070	80,045,070
Public utilities	3,080	3,500
<u>Tangible Personal Property</u>		
General	51,601,944	52,175,787
Public utilities	11,411,560	10,130,450
Total	<u>\$ 462,966,054</u>	<u>\$ 419,163,257</u>

NOTE 7 - RECEIVABLES

Receivables at year-end consisted of taxes, accounts (tuition and excess costs), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds. The general fund accounts receivable at year-end consisted of excess cost and other miscellaneous reimbursements of \$147,300. Also, special revenue funds recorded intergovernmental receivables for state and federal reimbursements in the amount of \$171,407.

NOTE 8 - CAPITAL ASSETS

The capital asset balances of the governmental activities have been restated due to fund reclassifications (See Note 3 for details).

	<u>Balance June 30, 2002</u>	<u>Adjustments</u>	<u>Restated Balance June 30, 2002</u>
<u>Governmental Activities</u>			
<u>Nondepreciable capital assets:</u>			
Land	\$ 116,000	\$ -	\$ 116,000
<u>Depreciable capital assets:</u>			
Land improvements	1,293,997	(21,240)	1,272,757
Buildings and improvements	18,952,471	85,739	19,038,210
Furniture, fixtures, and equipment	4,755,667	(2,757,438)	1,998,229
Vehicles	1,356,682	(2,650)	1,354,032
Less: Accumulated depreciation	<u>(179,391)</u>	<u>(8,546,126)</u>	<u>(8,725,517)</u>
Total	<u>\$ 26,295,426</u>	<u>\$ (11,241,715)</u>	<u>\$ 15,053,711</u>

WOODRIDGE LOCAL SCHOOL DISTRICTNotes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Capital asset activity for the fiscal year ended June 30, 2003 was as follows:

<u>Governmental Activities</u>	<i>Restated Balance June 30, 2002</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance June 30, 2003</i>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 116,000	\$ -	\$ (13,500)	\$ 102,500
<i>Capital assets, being depreciated:</i>				
Land improvements	1,272,757	-	-	1,272,757
Buildings and improvements	19,038,210	-	-	19,038,210
Furniture, fixtures and equipment	1,998,229	379,817	(124,145)	2,253,901
Vehicles	<u>1,354,032</u>	<u>-</u>	<u>-</u>	<u>1,354,032</u>
Total capital assets, being depreciated	<u>23,663,228</u>	<u>379,817</u>	<u>(124,145)</u>	<u>23,918,900</u>
<i>Less: Accumulated depreciation</i>				
Land improvements	(1,264,040)	(4,548)	-	(1,268,588)
Buildings and improvements	(5,089,234)	(374,096)	-	(5,463,330)
Furniture, fixtures and equipment	(1,375,560)	(91,673)	93,109	(1,374,124)
Vehicles	<u>(996,683)</u>	<u>(66,148)</u>	<u>-</u>	<u>(1,062,831)</u>
Total accumulated depreciation	<u>(8,725,517)</u>	<u>(536,465)</u>	<u>93,109</u>	<u>(9,168,873)</u>
Total capital assets being depreciated, net	<u>14,937,711</u>	<u>(156,648)</u>	<u>(31,036)</u>	<u>14,750,027</u>
Governmental activities capital assets, net	<u>\$ 15,053,711</u>	<u>\$ (156,648)</u>	<u>\$ (44,536)</u>	<u>\$ 14,852,527</u>

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$ 335,377
Special	15,838
Vocational	6,307
<i>Support services:</i>	
Instructional staff	37,282
Administration	25,924
Operation and maintenance of plant	10,906
Pupil transportation	68,125
Extracurricular activities	756
Food service operations	<u>35,950</u>
	<u>\$ 536,465</u>

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at June 30, 2003 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ 141,492	\$ -
Nonmajor governmental funds	-	141,492
Totals	<u>\$ 141,492</u>	<u>\$ 141,492</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2003, all interfund loans outstanding are anticipated to be repaid in fiscal year 2004.

Interfund transfers for the year ended June 30, 2003, consisted of the following:

	<u>Transfer Out:</u>
	<u>General</u>
<u>Transfer In:</u>	<u>Fund</u>
Nonmajor funds	\$110,696

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 10 - ACCOUNTABILITY

As of June 30, 2003, three special revenue funds had deficit fund balances. These deficits were caused by the application of GAAP. 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 deficit balances:

<u>Fund</u>	<u>Amount</u>
Disadvantaged Pupil Impact Aid	\$ 14,811
Title I	1,128
Title II	1,838

NOTE 11 - 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.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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 12 - 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 public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, annual cost-of-living adjustments, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17% of annual covered salary was the portion used to fund pension obligations. For the fiscal year 2002, 5.46% was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS Retirement Board.

The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$213,979, \$140,673, and \$293,219, respectively; 40% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. \$127,873, representing the unpaid contribution for fiscal year 2003, is recorded as an intergovernmental payable.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, disability, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3746.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor.

The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001.

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

For the fiscal year ended June 30, 2003 plan members were required to contribute 9.3% of their annual covered salaries. The School District was required to contribute 14%; 13% was the portion used to fund pension obligations. For fiscal year 2002, 9.5% was the portion used to fund pension obligations. 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. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to the DB plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$1,010,424, \$639,282, and \$721,295, respectively; 76% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. \$244,965, representing the unpaid contribution for fiscal year 2003, is recorded as an intergovernmental payable. Contributions to the DC and Combined plans for fiscal year 2003 were \$8,110 made by the School District and \$8,840 made by the plan members.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 13 - 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. Health care benefits are financed on a pay-as-you-go basis.

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 1% 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 \$77,725 during the 2003 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$2.8 billion at June 30, 2003. For the year ended June 30, 2003, the net health care costs paid by the STRS were \$352,301,000 and eligible benefit recipients totaled 108,294.

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 5.83% 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 2003, the minimum pay has been established at \$14,500. 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 \$188,478, which includes a surcharge of \$35,785 during the 2003 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, 2003 were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, the SERS's net assets available for payment of health care benefits was \$303.6 million, at cost. The number of participants receiving health care benefits was approximately 50,000.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2003

NOTE 14 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

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

<u>General Long-term Obligations</u>	<u>Balance</u> <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30</u>	<u>Due within</u> <u>one year</u>
<u>General Obligation Bonds</u>					
Energy Conservation	\$ 40,000	\$ -	\$ (40,000)	\$ -	\$ -
Energy Conservation	111,786	-	(20,291)	91,495	21,275
1996 Administration Building	183,077	-	(33,232)	149,845	34,843
1994 School Improvement	8,495,000	-	(450,000)	8,045,000	500,000
2001 School Improvement Refunding	8,034,996	-	(140,000)	7,894,996	145,000
Subtotal bonds	<u>16,864,859</u>	<u>-</u>	<u>(683,523)</u>	<u>16,181,336</u>	<u>701,118</u>
<u>Other Obligations</u>					
Compensated absences	618,024	176,806	(120,650)	674,180	133,376
Capital leases	99,806	232,391	(120,776)	211,421	91,432
Subtotal other obligations	<u>717,830</u>	<u>409,197</u>	<u>(241,426)</u>	<u>885,601</u>	<u>224,808</u>
Total general long-term obligations	<u>\$ 17,582,689</u>	<u>\$ 409,197</u>	<u>\$ (924,949)</u>	<u>\$ 17,066,937</u>	<u>\$ 925,926</u>

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

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 School Improvement Bonds with an average interest rate of 5.9 percent. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the portion of the bonds refunded. As a result, the bonds (portion refunded) are considered to be defeased and the liability is not reported by the School District. As of June 30, 2003 \$8,210,000 remain outstanding and are subject to optional redemption beginning December 1, 2004.

Compensated absences: Compensated absences will be paid from the fund from which the person is paid. In prior years, compensated absences were typically paid from the general fund.

Capital Leases: Capital lease obligations will be paid from the general and permanent improvement capital projects funds. During the fiscal year the School District entered into a few new leases. As a result of one of the lease agreements, the School District canceled an existing lease agreement and returned the leases assets.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Principal and interest requirements to amortize all bonds outstanding at June 30, 2003 are as follows:

<i>Fiscal Year</i>	<u>1996 Administration Building</u>				<u>Energy Conservation</u>			
	<i>Interest Rate</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Interest Rate</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2004	4.85%	\$ 34,843	\$ 7,268	\$ 42,111	4.85%	\$ 21,275	\$ 4,438	\$ 25,713
2005	4.85%	36,534	5,577	42,111	4.85%	22,307	3,406	25,713
2006	4.85%	38,305	3,806	42,111	4.85%	23,389	2,324	25,713
2007	4.85%	40,163	1,948	42,111	4.85%	24,524	1,189	25,713
<i>Total</i>		<u>\$ 149,845</u>	<u>\$ 18,599</u>	<u>\$ 168,444</u>		<u>\$ 91,495</u>	<u>\$ 11,357</u>	<u>\$ 102,852</u>

<i>Fiscal Year</i>	<u>1994 School Improvement</u>				
	<i>Interest Rate</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	
2004	5.35%	\$ 500,000	\$ 519,078	\$ 1,019,078	
2005	5.45%	545,000	490,851	1,035,851	
2006	5.55%	-	476,000	476,000	<i>Original bonds maturing in fiscal years 2006-2008 and after 2015 were refunded.</i>
2007	5.65%	-	476,000	476,000	
2008	5.75%	-	476,000	476,000	
2009-2013	6.80%	4,715,000	1,619,850	6,334,850	
2014-2015	6.80-6.00%	2,285,000	158,270	2,443,270	
<i>Total</i>		<u>\$ 8,045,000</u>	<u>\$ 4,216,049</u>	<u>\$ 12,261,049</u>	

<i>Fiscal Year</i>	<u>2001 School Improvement Refunding</u>				
	<i>Interest Rate</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	
2004	2.75%	\$ 145,000	\$ 316,596	\$ 461,596	
2005	3.00%	150,000	312,353	462,353	
2006	3.55%	338,506	716,597	1,055,103	<i>Bonds maturing in fiscal years 2006-2008 are capital appreciation bonds with and approximate yield shown here as an interest rate.</i>
2007	3.75%	288,068	787,034	1,075,102	
2008	3.95%	243,422	846,680	1,090,102	
2009-2013	3.80-4.25%	230,000	1,528,720	1,758,720	
2014-2018	4.40-4.65%	3,880,000	1,235,056	5,115,056	
2019-2020	4.60-4.80%	2,620,000	120,040	2,740,040	
<i>Total</i>		<u>\$ 7,894,996</u>	<u>\$ 5,863,076</u>	<u>\$ 13,758,072</u>	

NOTE 15 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During the year, the School District entered into three new capital lease agreements for the acquisition of copiers and other equipment. As a result of one of the new leases the School District cancelled an existing lease and returned the related equipment. The terms of each remaining agreement provide options to purchase the equipment. The leases meet 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 all benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements of governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Capital assets acquired by lease have been capitalized as equipment in the amount of \$875,211 equal to the present value of the future minimum lease payments at the time of acquisition. Principal payments in the current fiscal year totaled \$80,957 and a remaining balance of an existing lease was canceled.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments at year-end.

<i>Fiscal Year</i>	<i>Lease Payments</i>
2004	\$ 102,390
2005	76,902
2006	33,310
2007	15,053
2008	<u>5,017</u>
<i>Total minimum lease payments</i>	232,672
<i>Less: amount representing interest</i>	<u>(21,251)</u>
<i>Total</i>	<u>\$ 211,421</u>

NOTE 16 - 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 2003, the School District contributed \$21,014 to NEONET.

NOTE 17 - CONTINGENCIES

The School District is party to legal proceedings. However, the School District's management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2003.

WOODRIDGE LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

The Supreme Court relinquished jurisdiction over the case and directed "... the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...".

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.

NOTE 18 - 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. Although the School District had offsets and/or qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may only be used to reduce the set-aside requirements of future years for the purchase of textbooks and/or instructional materials. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the other set-asides. 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.

During the fiscal year ended June 30, 2003, the reserve activity was as follows:

	<i>Textbook Reserve</i>	<i>Capital Maintenance Reserve</i>	<i>Bus Purchase Reserve</i>	<i>Total</i>
<i>Set-aside cash balance as of</i>				
<i>June 30, 2002</i>	\$ 69,591	\$ -	\$ -	\$ 69,591
<i>Current year set-aside requirement</i>	259,271	259,271	26,913	545,455
<i>Current year offset</i>	-	-	-	-
<i>Qualifying disbursements</i>	<u>(227,190)</u>	<u>(324,450)</u>	-	<u>(551,640)</u>
<i>Total</i>	<u>\$ 101,672</u>	<u>\$ (65,179)</u>	<u>\$ 26,913</u>	<u>\$ 63,406</u>
<i>Balance carried forward to future years</i>	<u>\$ 101,672</u>		<u>\$ 26,913</u>	<u>\$ 128,585</u>

WOODRIDGE LOCAL SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2003

Federal Grantor/Program Title	Pass Through Entity Number	CFDA Number	Receipts Recognized	Program Expenditures
<u><i>U.S. Department of Agriculture</i></u>				
Passed Through the Ohio Department of Education				
Nutrition Cluster:				
Food Distribution - Commodities - See Note 2	N/A	10.550	\$ 20,588	\$ 20,588
National School Lunch Program	04-PU-03	10.555	170,130	170,130
Breakfast Program	05-PU-03	10.553	49,590	49,590
Total Nutrition Cluster			240,308	240,308
Total U.S. Department of Agriculture			240,308	240,308
<u><i>U.S. Department of Education</i></u>				
Pass through Ohio Department of Education				
Title I - Financial Assistance to Meet Special Education Needs of Disadvantaged Children				
Title I - FY 01	C1-S1-01	84.010	-	4,161
Title I - FY 02	C1-S1-02	84.010	-	36,327
Title I - FY 03	C1-S1-03	84.010	164,810	173,239
Total Title I			164,810	213,727
Title VI - B, Special Education - Assistance to States for Education of Handicapped Children				
Title VI - B - FY 02	6B-SF-02P	84.027	1,440	24,119
Title VI - B - FY 03	6B-SF-03P	84.027	154,595	147,707
Total Title VI - B			156,035	171,826
Education of Economic Security Act - Eisenhower Grant				
Eisenhower Grant - FY01	MS-S1-01	84.164	789	4,174
Eisenhower Grant - FY02	MS-S1-02	84.164	-	2,641
Eisenhower Grant - FY03	MS-S1-03	84.164	3,300	5,609
Total Eisenhower Grant			4,089	12,424
Drug - Free School Grant				
Drug - Free School Grant - FY01	DR-S1-01	84.186	-	214
Drug - Free School Grant - FY02	DR-S1-02	84.186	2,081	562
Drug - Free School Grant - FY03	DR-S1-03	84.186	5,193	7,615
Total Drug - Free School Grant			7,274	8,391
Innovative Education Program Strategies				
Innovative Education Program Strategies - FY01	C2-S1-01	84.298	-	1,645
Innovative Education Program Strategies - FY02	C2-S1-02	84.298	4,668	6,646
Innovative Education Program Strategies - FY03	C2-S1-03	84.298	2,010	235
Total Innovative Education Program Strategies			6,678	8,526
Reducing Class Size				
Reducing Class Size - FY03	CR-S1-03	84.340	50,321	45,493
Total Reducing Class Size			50,321	45,493
Technology Literacy Challenge Grant				
Raising the Bar	TF-CF-03	84.318	-	24,601
Virtual Learning Review Project	TF-CF-03	84.318	2,170	1,376
Virtual Learning Review Project	TF-CF-03	84.318	1,272	1,200
Virtual Learning Review Project	TF-CF-03	84.318	-	1,832
Total Technology Literacy Challenge Grant			3,442	29,009
Entry Year Implementaion				
Entry Year Implementation - FY02	G2-S4-02	84.276	-	7,342
Total Entry Year Implementation			-	7,342
Total U.S. Department of Education			392,649	496,738
<u><i>U.S. Department of Health and Human Services</i></u>				
Pass Through Ohio Department of Mental Retardation and Developmental Disabilities				
Medicaid Title XIX	N/A	93.778	38,799	38,799
Total Medicaid Title XIX			38,799	38,799
Total U.S. Department of Health and Human Services			38,799	38,799
Total Federal Expenditures			\$ 671,756	\$ 775,845

See accompanying Notes to the Schedule of Federal Awards Expenditures

Woodridge Local School District
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2003

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 the obligation is incurred.

2. Food Distribution

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, 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, 2003, 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 expenditure of non-federal funds is not included on this schedule.

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**REPORT ON COMPLIANCE AND 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 basic financial statements of the Woodridge Local School District, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated February 20, 2004, wherein we noted the District adopted Government Accounting Standards Board Statement No. 34 and Interpretation No. 6. 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 basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal 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 basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the District in a separate letter dated February 20, 2004.

This report is intended for the information and use of management, the Board of Education, 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.
February 20, 2004

**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 cluster for the year ended June 30, 2003. The District's major federal program cluster 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 cluster 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 cluster for the year ended June 30, 2003.

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, 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.
February 20, 2004

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

**WOODRIDGE LOCAL SCHOOL DISTRICT
SUMMIT COUNTY
June 30, 2003**

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>	Child Nutrition Cluster: Food Distribution CFDA 10.550 National School Lunch CFDA 10.555 Breakfast Program CFDA 10.553
(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
June 30, 2003

**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, as of June 30, 2002, did not include material citations or recommendations.

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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
APRIL 6, 2004**