

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2005



**Auditor of State
Betty Montgomery**

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures	1
Notes to the Schedule of Federal Awards Receipts and Expenditures	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	5
Schedule of Findings	7

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**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program	N/A	10.550		\$56,893		\$56,893
National School Lunch Program	044537LLP405	10.555	\$179,468		\$179,468	
Total U.S. Department of Agriculture - Child Nutrition Cluster			<u>179,468</u>	<u>56,893</u>	<u>179,468</u>	<u>56,893</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Access Grant 2004	0445376BSD04	84.027	22,203		24,827	
Access Grant 2005	0445376BSD05	84.027	91,188		85,314	
Special Education Grants to States, IDEA Part B	0445376BSF04	84.027	68,840		81,723	
Special Education Grants to States, IDEA Part B	0445376BSF05	84.027	614,116		583,822	
Total Special Education Grants to States, IDEA Part B			<u>796,347</u>	<u>0</u>	<u>775,686</u>	<u>0</u>
Special Education Preschool Grants	044537PGS105	84.173	26,325		25,843	
Total Special Education Preschool Grants			<u>26,325</u>	<u>0</u>	<u>25,843</u>	<u>0</u>
Total Special Education Cluster			<u>822,672</u>	<u>0</u>	<u>801,529</u>	<u>0</u>
Title I, Part A, ESEA	044537C1S104	84.010	15,854		18,635	
Title I, Part A, ESEA	044537C1S105	84.010	114,500		105,671	
Comprehensive School Reform 2005	044537RFCC05	84.010	0		23,500	
Total Title I, Part A, ESEA			<u>130,354</u>	<u>0</u>	<u>147,806</u>	<u>0</u>
Innovation Education Program Strategies, Title V	044537C2S105	84.298	15,468		15,245	
Total Innovation Education Program Strategies, Title V			<u>15,468</u>	<u>0</u>	<u>15,245</u>	<u>0</u>
Improving Teacher Quality, Title II-A	044537TRS104	84.367	19,854		19,854	
Improving Teacher Quality, Title II-A	044537TRS105	84.367	81,783		78,217	
Total Improving Teacher Quality, Title II-A			<u>101,637</u>	<u>0</u>	<u>98,071</u>	<u>0</u>
Safe and Drug Free Schools	044537DRS104	84.186	0		2,349	
Safe and Drug Free Schools	044537DRS105	84.186	10,383		13,083	
Total Safe and Drug Free Schools			<u>10,383</u>	<u>0</u>	<u>15,432</u>	<u>0</u>
Education Technology State Grants, Title II-D	044537TJS105	84.318	3,475		2,755	
Total Education Technology State Grants, Title II-D			<u>3,475</u>	<u>0</u>	<u>2,755</u>	<u>0</u>
Total U.S. Department of Education			<u>1,083,989</u>	<u>0</u>	<u>1,080,838</u>	<u>0</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed Through the Ohio Department of Mental Retardation & Developmental Disabilities:</i>						
State Children's Health Insurance Program	N/A	93.767	13,405		13,405	
Medical Assistance - Medicaid Title XIX	N/A	93.778	125,920		125,920	
Total U.S. Department of Health and Human Services			<u>139,325</u>	<u>0</u>	<u>139,325</u>	<u>0</u>
Total All Federal Funds			<u>\$1,402,782</u>	<u>\$56,893</u>	<u>\$1,399,631</u>	<u>\$56,893</u>

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

N/A – Not Applicable.

CFDA – Catalog of Federal Domestic Assistance.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Ridgeville City School District, Lorain County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2005. We did not audit the financial statements of the Jointly Administered Trust Fund for the Benefit of North Ridgeville City School District Employees (the Trust), which represents all of the assets and revenues of the Internal Service Fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trust, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 16, 2005, we reported another matter involving internal control over financial reporting which we did not deem a reportable condition.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated December 16, 2005, we reported another matter related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

December 16, 2005



Auditor of State Betty Montgomery

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

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

To the Board of Education:

Compliance

We have audited the compliance of the North Ridgeville City School District, Lorain County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to each major federal program. 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 North Ridgeville City School District, Lorain County, Ohio complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2005.

Internal Control Over Compliance

The District's management 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 directly and materially affect a major federal program 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 reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Federal Awards Receipts and Expenditures Schedule

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the North Ridgeville City School District, Lorain County, Ohio as of and for the year ended June 30, 2005, and have issued our report thereon dated December 16, 2005. We did not audit the financial statements of the Jointly Administered Trust Fund for the Benefit of North Ridgeville City School District Employees (the Trust), which represents all of the assets and revenues of the Internal Service Fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trust, is based on the report of the other auditors. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 16, 2005

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster: CFDA #84.027 Special Education Grants to States (Idea, Part B) and CFDA # 84.173 Special Education Preschool Grants
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2005
(Continued)**

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

None

3. FINDINGS FOR FEDERAL AWARDS

None



***North Ridgeville City School
District***

"Building On Success One Individual At A Time"

Comprehensive Annual Financial Report

**For the Fiscal Year Ended
June 30, 2005
North Ridgeville, Ohio**

NORTH RIDGEVILLE CITY SCHOOL DISTRICT

NORTH RIDGEVILLE, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2005

Prepared by:

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

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
FOR THE YEAR ENDED JUNE 30, 2005**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Title Page	i
Table of Contents	ii
Letter of Transmittal	v
List of Principal Officials	xii
Organization Chart	xiii
GFOA Certificate of Achievement	xiv

FINANCIAL SECTION

Independent Accountants' Report	1
Management's Discussion and Analysis	3
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet - Governmental Funds	15
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balances Budget Basis (Non-GAAP) and Actual - General Fund	19
Statement of Revenues, Expenditures and Changes in Fund Balances Budget Basis (Non-GAAP) and Actual - Emergency Levy Fund	20
Statement of Fund Net Assets - Internal Service Fund	21
Statement of Revenues, Expenses and Changes in Fund Net Assets - Internal Service Fund	22
Statement of Cash Flows - Internal Service Fund	23
Statement of Fiduciary Assets and Liabilities- Agency Funds	24
Notes to the Basic Financial Statements	25

**NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
FOR THE YEAR ENDED JUNE 30, 2005**

**TABLE OF CONTENTS
(Continued)**

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements - Nonmajor Governmental Funds:

Fund Descriptions	52
Combining Balance Sheet - Nonmajor Governmental Funds	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	57
Combining Balance Sheet - Nonmajor Special Revenue Funds	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	62
Combining Balance Sheet - Nonmajor Capital Projects Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	67

Individual Fund Schedules of Revenue, Expenditures and Changes in
Fund Balances - Budget Basis (Non-GAAP) and Actual

General Fund	69
Emergency Levy Fund	72
Support Fund	73
Athletic Fund	74
Auxiliary Service Fund	75
M.I.S. Fund	76
Data Communications Fund	77
SchoolNet - Teacher Development Fund	78
Ohio Reads Fund	79
Student Reading Intervention	80
Miscellaneous Grants Fund	81
IDEA Part B Fund	82
Title I Fund	83
Title V Fund	84
Title IV Fund	85
EHA Preschool Fund	86
Title VI-R Fund	87
Miscellaneous Federal Grants Fund	88
Food Service Fund	89
Uniform School Supplies Fund	90
Summer School Fund	91
Special Projects Fund	92
Entry Year Teacher Fund	93
Debt Service Fund	94
Capital Projects Fund	95
SchoolNet Fund	96

**LORAIN COUNTY
FOR THE YEAR ENDED JUNE 30, 2005**

**TABLE OF CONTENTS
(Concluded)**

Combining Statements - Nonmajor Fiduciary Funds:	
Fund Descriptions	97
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds	98
Combining Statement of Changes in Assets and Liabilities - Agency Funds	99

STATISTICAL SECTION

General Governmental Revenues by Source - Last Ten Fiscal Years	S 1
General Governmental Expenditures by Function - Last Ten Fiscal Years	S 2
Property Tax Levies and Collections - Last Ten Fiscal Years	S 3
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	S 4
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	S 5
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Fiscal Years	S 6
Computation of Legal Debt Margin	S 7
Computation of Direct and Overlapping General Obligation Debt	S 8
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to General Expenditures - Last Ten Fiscal Years	S 9
Demographic Statistics - Last Ten Fiscal Years	S 10
Property Values, Financial Institution Deposits and Building Permits - Last Ten Years	S 11
Principal Taxpayers	
Tangible Personal Property Tax	S 12
Real Estate Tax	S 13
Public Utilities Tax	S 14
Per Pupil Cost - Last Ten Fiscal Years	S 15
Teacher Education and Experience	S 16



North Ridgeville City School District

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

5490 Mills Creek Lane
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Web: www.nrcs.k12.Oh.us

“Building On Success One Individual At A Time”

December 16, 2005

Members of the North Ridgeville
Board of Education:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the North Ridgeville City School District for the fiscal year ended June 30, 2005. Responsibility for the accuracy of the data presented and completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the North Ridgeville City School District with comprehensive financial data in a format that will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the North Ridgeville Public Library, major taxpayers, financial rating services, local bankers and other interested parties.

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

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

SCHOOL DISTRICT

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

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

The School District's 2004 population was 25,204. Its area is approximately 25 square miles, broken down by land use as follows:

Residential	86.21%
Commercial/Industrial	10.63%
Public Utility	02.41%
Agricultural	00.75%
Undeveloped	(a)

(a) Included in above categories.

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

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

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

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

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

THE REPORTING ENTITY

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

The District is still experiencing significant new residential, commercial, retail and light industrial and warehousing development. This development is expected to continue for the next five to ten years. Four separate industrial parks are under development in the City of North Ridgeville. The largest of these is Taylor Woods Industrial Park, which is home to the facilities of Invacare Corporation (manufacturer of wheelchairs), Becket Gas, Incorporated (a manufacturer of gas burners) and Becket Air, Incorporated (a manufacturer of blower wheels). The newest of these, Root Road Industrial Park, consisting of 13 acres began development in 2002. In 2004, building permits were issued for new commercial buildings with an estimated value of \$5,113,000 and commercial improvements of \$2,432,000.

Residential development has been significant in recent years and is expected to increase with the completion of the sanitary trunk sewer to serve the westerly portion of the District. Approximately 500 new homes and other single-family residences were constructed in the City in 2004. In various stages of planning and construction are two planned community developments in the western half of the City: Waterbury, a 640-acre development to include approximately 2,000 residential units of which 541 units have been completed; and Meadow Lakes, a 570-acre development to include approximately 1,900 residential units of which 481 units have been completed.

Other developments in the westerly portion include Avalon, an 80-acre subdivision to include 184 residential units, which is about three-quarters completed. Other developments include Windsor Point subdivision, which is to include up to 282 residential units, of which 20% is completed. Stone Creek subdivision will include up to 162 residential units is approximately 50% complete.

In other areas of the City, Ridgefield Homes, an approximate 1,000 home development that began in the mid 1990's is about 50% completed. These homes have been sold for \$225,000 to \$900,000 with an average home sale of \$300,000. There are also a number of small subdivisions being developed throughout the City.

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

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

MAJOR INITIATIVES – FISCAL YEAR 2005

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

Academics

- ❑ The School District has been designated "Effective" by the Ohio Department of Education and has met the Adequate Yearly Progress.
- ❑ Four of five academic buildings earned an "Effective" or "Excellent" academic rating from State.
- ❑ High School student scores on college admission tests improved to exceed State and National averages.
- ❑ Expanded implementation of *Universal Design for Learning* methodology, *Everyday Math*, *Sustained Silent Reading* and *Study Island* programs to enable teachers and parents to meet student's varied needs and learning styles.
- ❑ Provided high quality intervention programs for students through competitive grants.
- ❑ Enhanced our curriculum through increased technology to include SmartBoards, Interactive Video Distance Learning, and numerous educational software applications.
- ❑ Teacher Mentor and other Professional Development programs successfully implemented.

Finances

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

Business Affairs - Facilities/Buildings/Grounds/Transportation

- ❑ Completed asbestos abatement, ceiling tiles and new light fixtures in the Middle School building.
- ❑ With the aid of state funds, Transportation Department has continued its implementation of bus replacement program purchasing three new buses.
- ❑ Food Services used grants to support innovative and nutritious programs.
- ❑ Updated School Safety Plan with safety teams in each building.
- ❑ Ongoing maintenance projects for parking lots, roofs, and HVAC systems.

Communication

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

Long Term and Capital Planning

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

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

FINANCIAL OVERVIEW

Internal Controls

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

Accounting System

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

The School District has issued "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" to its June 30, 2005 Comprehensive Annual Financial Report, which consists of the following:

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

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

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

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

DEBT ADMINISTRATION

The District operated within the established overall debt margin and the un-voted debt margin. At June 30, 2005, outstanding bonds totaled \$3,048,911. Net debt retired was \$260,000 General Obligation Bonds for school improvement issued in 2002. As of June 30, 2005, the overall debt margin was \$ 47,533,165 and the un-voted debt margin was \$ 557,079.

CASH MANAGEMENT

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

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

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

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

RISK MANAGEMENT

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

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

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

Additional information on the School District's Risk Management can be found in note 10 of the notes to the financial statements.

INDEPENDENT AUDIT

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

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to the North Ridgeville City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2004. This was the third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

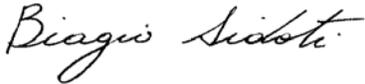
ACKNOWLEDGEMENTS

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

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

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

Respectfully Submitted,



Mr. Biagio Sidoti, CPA
Treasurer



Mr. Larry D. Bowersox
Superintendent

NORTH RIDGEVILLE CITY SCHOOL BOARD OF EDUCATION
PRINCIPAL OFFICIALS
JUNE 30, 2005

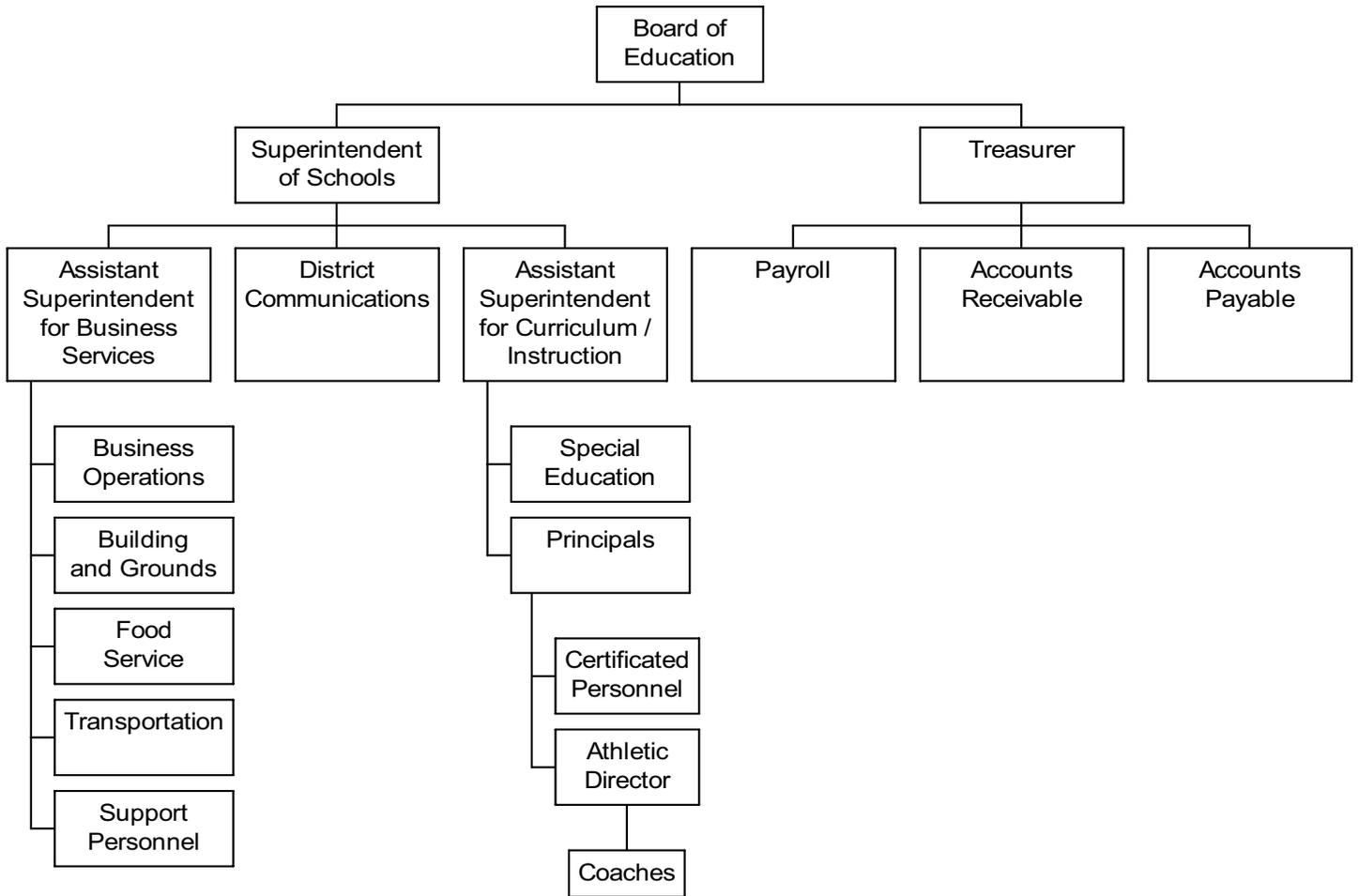
Board of Education

Mr. Tom Dake.....President
Mr. Ross Mitchell.....Vice President
Mrs. Robin Hrabik.....Member
Ms. James Stermole.....Member
Mrs. Maria Sycz.....Member

Administration

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

North Ridgeville
City School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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



Nancy L. Ziehl

President

Jeffrey R. Enser

Executive Director



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Ridgeville City School District, Lorain County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jointly Administered Trust Fund for the Benefit of North Ridgeville City School District Employees (the Trust), which represents all of the assets and revenues of the Internal Service Fund as of December 31, 2004. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trust, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the North Ridgeville City School District, Lorain County, Ohio, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and the Emergency Levy Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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



Betty Montgomery
Auditor of State

December 16, 2005

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005
Unaudited

The management discussion and analysis of North Ridgeville City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2005. The intent of this management discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter, financial statements and notes to those respective statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key Financial Highlights for 2005 are as follows:

In total, net assets increased by \$ 4,255,960.

Revenues for governmental activities totaled \$ 32,756,028 in 2005. Of this total, 88.9 percent consisted of General revenues while Program revenues accounted for the remaining balance of 11.1 percent.

Program expenses totaled \$ 28,500,068. Instructional expenses made up 57.3 percent of this total while support services accounted for 35.0 percent. Other expenses rounded out the remaining 7.7 percent.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2005?" The Statement of Net Assets and Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. Accrual accounting takes into account all the current year's revenues and expenses regardless of when cash is received or paid.

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005
Unaudited

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

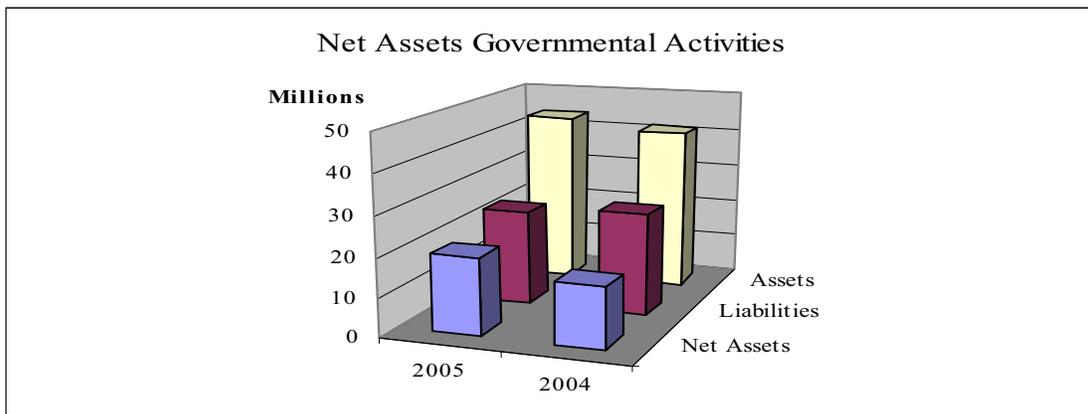
NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005
Unaudited

The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2005 compared to 2004:

Table 1
Total Net Assets

	2005	2004
Assets		
Current and other assets	\$ 30,089,005	\$ 26,941,860
Total capital assets, net	13,832,138	14,457,251
Total assets	<u>43,921,143</u>	<u>41,399,111</u>
Liabilities		
Current liabilities	18,675,221	20,358,499
Long term liabilities		
Due within one year	522,918	460,511
Due in more than one year	5,034,787	5,147,844
Total liabilities	<u>24,232,926</u>	<u>25,966,854</u>
Net assets		
Invested in capital assets, net of related debt	10,807,588	11,147,016
Restricted	1,525,726	939,499
Unrestricted	7,354,903	3,345,742
Total net assets	<u>\$ 19,688,217</u>	<u>\$ 15,432,257</u>



NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005
Unaudited

Governmental Activities

Total assets increased by \$ 2,522,032. The increase can be attributed to increases in cash, prepaid and deferred expenses and taxes receivable of \$ 1,592,074, \$ 656,322 and \$ 800,973, respectively. This increase was offset by a decrease in capital assets which is primarily attributable to a net change in accumulated depreciation of \$ 625,113. The remainder of the increase is attributed to accounts receivable and due from other governments which accounted for an increase of \$ 97,776.

Total liabilities decreased by \$ 1,733,928. The majority of the increase can be attributed primarily to a decrease in unearned revenue of \$ 1,568,227. Long term liabilities decreased by \$ 50,650. The remainder of the decrease is attributed to accounts and contracts payable, accrued wages and benefits, claims payable, accrued interest payable, due to other governments, unearned revenue and compensated absences, which accounts for a decrease of \$ 115,051.

By comparing assets and liabilities, one can see the overall position of the School District has improved as evidenced by the increase in net assets of \$ 4,255,960.

The vast majority of revenue supporting all Governmental Activities is General revenues. General revenues totaled \$ 29,132,856 or 88.9 percent of the total revenues. The most significant portion of the General revenues is local property tax. The remaining amount of revenue was in the form of program revenues, which equated to \$ 3,623,172 or only 11.1 percent of total revenue.

Table 2 summarizes the revenues, expenses and the changes in net assets for fiscal year 2005 and 2004.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005
Unaudited

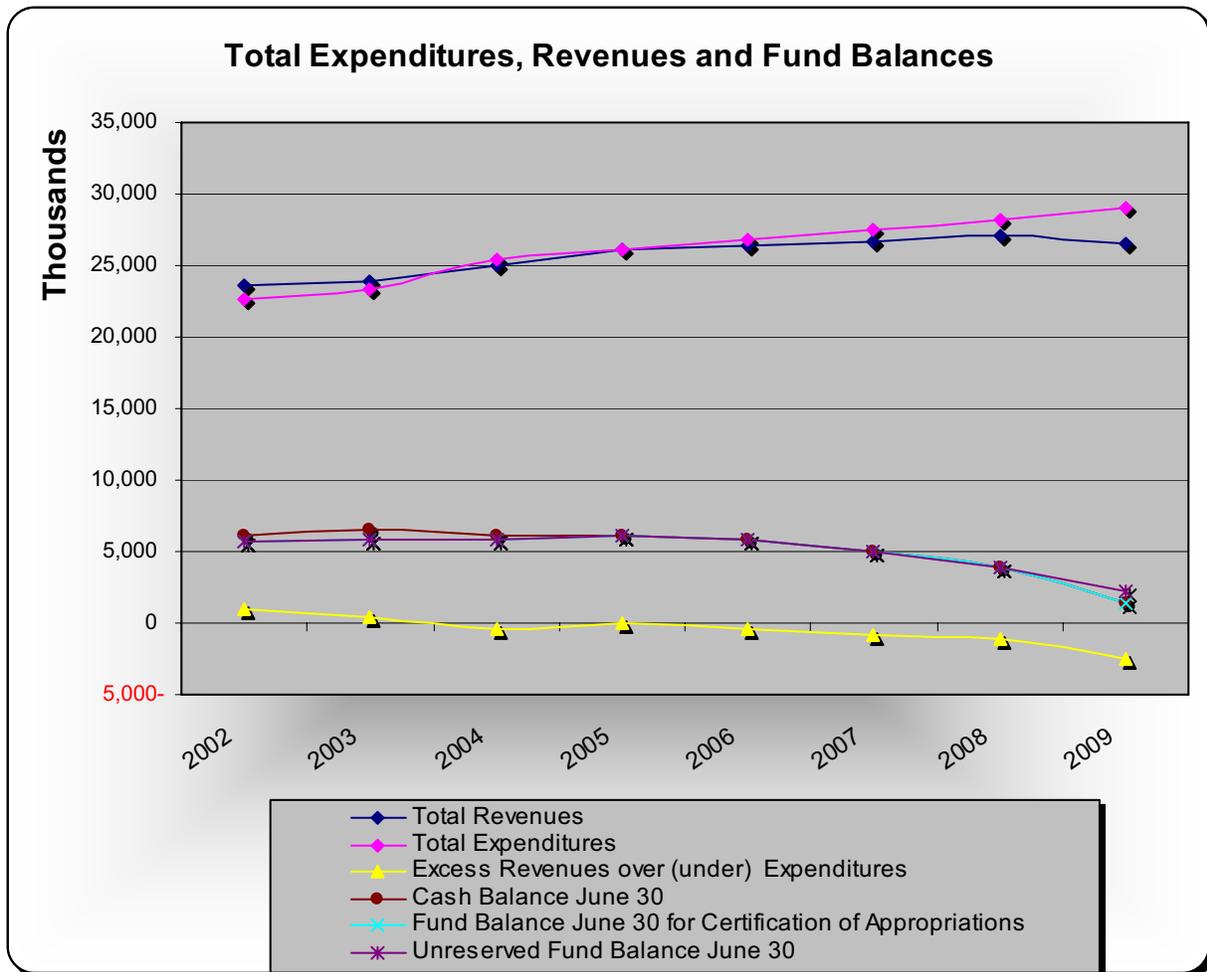
Table 2
Governmental Activities

	2005	2004
Revenues		
Program revenues		
Charges for services and sales	\$ 1,829,998	\$ 1,744,216
Operating grants, interest and contributions	1,793,174	1,351,725
Total program revenues	3,623,172	3,095,941
General revenues		
Property taxes	17,779,699	14,445,941
Grants and entitlements not restricted to specific purposes	11,094,161	10,929,872
Investment earnings	212,054	80,986
Miscellaneous	46,942	211,505
Total general revenues	29,132,856	25,668,304
Total revenues	32,756,028	28,764,245
Program expenses		
Instruction		
Regular	12,506,999	12,724,752
Special	2,954,312	2,678,545
Vocational	462,117	447,336
Other instruction	413,365	336,065
Supporting services		
Pupil	1,505,462	1,501,567
Instructional staff	1,821,049	1,829,707
Board of education	131,433	61,895
Administration	1,726,241	1,775,722
Fiscal services	621,230	621,131
Business	288,878	380,377
Operation and maintenance	2,122,812	2,611,905
Pupil transportation	1,672,697	1,776,252
Central services	90,996	115,697
Operation of non-instructional		
Food service operation	969,765	865,136
Community services	513,287	414,686
Extracurricular activities	582,334	803,737
Interest	117,091	134,583
Total expenses	28,500,068	29,079,093
Change in net assets	4,255,960	(314,848)
Net assets at beginning of year	15,432,257	15,747,105
Net assets at end of year	\$ 19,688,217	\$ 15,432,257

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

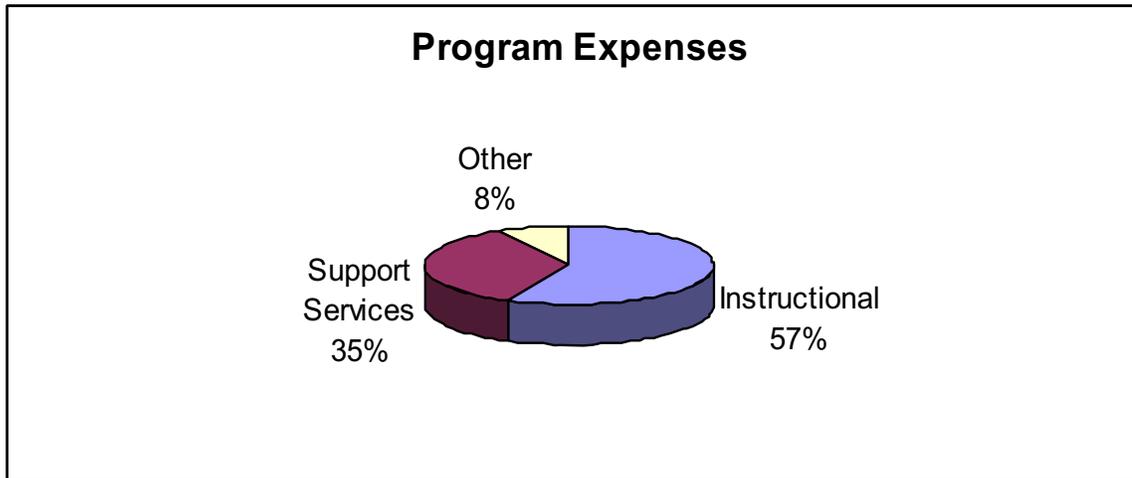
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005
Unaudited

The School District has carefully planned its financial future by forecasting its revenues and expenditures over the next five years. In May of 2005, the School District completed its five year forecast. Based upon the current five year financial forecast, the School District has adequate operating funds for the next four years. Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating costs.



NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005
Unaudited

Approximately 57 percent of the School District's budget is used to fund instructional expenses. Additional supporting services for pupils, staff and business operations encompass an additional 35 percent. The remaining program expenses of 8 percent are budgeted to facilitate other obligations of the School District, such as the food service program, numerous extracurricular activities and debt service.



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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005
Unaudited

Table 3
Governmental Activities

	Total Cost of Services	Net Cost of Services
Program expenses		
Instruction		
Regular	\$ 12,506,999	\$(11,665,990)
Special	2,954,312	(2,109,073)
Vocational	462,117	(462,117)
Other instruction	413,365	(413,365)
Supporting services		
Pupil	1,505,462	(1,393,167)
Instructional staff	1,821,049	(1,642,450)
Board of education	131,433	(131,433)
Administration	1,726,241	(1,726,241)
Fiscal services	621,230	(621,230)
Business	288,878	(288,878)
Operation and maintenance	2,122,812	(2,119,385)
Pupil transportation	1,672,697	(1,672,697)
Central services	90,996	(89,516)
Operation of non-instructional		
Food service operation	969,765	27,298
Community services	513,287	(15,972)
Extracurricular activities	582,334	(435,589)
Interest	117,091	(117,091)
Total expenses	\$ 28,500,068	\$(24,876,896)

The reliance upon local tax revenues for governmental activities is crucial. Approximately 62.3 percent of expenses are directly supported by local property taxes. Grants and entitlements not restricted to specific programs support 38.9 percent, while investments and other miscellaneous type revenues support the remaining activity costs of .1 percent. Program revenues fund only 12.7 percent of all governmental expenses.

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

School District Funds

Information regarding the School District's major funds can be found on page 15. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$ 32,457,899 and expenditures of \$ 28,388,466. The net changes in fund balances for the year were as follows: General Fund \$ 3,017,725, Emergency Levy Fund \$ 441,670 and Other Governmental Fund \$ 610,038. The increase in fund balances is primarily due to an increase in the amount of property taxes available for advance from the county auditor, which is recognized as tax revenue.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005
Unaudited

General Fund Budgeting Highlights

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

During the course of fiscal year 2005, the School District amended its general fund budget numerous times, none significantly. Fluctuations among the budget basis expenditures categories are due to the School District's site-based style of budgeting that is designed to tightly control expenses but provide flexibility for managers to redirect funds as conditions develop during the year.

Overall revenue received by the General Fund was more than original budgetary projections by \$ 794,451 or 3.8% of the actual received. The increase was due primarily to tax revenue and intergovernmental revenue. Actual expenditures for the year were \$ 5,337,073 or 26.6% under original General Fund budget projections. The increase was due to higher than anticipated grade realignment costs and increases in programs implemented.

The above circumstances allowed the School District to end the school year with a General Fund unencumbered cash balance of \$ 6,990,740 which was \$ 6,152,702 higher than original projections.

Capital Assets and Debt Administration

Capital Assets

All capital assets, except land, are reported net of depreciation. At the end of fiscal 2005, the School District had \$ 13,832,138 invested in land, buildings, equipment and vehicles. Table 4 shows fiscal 2005 values compared to 2004.

Table 4
Net Capital Assets at June 30
Governmental Activities

	2005	2004
Land	\$ 207,401	\$ 207,401
Building and improvements	12,401,977	13,028,958
Furniture and equipment	707,538	599,686
Vehicles	515,222	621,206
Total capital assets	\$ 13,832,138	\$ 14,457,251

During fiscal 2005, the School District purchased \$ 804,686 of capital assets. Approximately 50.1 percent or \$ 403,453 of the purchases for furniture and equipment with the remaining 49.9 percent or \$ 401,233 for building improvements. The decrease in capital assets is primarily due to assets being depreciated. More detailed information is presented in Note 8 of the notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2005
Unaudited

Debt

At June 30, 2005 the School District had \$ 3,048,911 in outstanding bonds. Proceeds from the bonds were used to renovate the Education Center and construct an addition to the High School. The bonds are to be repaid in annual payments of interest and principal through fiscal year 2017.

The School District's overall legal debt margin was \$ 47,533,165 with an unvoted debt margin of \$ 557,079. More detailed information is presented in Notes 13 and 14 of the notes to the basic financial statements.

School District Outlook

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

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

In addition, the problem of limited growth in revenue, school districts are faced with the challenge of losing traditional sources of tax revenue through the Ohio General Assembly legislative actions. In June, 2005 the State of Ohio enacted legislation, portions of which take effect at various times, that phases out the taxation of tangible personal property used in business (other than certain public utility tangible personal property) over four years from tax year 2006 to tax year 2009. To compensate local government units for the foregone revenue, the recently enacted legislation provides for State distributions from revenue generated by a newly enacted commercial activities tax.

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

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

The North Ridgeville City School District has committed itself to financial excellence for many years. The School District first received its Certificate of Achievement for Excellence in Financial Reporting by the Governmental Financial Officers Association (GFOA) in 2004 and will seek to receive the award in years to come.

Contacting the School District's Financial Management

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF NET ASSETS

JUNE 30, 2005

	Governmental Activities
Assets	
Equity in pooled cash	\$ 9,573,206
Accounts receivable	27,770
Due from other governments	1,464,972
Prepaid and deferred expenses	1,326,978
Taxes receivable	17,696,079
Capital assets	
Nondepreciable capital assets	207,401
Depreciable capital assets, net	13,624,737
Total assets	43,921,143
 Liabilities	
Accounts and contracts payable	316,524
Accrued salaries, wages and benefits	2,915,284
Claims payable	371,269
Accrued interest payable	9,740
Due to other governments	759,296
Unearned revenue	14,303,108
Long term liabilities	
Due within one year	522,918
Due in more than one year	5,034,787
Total liabilities	24,232,926
 Net assets	
Invested in capital assets, net of related debt	10,807,588
Restricted for:	
Debt service	551,702
Capital projects	603,911
Food service	3,674
School supplies	85,057
Extracurricular activities	16,298
State grants	89,255
Federal grants	157,419
Other purposes	18,410
Unrestricted	7,354,903
Total net assets	\$ 19,688,217

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants Interest and Contributions	Revenue and Changes in Net Assets
Governmental activities				
Instruction				
Regular	\$ 12,506,999	\$ 440,589	\$ 400,420	\$ (11,665,990)
Special	2,954,312	93,036	752,203	(2,109,073)
Vocational	462,117	-	-	(462,117)
Other instruction	413,365	-	-	(413,365)
Supporting services				
Pupil	1,505,462	112,295	-	(1,393,167)
Instructional staff	1,821,049	35,363	143,236	(1,642,450)
Board of education	131,433	-	-	(131,433)
Administration	1,726,241	-	-	(1,726,241)
Fiscal services	621,230	-	-	(621,230)
Business	288,878	-	-	(288,878)
Operation and maintenance	2,122,812	3,427	-	(2,119,385)
Pupil transportation	1,672,697	-	-	(1,672,697)
Central services	90,996	1,480	-	(89,516)
Operation of non-instructional				
Food service operation	969,765	997,063	-	27,298
Community services	513,287	-	497,315	(15,972)
Extracurricular activities	582,334	146,745	-	(435,589)
Interest	117,091	-	-	(117,091)
Totals	<u>\$ 28,500,068</u>	<u>\$ 1,829,998</u>	<u>\$ 1,793,174</u>	<u>(24,876,896)</u>

General revenues

Property taxes levied for:

General purpose	16,649,549
Debt service	398,577
Capital improvements	731,573
Grants and entitlements not restricted to specific purposes	11,094,161
Investment earnings	212,054
Miscellaneous	46,942
Total general revenues	<u>29,132,856</u>

Change in net assets	4,255,960
Net assets at beginning of year	<u>15,432,257</u>
Net assets at end of year	<u>\$ 19,688,217</u>

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

BALANCE SHEET -
GOVERNMENTAL FUNDS

JUNE 30, 2005

	General Fund	Emergency Levy Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in pooled cash	\$ 7,355,623	\$ 70,732	\$ 1,572,432	\$ 8,998,787
Receivables, net of allowance				
Taxes, current	11,669,668	4,534,623	1,095,788	17,300,079
Taxes, delinquent	276,500	90,200	29,300	396,000
Due from other governments	25,529	-	1,439,443	1,464,972
Interfund receivable	296,958	-	-	296,958
Total assets	\$ 19,624,278	\$ 4,695,555	\$ 4,136,963	\$ 28,456,796
Liabilities and fund balances				
Liabilities				
Accounts and contracts payable	\$ 44,888	\$ -	\$ 221,198	\$ 266,086
Accrued wages and benefits	2,841,910	-	73,374	2,915,284
Due to other governments	490,887	20,866	17,880	529,633
Interfund payable	-	-	296,958	296,958
Unearned revenue	9,163,377	3,494,263	2,041,468	14,699,108
Compensated absences	252,918	-	-	252,918
Total liabilities	12,793,980	3,515,129	2,650,878	18,959,987
Fund balances				
Reserved for property taxes	2,782,791	1,130,560	254,875	4,168,226
Reserved for encumbrances	328,306	-	538,120	866,426
Unreserved, reported in				
General Fund	3,719,201	-	-	3,719,201
Special Revenue Funds	-	49,866	197,319	247,185
Debt Service Fund	-	-	444,959	444,959
Capital Projects Funds	-	-	50,812	50,812
Total fund balances	6,830,298	1,180,426	1,486,085	9,496,809
Total liabilities and fund balances	\$ 19,624,278	\$ 4,695,555	\$ 4,136,963	\$ 28,456,796

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

JUNE 30, 2005

Total governmental funds balances	\$	9,496,809
Amount reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		13,832,138
Other long term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Property taxes		396,000
Prepaid and deferred expenses		1,300,959
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		206,501
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(229,663)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(2,255,876)
Bonds payable		(3,048,911)
Accrued interest payable		(9,740)
		(5,314,527)
Net assets of governmental activities	\$	19,688,217

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	General Fund	Emergency Levy Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 11,881,252	\$ 4,741,297	\$ 1,125,150	\$ 17,747,699
Tuition and fees	387,649	-	116,858	504,507
Interest	197,731	-	12,245	209,976
Intergovernmental	10,071,949	512,708	2,302,678	12,887,335
Extracurricular	-	-	187,936	187,936
Charges for services	-	-	681,725	681,725
Other	162,460	-	76,261	238,721
Total revenues	22,701,041	5,254,005	4,502,853	32,457,899
Expenditures				
Current				
Instruction				
Regular	7,102,540	4,746,073	502,957	12,351,570
Special	2,218,180	-	689,659	2,907,839
Vocational	413,971	-	-	413,971
Other instruction	413,365	-	-	413,365
Supporting services				
Pupil	1,241,898	-	113,781	1,355,679
Instructional staff	1,618,729	-	171,706	1,790,435
Board of education	131,275	-	-	131,275
Administration	1,602,734	-	1,096	1,603,830
Fiscal services	514,235	66,262	15,828	596,325
Business	285,486	-	-	285,486
Operation and maintenance	2,237,902	-	215,766	2,453,668
Pupil transportation	1,457,187	-	75,864	1,533,051
Central services	35,702	-	51,855	87,557
Operation of non-instructional				
Food service operation	-	-	963,407	963,407
Community services	210	-	539,795	540,005
Extracurricular activities	407,376	-	169,936	577,312
Debt service				
Principal	2,368	-	260,000	262,368
Interest	158	-	121,165	121,323
Total expenditures	19,683,316	4,812,335	3,892,815	28,388,466
Net change in fund balances	3,017,725	441,670	610,038	4,069,433
Fund balances, beginning of year	3,812,573	738,756	876,047	5,427,376
Fund balances, end of year	\$ 6,830,298	\$ 1,180,426	\$ 1,486,085	\$ 9,496,809

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

Net change in fund balances - total governmental funds		\$ 4,069,433
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
	Capital outlay, net	799,435
	Depreciation expense	<u>(1,424,548)</u>
		(625,113)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Property taxes	32,000
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		262,368
Accrued interest expense in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. In the statement of activities bond accretion is amortized over the term of the bonds, whereas in governmental funds, the expenditure is reported when the bonds are issued.		
	Accrued interest	5,276
	Annual accretion	<u>(1,044)</u>
		4,232
Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represents contractually required pension contributions do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	Compensated absences	(155,899)
	Pension obligations	<u>1,727</u>
		(154,172)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		10,869
The internal service fund is a component unit of the District and has a different fiscal year-end than the District. This causes timing differences in the amounts recorded as revenue in the component unit and the amount of expenses recorded by the District.		
	District contributions to component unit for its fiscal year-end June 30, 2005	1,300,959
	Revenue in component unit for its fiscal year-end December 31, 2004	<u>(644,616)</u>
		<u>656,343</u>
Change in net assets of governmental activities		<u>\$ 4,255,960</u>

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	General Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 9,884,069	\$ 10,435,187	\$ 10,269,975	\$ (165,212)
Tuition and fees	379,272	400,420	394,080	(6,340)
Interest	190,298	200,909	197,728	(3,181)
Intergovernmental	9,741,234	10,284,388	10,121,563	(162,825)
Miscellaneous	153,105	161,642	159,083	(2,559)
Total revenues	<u>20,347,978</u>	<u>21,482,546</u>	<u>21,142,429</u>	<u>(340,117)</u>
Expenditures				
Current				
Instruction				
Regular	9,043,663	7,168,011	7,146,501	21,510
Special	2,841,154	2,251,899	2,245,142	6,757
Vocational	524,320	415,576	414,329	1,247
Other instruction	525,252	416,315	415,066	1,249
Supporting services				
Pupil	1,573,482	1,247,143	1,243,400	3,743
Instructional staff	2,049,604	1,624,517	1,619,641	4,876
Board of education	167,178	132,505	132,107	398
Administration	2,085,501	1,652,968	1,648,008	4,960
Fiscal services	670,887	531,746	530,150	1,596
Business	363,280	287,937	287,073	864
Operation and maintenance	2,915,055	2,310,473	2,303,539	6,934
Pupil transportation	1,848,489	1,465,114	1,460,717	4,397
Central services	44,810	35,516	35,410	106
Extracurricular activities	513,077	406,665	405,445	1,220
Capital outlay	275,755	218,564	217,908	656
Total expenditures	<u>25,441,507</u>	<u>20,164,949</u>	<u>20,104,436</u>	<u>60,513</u>
Excess (deficiency) of revenues over expenditures	<u>(5,093,529)</u>	<u>1,317,597</u>	<u>1,037,993</u>	<u>(279,604)</u>
Other financing sources (uses)				
Gain (loss) on sale of assets	-	3,377	3,377	-
Advances in	-	224,297	224,297	-
Advances out	-	(206,496)	(206,496)	-
Total other financing sources (uses)	<u>-</u>	<u>21,178</u>	<u>21,178</u>	<u>-</u>
Net change in fund balance	(5,093,529)	1,338,775	1,059,171	(279,604)
Prior year encumbrances	279,612	279,612	279,612	-
Fund balances, beginning of year	5,651,957	5,651,957	5,651,957	-
Fund balances, end of year	<u>\$ 838,040</u>	<u>\$ 7,270,344</u>	<u>\$ 6,990,740</u>	<u>\$ (279,604)</u>

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Emergency Levy Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 4,101,951	\$ 4,128,938	\$ 4,128,938	\$ -
Intergovernmental	509,357	512,708	512,708	-
Total revenues	<u>4,611,308</u>	<u>4,641,646</u>	<u>4,641,646</u>	<u>-</u>
Expenditures				
Current				
Instruction				
Regular	67,553	4,725,207	4,725,207	-
Supporting services				
Fiscal services	947	66,262	66,262	-
Total expenditures	<u>68,500</u>	<u>4,791,469</u>	<u>4,791,469</u>	<u>-</u>
Net change in fund balance	4,542,808	(149,823)	(149,823)	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	220,555	220,555	220,555	-
Fund balances, end of year	<u>\$ 4,763,363</u>	<u>\$ 70,732</u>	<u>\$ 70,732</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

STATEMENT OF FUND NET ASSETS -
INTERNAL SERVICE FUND

DECEMBER 31, 2004

	<u>Self Insurance</u>
Assets	
Current assets	
Equity in pooled cash	\$ 574,419
Accounts receivable	27,770
Prepaid expenses	26,019
Total assets	<u>628,208</u>
Liabilities	
Current liabilities	
Accounts payable	50,438
Claims payable	371,269
Total liabilities	<u>421,707</u>
Net assets	
Restricted	498,000
Unrestricted	(291,499)
Total net assets	<u>\$ 206,501</u>

See accompanying notes to the basic financial statements.

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

	Self Insurance
Operating revenues	
Charges for services	\$ 2,203,150
Operating expenses	
Purchased services	217,527
Claims	1,976,832
Total operating expenses	2,194,359
Operating income	8,791
Nonoperating revenues	
Interest income	2,078
Change in net assets	10,869
Net assets, beginning of year	195,632
Net assets, end of year	\$ 206,501

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
STATEMENT OF CASH FLOWS -
INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Self Insurance
Cash flows from operating activities	
Cash received from interfund services	\$ 2,204,410
Cash payments for claims	(1,973,267)
Cash payments for goods and services	(177,740)
Net cash provided by operating activities	53,403
 Cash flows from investing activities	
Interest income	2,078
Net cash provided by investing activities	2,078
 Net increase in cash and cash equivalents	55,481
 Cash and cash equivalents, beginning of year	518,938
 Cash and cash equivalents, end of year	\$ 574,419
 Reconciliation of operating income to net cash used for operating activities:	
Operating income	\$ 8,791
Adjustments	
Decrease in accounts receivable	1,260
Decrease in prepaid expenses	21
Increase in accounts payable	32,894
Increase in claims payable	10,437
Total adjustments	44,612
 Net cash used for operating activities	\$ 53,403

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2005

Assets	
Equity in pooled cash	\$ 82,477
Total assets	<u>82,477</u>
Liabilities	
Accounts payable	2,413
Due to students	76,518
Due to others	3,546
Total liabilities	<u>\$ 82,477</u>

See accompanying notes to the basic financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The North Ridgeville City School District (the District) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education consisting of five members and is responsible for providing public education to residents of the District. Average daily membership on, or as of, October 1, 2004 was 3,433. The District employs 278 certificated and 158 non-certificated employees.

REPORTING ENTITY

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

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organizations' governing board and, 1) the District is able to significantly influence the programs or services performed or provided by the organization; or 2) the District is legally entitled to or can otherwise access the organizations' resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provided financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes.

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

Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees (the Trust) – Although the Trust is legally separate from the District, it should be reported as if it were part of the primary government because its sole purpose is to provide benefits to District employees for hospitalization, medical, dental, vision, and prescription drugs as provided for in the collective bargaining agreements. The District's participation is disclosed in Note 10 to the financial statements.

During the fiscal year ended June 30, 2005, the Trust changed its year end from March 31 to December 31. Financial information for the Trust's year ended December 31, 2004 is presented in these financial statements as an internal service fund. Complete financial statements for the Trust may be obtained by contacting the Plan Administrator at 10045 College Park, Concord, Ohio 44060.

The District is associated with the Lake Erie Educational Computer Association, the Lake Erie Regional Council, the Lorain County Joint Vocational School District, and the Ohio School Council Association which are considered to be jointly governed organizations. The District also participates in a public risk pool managed by the Ohio Schools Boards Association Workers' Compensation Group Rating Program. These organizations and their relationships with the District are described in more detail in Notes 10 and 18 to these financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIS OF PRESENTATION

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. FUND ACCOUNTING

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

Governmental Funds

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

General Fund - the general fund is the operating fund of the school district and is used to account for all financial resources, except those required to be accounted for in another fund.

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

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

Proprietary Fund

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

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

Fiduciary Funds

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. MEASUREMENT FOCUS

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

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

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

D. BASIS OF ACCOUNTING

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

Revenues - Exchange and Non-exchange Transactions

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING (continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned Revenue

Unearned 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, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

Expenditures/Expenses

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BUDGETARY PROCESS

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

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

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

F. CASH AND INVESTMENTS

Cash received by the District is deposited in one central bank account with individual fund balance integrity maintained through District records. Monies for all funds are maintained in this account or temporarily transferred to the State Treasurer's investment pool (STAROhio) or other short term investments. Under existing Ohio statutes, interest earnings are allocated to funds based on average monthly cash balances. Interest revenue credited to the General Fund during fiscal year 2005 amounted to \$ 197,731, which includes \$ 31,010 assigned from other School District Funds.

Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value, which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The District has invested in the State Treasury Asset Reserve of Ohio (STAROhio) during the year. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2005.

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. CASH AND INVESTMENTS (continued)

The Trust documents specifically require the maintenance of an insurance reserve, consisting of cash and investments, to provide a minimum funding level within the Trust to provide for future claims. At December 31, 2004 and March 31, 2004 this calculated reserve amount was \$ 498,000 and \$ 647,000 respectively. The Trustees authorized partial use of this reserve to subsidize Trust expenses with an understanding that the funds would be replenished by increasing employee and District contributions and changes in benefits provided. This amount is reflected as restricted in the fund equity section of the Statement of Fund Net Assets – Internal Service Fund.

The required balance in the run-out reserve is an amount equal to the incurred but unreported claims liability as calculated by the actuary. The balance in the run-out reserve was calculated to be \$ 312,000 and \$ 322,000 at December 31, 2004 and March 31, 2004, respectively. The balance in the reserve was not fully funded at March 31, 2004, but in July, 2004 the Board transferred the required amount to fund the reserve from the operating account. The balance in the run-out reserve at December 31, 2004 was fully funded.

G. RESTRICTED ASSETS

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by enabling legislation. (See Note 17).

H. CAPITAL ASSETS

General capital assets are those assets which are associated with and generally arise from governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$ 1,000 and useful life of more than five years. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Asset	Estimated Useful Life
Buildings	50 years
Building improvements	5 - 20 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 10 years

I. INTERFUND BALANCES

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. COMPENSATED ABSENCES

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

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

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

K. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

L. NET ASSETS

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

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

M. FUND BALANCE RESERVES AND DESIGNATIONS

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. FUND BALANCE RESERVES AND DESIGNATIONS (continued)

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

N. OPERATING REVENUES AND EXPENSES

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

O. INTERFUND TRANSACTIONS

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

P. ESTIMATES

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

NOTE 3 – DEFICIT FUND EQUITY

At June 30, 2005, the following funds had the deficit fund balances.

Special Revenue Funds	
Uniform School Supplies	\$ 83,382
Summer School	19,479
	<u>\$ 102,861</u>

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget Basis (Non-GAAP) and Actual presented for the General Fund and Emergency Levy Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis statements are the following:

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

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

Net Change in Fund Balance		
	General Fund	Emergency Levy Fund
Budget basis	\$ 1,059,171	\$ (149,823)
Adjustments, increase (decrease)		
Revenue accruals	1,330,938	612,359
Expenditure accruals	627,616	(20,866)
GAAP basis, as reported	\$ 3,017,725	\$ 441,670

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - DEPOSITS AND INVESTMENTS

A. LEGAL REQUIREMENTS

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

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

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

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

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

Interim monies may be invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - DEPOSITS AND INVESTMENTS(continued)

A. LEGAL REQUIREMENTS (continued)

6. The State Treasurer's investment pool (STAR Ohio);
7. Commercial paper and bankers' acceptances (if authorized by the Board of Education), and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

At fiscal year end, the District had \$ 3,054 in cash on hand which is included on the balance sheet of the District as part of "Equity in Pooled Cash".

B. DEPOSITS

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. At fiscal year end, the carrying amount of the District's deposits was \$ 228,657 and the bank balance was \$ 628,576. Of the bank balance, \$ 166,930 was covered by federal depository insurance and \$ 461,646 was uninsured. Of the remaining balance, \$ 461,646 was collateralized with securities held by the pledging institution's trust department not in the District's name.

At December 31, 2004, the fiscal year end of the Trust, the District's component unit, the carrying amount of the Trust's deposits was \$ 574,419 and the bank balance was the same, all of which was covered by Federal depository insurance or by collateral held by a qualified third party trustee in the name of the Trust.

C. INVESTMENTS

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2005, the District had the following investments:

	Maturities	Fair Value
STAROhio	n/a	\$ 8,849,553

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 5 - DEPOSITS AND INVESTMENTS(continued)

D. INTEREST RATE RISK

The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date.

E. CREDIT RISK

The District follows the Ohio Revised Code that limits its investment choices. As of June 30, 2005, the District's investments in Money Market Funds and StarOhio were rated AAA by Standard & Poor's.

F. CONCENTRATION OF CREDIT RISK

The District places no limit on the amount that may be invested in any one issuer.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real and public utility property tax revenues received in calendar year 2005 represent the collection of calendar year 2004 taxes. Real property taxes for 2005 were levied after April 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real and tangible personal property taxes for 2005 were levied after April 1, 2005, on the assessed values as of December 31, 2004, the lien date. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2005 (other than public utility property) represent the collection of calendar year 2005 taxes. Tangible personal property taxes for 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 24 percent of true value for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 6 - PROPERTY TAXES (continued)

The District receives property taxes from Lorain County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2005 are available to finance fiscal year 2005/2006 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2005 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at June 30, nor were they levied to finance fiscal year 2005 operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance was recognized as revenue.

The amount available as an advance at June 30, 2005, was \$ 2,782,791 in the General Fund, \$ 1,130,560 in the Emergency Levy Fund, \$ 98,943 in the Debt Service Fund and \$ 155,932 in the Capital Projects Fund. The amount available as an advance at June 30, 2004, was \$ 1,171,514 in the General Fund, \$ 518,201 in the Emergency Levy Fund, \$ 40,816 in the Debt Service Fund and \$ 60,832 in the Capital Projects Fund.

The assessed values upon which the fiscal year 2005 taxes were collected are:

	2004 Second Half Collections		2005 First Half Collections	
	Amount	%	Amount	%
Agricultural Residential				
Real Estate	\$ 423,935,720	81.73 %	\$ 457,268,890	82.08 %
Other Commercial	55,594,880	10.72	59,225,760	10.63
Public Utility Tangible	13,468,230	2.60	13,397,310	2.40
Tangible Personal Property	25,708,440	4.95	27,187,114	4.89
	<u>\$ 518,707,270</u>	<u>100.00 %</u>	<u>\$ 557,079,074</u>	<u>100.00 %</u>
 Tax Rate per \$ 1,000 of Assessed Valuation:	 <u>44.79</u>		 <u>44.04</u>	

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 7 - RECEIVABLES

Receivables at June 30, 2005, consisted of property taxes, accounts and other, due from other governments and interfund. All receivables are considered substantially collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year. A summary of the principal items of intergovernmental receivables follows:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 25,529
IDEA Part B	1,040,035
Title I	187,996
Title V	13,814
Title IV	16,744
EHA Preschool	27,256
Title VI-R	114,454
Miscellaneous Federal Grants	2,208
Student Reading Intervention	36,936
Total due from other governments	<u>\$ 1,464,972</u>

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2005</u>
Nondepreciable capital assets				
Land	\$ 207,401	\$ -	\$ -	\$ 207,401
Depreciable capital assets				
Buildings and improvements	19,394,331	401,233	-	19,795,564
Furniture and equipment	3,932,311	403,453	42,404	4,293,360
Vehicles	1,804,510	-	29,190	1,775,320
Total capital assets being depreciated	<u>25,131,152</u>	<u>804,686</u>	<u>71,594</u>	<u>25,864,244</u>
Less accumulated depreciation				
Buildings and improvements	6,365,373	1,028,214	-	7,393,587
Furniture and equipment	3,332,625	290,350	37,153	3,585,822
Vehicles	1,183,304	105,984	29,190	1,260,098
Total accumulated depreciation	<u>10,881,302</u>	<u>1,424,548</u>	<u>66,343</u>	<u>12,239,507</u>
Depreciable capital assets, net of accumulated depreciation	<u>14,249,850</u>	<u>(619,862)</u>	<u>5,251</u>	<u>13,624,737</u>
Governmental activities capital assets, net	<u>\$ 14,457,251</u>	<u>\$ (619,862)</u>	<u>\$ 5,251</u>	<u>\$ 13,832,138</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 8 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction		
Regular	\$	753,306
Special		75,536
Vocational		21,778
Supporting services		
Pupil		74,763
Instructional staff		65,252
Administration		91,820
Fiscal		18,088
Operation and maintenance of plant		97,162
Pupil transportation		154,592
Central services		2,521
Operation of non-instructional services		
Food service		9,898
Community services		40,539
Extracurricular activities		19,293
Total depreciation expense	\$	<u>1,424,548</u>

NOTE 9 - INTERFUND ASSETS/LIABILITIES

On the fund financial statements at June 30, 2005, interfund balances consisted of the following:

	Receivable	Payable
General Fund	\$ 296,958	\$ -
Special Revenue Funds		
Athletic		40,455
Student Reading Intervention	-	32,881
IDEA Part B	-	25,588
Title I	-	39,501
Title IV	-	2,871
Food Service	-	5,787
Uniform School Supplies	-	104,179
Summer School		45,672
Total Special Revenue Funds	-	296,934
Capital Projects Funds		
SchoolNet	-	24
	-	24
	\$ 296,958	\$ 296,958

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 10 - RISK MANAGEMENT

A. PROPERTY AND LIABILITY

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

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

B. WORKERS' COMPENSATION

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

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

C. EMPLOYEE MEDICAL BENEFITS

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 10 - RISK MANAGEMENT (continued)

C. EMPLOYEE MEDICAL BENEFITS (continued)

The claims liability of \$ 371,269 at June 30, 2005, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30. The Trust establishes a liability for both reported and unreported insured events. Changes in the balance of claims liability are summarized below. Incurred claims and claim payments are not segregated between current and prior year claims due to the impracticability of obtaining such information.

	June 30, 2005	June 30, 2004
Unpaid claims, beginning of year	\$ 360,832	\$ 383,036
Incurred claims	1,976,832	2,435,718
Paid claims	(1,966,395)	(2,457,922)
Unpaid claims, end of year	\$ 371,269	\$ 360,832

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

The North Ridgeville City School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The School Employees Retirement System issues a publicly available, stand alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SERS, 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the North Ridgeville City District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57% of annual covered salary was the portion used to fund obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The North Ridgeville City School District's contributions for pension obligations to SERS for the years ended June 30, 2005, 2004, and 2003 were \$ 503,000, \$ 514,000, and \$ 493,000, respectively. The full amount has been contributed for 2004 and 2003. For 2005, \$ 239,800 (48%) has been contributed.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

B. STATE TEACHERS RETIREMENT SYSTEM (STRS)

The North Ridgeville City School District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's Comprehensive Annual Financial Report can be requested by writing STRS Ohio, 275 E. Broad St., Columbus, Ohio 43215-3371, or by calling 614-227-4090.

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 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed the statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The North Ridgeville City School District's required contribution for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004, and 2003, were \$ 1,855,700, \$ 1,894,600 and \$ 1,861,500, and respectively. For 2005, \$ 1,549,000 (83%) has been contributed. The full amount has been contributed for 2004 and 2003.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 12 - POSTEMPLOYMENT BENEFITS

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

STRS retirees who participated in the DC or Combined Plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$ 132,600 for fiscal year 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2004, (the latest information available) the balance in the Fund was \$ 3.1 billion. For the year ended June 30, 2004 net health care costs paid by STRS were \$ 268,739,000 and STRS had 11,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay was established at \$ 27,400. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2005 fiscal year, the District paid \$ 361,000 to fund health care benefits, including the surcharge.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2004 (the latest information available), were \$ 223,443,805 and the target level was \$ 335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of \$ 300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 13 - LONG-TERM OBLIGATIONS

Changes in the District's long-term obligations during fiscal year 2005 were as follows:

	Balance June 30, 2004	Increase	Decrease	Balance June 30, 2005	Amounts Due In One Year
Serial bonds	\$ 3,000,000	\$ -	\$ 260,000	\$ 2,740,000	\$ 270,000
Capital appreciation bonds	284,550	-	-	284,550	-
Accretion on capital appreciation bonds	23,317	1,044	-	24,361	-
Capital leases	2,368	-	2,368	-	-
Compensated absences	2,298,120	831,951	621,277	2,508,794	252,918
	<u>\$ 5,608,355</u>	<u>\$ 832,995</u>	<u>\$ 883,645</u>	<u>\$ 5,557,705</u>	<u>\$ 522,918</u>

Principal and interest requirements to retire bonds payable outstanding at June 30, 2005, were as follows:

Year ending June 30,	Principal	Interest	Total
2006	\$ 270,000	\$ 112,150	\$ 382,150
2007	275,000	102,406	377,406
2008	285,000	91,901	376,901
2009	108,393	278,022	386,415
2010	94,233	292,182	386,415
2011-2015	1,361,924	541,289	1,903,213
2016-2017	630,000	27,900	657,900
	<u>\$ 3,024,550</u>	<u>\$ 1,445,850</u>	<u>\$ 4,470,400</u>

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

NOTE 14 - BONDS PAYABLE

Bonds payable at year end consisted of:

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
General obligation bonds				
School Improvement, refunding current interest bonds, (2001) 3.85% through 2016	\$ 3,000,000	\$ -	\$ 260,000	\$ 2,740,000
School Improvement, refunding capital appreciation bonds, and accretion of interest (2001) 14.5 (average effective) 2008, 2009, 2010 maturity	307,867	1,044	-	308,911
	<u>\$ 3,307,867</u>	<u>\$ 1,044</u>	<u>\$ 260,000</u>	<u>\$ 3,048,911</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 14 – BONDS PAYABLE (continued)

The original amount of bonds issued in 2001 was \$ 3,699,550. The general obligation bonds include Serial and capital appreciation bonds. The present value (as of issue date) reported in the Statement of Net Assets at June 30, 2005 was \$ 3,024,550. The accreted interest of \$ 24,361 has been included in the Statement of Activities at June 30, 2005. This year the addition of these bonds was \$1,044 which represents the increase in the accretion of interest. The final amount of these bonds will be \$ 300,000 payable through June 2010.

NOTE 15 – OPERATING LEASES

The District is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations. During 2005, expenditures for operating leases totaled \$ 103,260.

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2005.

Year ending June 30,	Amount
2006	\$ 103,260
2007	103,260
2008	103,260
2009	103,019
Total minimum lease payments	<u>\$ 412,799</u>

NOTE 16 – PRIOR YEAR DEFEASANCE OF DEBT

In 2002, the District defeased 1992 general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2005, \$ 3,380,000 of bonds outstanding are considered to be defeased.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 17- SET-ASIDES

The District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the purchase of textbooks and other instructional materials, and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward and used for the same purposes in future years. The following cash basis information identifies the changes in the fund balance reserves for textbooks and capital maintenance during fiscal year 2005.

	Textbook	Capital Maintenance
Balance, July 1, 2004	\$ (343,441)	\$ -
Required set aside	498,047	498,047
Qualifying expenditures	(459,380)	(498,047)
Balance June 30, 2005	\$ (304,774)	\$ -

Expenditures and offset credits for textbooks and capital maintenance during the year were \$ 459,380 and \$ 928,287, respectively, which exceeded the required set-aside and the reserve balance. Textbook expenditures have exceeded statutory requirements by \$ 304,774 which may be used as offset credits for future years' set aside requirements. By statute, the negative capital maintenance balance cannot be carried forward to offset future years' requirements.

NOTE 18 - JOINTLY GOVERNED ORGANIZATION

A. LAKE ERIE EDUCATION COMPUTER ASSOCIATION

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

LEECA is governed by a board of directors chosen from the general membership of the LEECA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county from which participating districts are located. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Lorain County, which serves as fiscal agent, located at 1885 Lake Avenue, Elyria, Ohio 44035. During the year ended June 30, 2005, the District paid \$ 63,595 to LEECA.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 18 - JOINTLY GOVERNED ORGANIZATION (continued)

B. LAKE ERIE REGIONAL COUNCIL (LERC)

The Lake Erie Regional Council (LERC) is a jointly governed organization among twelve districts. The jointly governed organization was formed for the purpose of promoting cooperative agreements and activities among its members in dealing with problems of mutual concern such as a media center, gas consumption, food service and insurance. Each member provided operating resources to LERC on a per pupil or usage charge except for insurance. The LERC assembly consists of a superintendent or designated representative from each participating district and the fiscal agent. LERC is governed by a board of directors chosen from the general membership. The degree of control exercised by any participating district is limited to its representation on the board. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Lorain County located at 1885 Lake Avenue, Elyria, Ohio 44035. During the year ended June 30, 2005 the District paid \$ 184,684 to LERC.

C. LORAIN COUNTY JOINT VOCATIONAL SCHOOL DISTRICT

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

D. OHIO SCHOOLS COUNCIL

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

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

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

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 19 - CONTINGENCIES

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

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2005.

NOTE 20 – RETIREMENT INCENTIVE PLAN

The District has adopted an early retirement incentive plan which became effective July 1, 1998 and expired on August 31, 2008. Certificated employees who met certain eligibility requirements will receive a lump sum retirement buyout equal to \$ 700 for each year of STRS service. Payment will be made in three equal installments beginning in January of the calendar year following the date of retirement and the following two Januarys thereafter. As of June 30, 2005 the District's liability related to this retirement incentive plan was \$ 371,863.

NOTE 21 – NEWLY ENACTED LEGISLATION

In June, 2005 the State of Ohio enacted legislation, portions of which take effect at various times, that phases out the taxation of tangible personal property used in business (other than certain public utility tangible personal property) over four years from tax year 2006 to tax year 2009. New manufacturing machinery and equipment first reportable after 2004 is not subject to tangible personal property taxation. To compensate local government units for the foregone revenue, the recently enacted legislation provides for State distributions from revenue generated by a newly enacted commercial activities tax. The reimbursements are to be based on the aggregate value of tangible personal property reported for the local government for tax year 2004 (based on voted levies approved by the electors by September 1, 2005). Generally these distributions will fully reimburse the local government units at that base level through 2010 and then in declining amounts from 2011 through 2017.

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

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

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

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

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NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in pooled cash	\$ 654,025	\$ 444,959	\$ 473,448	\$ 1,572,432
Receivables, net of allowance				
Taxes, current	-	389,955	705,833	1,095,788
Taxes, delinquent	-	7,800	21,500	29,300
Due from other governments	1,439,443	-	-	1,439,443
Total assets	\$ 2,093,468	\$ 842,714	\$ 1,200,781	\$ 4,136,963
Liabilities and fund balances				
Liabilities				
Accounts and contracts payable	\$ 183,993	\$ -	\$ 37,205	\$ 221,198
Accrued wages and benefits	73,374	-	-	73,374
Due to other governments	17,880	-	-	17,880
Interfund payable	296,934	-	24	296,958
Unearned revenue	1,171,255	298,812	571,401	2,041,468
Total liabilities	1,743,436	298,812	608,630	2,650,878
Fund balances				
Reserved for property taxes	-	98,943	155,932	254,875
Reserved for encumbrances	152,713	-	385,407	538,120
Unreserved	197,319	444,959	50,812	693,090
Total fund balances	350,032	543,902	592,151	1,486,085
Total liabilities and fund balances	\$ 2,093,468	\$ 842,714	\$ 1,200,781	\$ 4,136,963

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ -	\$ 397,977	\$ 727,173	\$ 1,125,150
Tuition and fees	116,858	-	-	116,858
Interest	5,598	-	6,647	12,245
Intergovernmental	2,146,388	42,260	114,030	2,302,678
Extracurricular	187,936	-	-	187,936
Charges for services	681,725	-	-	681,725
Other	76,261	-	-	76,261
Total revenues	<u>3,214,766</u>	<u>440,237</u>	<u>847,850</u>	<u>4,502,853</u>
Expenditures				
Current				
Instruction				
Regular	464,957	-	38,000	502,957
Special	689,659	-	-	689,659
Supporting services				
Pupil	113,781	-	-	113,781
Instructional staff	171,706	-	-	171,706
Administration	417	-	679	1,096
Fiscal services	-	5,468	10,360	15,828
Operation and maintenance	-	-	215,766	215,766
Pupil transportation	-	-	75,864	75,864
Central services	3,853	-	48,002	51,855
Operation of non-instructional				
Food service operation	963,407	-	-	963,407
Community services	539,795	-	-	539,795
Extracurricular activities	169,936	-	-	169,936
Debt service				
Principal	-	260,000	-	260,000
Interest	-	121,165	-	121,165
Total expenditures	<u>3,117,511</u>	<u>386,633</u>	<u>388,671</u>	<u>3,892,815</u>
Net change in fund balances	97,255	53,604	459,179	610,038
Fund balances, beginning of year	<u>252,777</u>	<u>490,298</u>	<u>132,972</u>	<u>876,047</u>
Fund balances, end of year	<u>\$ 350,032</u>	<u>\$ 543,902</u>	<u>\$ 592,151</u>	<u>\$ 1,486,085</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2005

	Support	Athletic	Auxiliary Service	M.I.S
Assets				
Equity in pooled cash	\$ 93,037	\$ 60,871	\$ 196,582	\$ -
Due from other governments	-	-	-	-
Total assets	<u>\$ 93,037</u>	<u>\$ 60,871</u>	<u>\$ 196,582</u>	<u>\$ -</u>
Liabilities and fund balances				
Liabilities				
Accounts and contracts payable	\$ 7,980	\$ 4,118	\$ 132,617	\$ -
Accrued wages and benefits	-	-	12,959	-
Due to other governments	-	-	1,133	-
Interfund payable	-	40,455	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>7,980</u>	<u>44,573</u>	<u>146,709</u>	<u>-</u>
Fund balances				
Reserved for encumbrances	18,747	28,910	49,373	-
Unreserved	66,310	(12,612)	500	-
Total fund balances	<u>85,057</u>	<u>16,298</u>	<u>49,873</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 93,037</u>	<u>\$ 60,871</u>	<u>\$ 196,582</u>	<u>\$ -</u>

<u>Data Communications</u>	<u>SchoolNet Teacher Development</u>	<u>Ohio Reads</u>	<u>Student Reading Intervention</u>	<u>Miscellaneous State Grants</u>	<u>IDEA Part B</u>	<u>Title I</u>
\$ -	\$ -	\$ -	\$ 36,864	\$ 1,821	\$ 61,756	\$ 8,829
-	-	-	36,936	-	1,040,035	187,996
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,800</u>	<u>\$ 1,821</u>	<u>\$ 1,101,791</u>	<u>\$ 196,825</u>
\$ -	\$ -	\$ -	\$ 3,744	\$ -	\$ 17,571	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	677	1,317
-	-	-	32,881	-	25,588	39,501
-	-	-	-	-	900,167	121,795
<u>-</u>	<u>-</u>	<u>-</u>	<u>36,625</u>	<u>-</u>	<u>944,003</u>	<u>162,613</u>
-	-	-	33,120	38	13,891	-
-	-	-	4,055	1,783	143,897	34,212
<u>-</u>	<u>-</u>	<u>-</u>	<u>37,175</u>	<u>1,821</u>	<u>157,788</u>	<u>34,212</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,800</u>	<u>\$ 1,821</u>	<u>\$ 1,101,791</u>	<u>\$ 196,825</u>

(CONTINUED)

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2005

(CONCLUDED)

	Title V	Title IV	EHA Preschool	Title VI-R
Assets				
Equity in pooled cash	\$ 223	\$ -	\$ 482	\$ 3,566
Due from other governments	13,814	16,744	27,256	114,454
Total assets	\$ 14,037	\$ 16,744	\$ 27,738	\$ 118,020
Liabilities and fund balances				
Liabilities				
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	-	-	-	-
Due to other governments	-	-	-	1,317
Interfund payable	-	2,871	-	-
Unearned revenue	11,845	11,143	25,384	98,713
Total liabilities	11,845	14,014	25,384	100,030
Fund balances				
Reserved for encumbrances	-	-	-	-
Unreserved	2,192	2,730	2,354	17,990
Total fund balances	2,192	2,730	2,354	17,990
Total liabilities and fund balances	\$ 14,037	\$ 16,744	\$ 27,738	\$ 118,020

Miscellaneous Federal Grants	Food Service	Uniform School Supplies	Summer School	Special Projects	Entry Year Teacher	Total
\$ 720	\$ 86,662	\$ 27,490	\$ 56,299	\$ 16,623	\$ 2,200	\$ 654,025
2,208	-	-	-	-	-	1,439,443
<u>\$ 2,928</u>	<u>\$ 86,662</u>	<u>\$ 27,490</u>	<u>\$ 56,299</u>	<u>\$ 16,623</u>	<u>\$ 2,200</u>	<u>\$ 2,093,468</u>
\$ -	\$ 10,856	\$ 6,693	\$ 387	\$ 27	\$ -	\$ 183,993
-	38,793	-	21,622	-	-	73,374
-	5,339	-	8,097	-	-	17,880
-	5,787	104,179	45,672	-	-	296,934
2,208	-	-	-	-	-	1,171,255
<u>2,208</u>	<u>60,775</u>	<u>110,872</u>	<u>75,778</u>	<u>27</u>	<u>-</u>	<u>1,743,436</u>
-	1,761	4,998	681	1,194	-	152,713
720	24,126	(88,380)	(20,160)	15,402	2,200	197,319
<u>720</u>	<u>25,887</u>	<u>(83,382)</u>	<u>(19,479)</u>	<u>16,596</u>	<u>2,200</u>	<u>350,032</u>
<u>\$ 2,928</u>	<u>\$ 86,662</u>	<u>\$ 27,490</u>	<u>\$ 56,299</u>	<u>\$ 16,623</u>	<u>\$ 2,200</u>	<u>\$ 2,093,468</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Support	Athletic	Auxiliary Service	M.I.S
Revenues				
Tuition and fees	\$ -	\$ -	\$ -	\$ -
Interest	-	-	4,229	-
Intergovernmental	7,361	-	448,775	10,960
Extracurricular	62,727	122,686	-	-
Charges for services	12,281	21,094	-	-
Other	64,978	2,965	-	-
Total revenues	147,347	146,745	453,004	10,960
Expenditures				
Current				
Instruction				
Regular	689	-	-	-
Special	-	-	-	-
Supporting services				
Pupil	111,817	-	-	-
Instructional staff	41,378	-	-	10,960
Administration	-	-	417	-
Central services	-	-	-	-
Operation of non-instructional				
Food service operation	-	-	-	-
Community services	-	-	480,183	-
Extracurricular activities	-	169,936	-	-
Total expenditures	153,884	169,936	480,600	10,960
Net change in fund balances	(6,537)	(23,191)	(27,596)	-
Fund balances, beginning of year	91,594	39,489	77,469	-
Fund balances, end of year	\$ 85,057	\$ 16,298	\$ 49,873	\$ -

<u>Data Communications</u>	<u>SchoolNet Teacher Development</u>	<u>Ohio Reads</u>	<u>Student Reading Intervention</u>	<u>Miscellaneous State Grants</u>	<u>IDEA Part B</u>	<u>Title I</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
18,000	4,140	8,000	75,252	30,091	845,172	180,701
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>18,000</u>	<u>4,140</u>	<u>8,000</u>	<u>75,252</u>	<u>30,091</u>	<u>845,172</u>	<u>180,701</u>
18,000	5,227	9,760	36,758	31,643	-	122,755
-	-	-	-	-	689,373	286
-	-	-	-	-	1,472	-
-	-	-	1,500	-	45,046	25,051
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	54,024	-
-	-	-	-	-	-	-
<u>18,000</u>	<u>5,227</u>	<u>9,760</u>	<u>38,258</u>	<u>31,643</u>	<u>789,915</u>	<u>148,092</u>
-	(1,087)	(1,760)	36,994	(1,552)	55,257	32,609
-	1,087	1,760	181	3,373	102,531	1,603
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,175</u>	<u>\$ 1,821</u>	<u>\$ 157,788</u>	<u>\$ 34,212</u>

(CONTINUED)

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

(CONCLUDED)

	Title V	Title IV	EHA Preschool	Title VI-R
Revenues				
Tuition and fees	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Intergovernmental	17,437	13,635	28,197	97,524
Extracurricular	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>17,437</u>	<u>13,635</u>	<u>28,197</u>	<u>97,524</u>
Expenditures				
Current				
Instruction				
Regular	12,818	9,618	-	70,195
Special	-	-	-	-
Supporting services				
Pupil	-	-	-	-
Instructional staff	-	2,298	25,843	19,082
Administration	-	-	-	-
Central services	-	-	-	-
Operation of non-instructional				
Food service operation	-	-	-	-
Community services	2,427	1,167	-	1,739
Extracurricular activities	-	-	-	-
Total expenditures	<u>15,245</u>	<u>13,083</u>	<u>25,843</u>	<u>91,016</u>
Net change in fund balances	2,192	552	2,354	6,508
Fund balances, beginning of year	<u>-</u>	<u>2,178</u>	<u>-</u>	<u>11,482</u>
Fund balances, end of year	<u>\$ 2,192</u>	<u>\$ 2,730</u>	<u>\$ 2,354</u>	<u>\$ 17,990</u>

<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Summer School</u>	<u>Special Projects</u>	<u>Entry Year Teacher</u>	<u>Total</u>
\$ -	\$ -	\$ 60,336	\$ 56,522	\$ -	\$ -	\$ 116,858
-	1,294	-	-	75	-	5,598
3,475	345,568	-	-	-	12,100	2,146,388
-	-	2,478	-	45	-	187,936
-	641,908	-	-	6,442	-	681,725
-	7,018	-	-	1,300	-	76,261
<u>3,475</u>	<u>995,788</u>	<u>62,814</u>	<u>56,522</u>	<u>7,862</u>	<u>12,100</u>	<u>3,214,766</u>
1,952	-	79,803	55,839	-	9,900	464,957
-	-	-	-	-	-	689,659
-	-	-	-	492	-	113,781
548	-	-	-	-	-	171,706
-	-	-	-	-	-	417
-	-	-	-	3,853	-	3,853
-	956,924	-	-	6,483	-	963,407
255	-	-	-	-	-	539,795
-	-	-	-	-	-	169,936
<u>2,755</u>	<u>956,924</u>	<u>79,803</u>	<u>55,839</u>	<u>10,828</u>	<u>9,900</u>	<u>3,117,511</u>
720	38,864	(16,989)	683	(2,966)	2,200	97,255
-	(12,977)	(66,393)	(20,162)	19,562	-	252,777
<u>\$ 720</u>	<u>\$ 25,887</u>	<u>\$ (83,382)</u>	<u>\$ (19,479)</u>	<u>\$ 16,596</u>	<u>\$ 2,200</u>	<u>\$ 350,032</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2005

	<u>Capital Projects</u>	<u>SchoolNet</u>	<u>Total</u>
Assets			
Equity in pooled cash	\$ 471,945	\$ 1,503	\$ 473,448
Receivables, net of allowance			
Taxes, current	705,833	-	705,833
Taxes, delinquent	21,500	-	21,500
Total assets	<u>\$ 1,199,278</u>	<u>\$ 1,503</u>	<u>\$ 1,200,781</u>
Liabilities and fund balances			
Liabilities			
Accounts and contracts payable	\$ 37,205	\$ -	\$ 37,205
Interfund payable	-	24	24
Unearned revenue	571,401	-	571,401
Total liabilities	<u>608,606</u>	<u>24</u>	<u>608,630</u>
Fund balances			
Reserved for property taxes	155,932	-	155,932
Reserved for encumbrances	385,407	-	385,407
Unreserved	49,333	1,479	50,812
Total fund balances	<u>590,672</u>	<u>1,479</u>	<u>592,151</u>
Total liabilities and fund balances	<u>\$ 1,199,278</u>	<u>\$ 1,503</u>	<u>\$ 1,200,781</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Capital Projects	SchoolNet	Total
Revenues			
Taxes	\$ 727,173	\$ -	\$ 727,173
Interest	6,647	-	6,647
Intergovernmental	87,675	26,355	114,030
Total revenues	821,495	26,355	847,850
Expenditures			
Current			
Instruction			
Regular	13,148	24,852	38,000
Supporting services			
Administration	679	-	679
Fiscal services	10,360	-	10,360
Operation and maintenance	215,766	-	215,766
Pupil transportation	75,864	-	75,864
Central services	48,002	-	48,002
Total expenditures	363,819	24,852	388,671
Net change in fund balances	457,676	1,503	459,179
Fund balances, beginning of year	132,996	(24)	132,972
Fund balances, end of year	\$ 590,672	\$ 1,479	\$ 592,151

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	General Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 9,884,069	\$ 10,435,187	\$ 10,269,975	\$ (165,212)
Tuition and fees	379,272	400,420	394,080	(6,340)
Interest	190,298	200,909	197,728	(3,181)
Intergovernmental	9,741,234	10,284,388	10,121,563	(162,825)
Miscellaneous	153,105	161,642	159,083	(2,559)
Total revenues	<u>20,347,978</u>	<u>21,482,546</u>	<u>21,142,429</u>	<u>(340,117)</u>
Expenditures				
Current				
Instruction				
Regular				
Salaries	6,410,937	5,081,311	5,066,063	15,248
Benefits	1,838,758	1,457,400	1,453,027	4,373
Purchased services	296,246	234,805	234,100	705
Materials and supplies	497,722	394,495	393,311	1,184
Total regular instruction	<u>9,043,663</u>	<u>7,168,011</u>	<u>7,146,501</u>	<u>21,510</u>
Special				
Salaries	1,248,190	989,316	986,347	2,969
Benefits	753,099	596,906	595,115	1,791
Purchased services	814,028	645,199	643,263	1,936
Materials and supplies	25,837	20,478	20,417	61
Total special	<u>2,841,154</u>	<u>2,251,899</u>	<u>2,245,142</u>	<u>6,757</u>
Vocational				
Salaries	400,655	317,559	316,606	953
Benefits	120,262	95,320	95,034	286
Purchased services	3,403	2,697	2,689	8
Total vocational	<u>524,320</u>	<u>415,576</u>	<u>414,329</u>	<u>1,247</u>
Other instruction				
Purchased services	525,252	416,315	415,066	1,249
Total other	<u>525,252</u>	<u>416,315</u>	<u>415,066</u>	<u>1,249</u>
Total instruction	<u>12,934,389</u>	<u>10,251,801</u>	<u>10,221,038</u>	<u>30,763</u>
Supporting services				
Pupil				
Salaries	1,159,099	918,702	915,945	2,757
Benefits	358,227	283,931	283,079	852
Purchased services	4,845	3,841	3,829	12
Materials and supplies	51,311	40,669	40,547	122
Total pupil	<u>1,573,482</u>	<u>1,247,143</u>	<u>1,243,400</u>	<u>3,743</u>
Instructional staff				
Salaries	1,220,866	967,659	964,755	2,904
Benefits	634,274	502,726	501,217	1,509
Purchased services	26,450	20,964	20,901	63
Materials and supplies	18,342	14,538	14,494	44
Other	149,672	118,630	118,274	356
Total instructional staff	<u>2,049,604</u>	<u>1,624,517</u>	<u>1,619,641</u>	<u>4,876</u>

(CONTINUED)

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

General Fund - (Continued)				Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Board of education				
Salaries	18,919	14,995	14,950	45
Benefits	3,561	2,822	2,814	8
Purchased services	130,615	103,526	103,215	311
Materials and supplies	1,619	1,283	1,279	4
Other	12,464	9,879	9,849	30
Total board of education	<u>167,178</u>	<u>132,505</u>	<u>132,107</u>	<u>398</u>
Administration				
Salaries	1,417,099	1,123,193	1,119,823	3,370
Benefits	477,560	378,514	377,378	1,136
Purchased services	141,683	112,298	111,961	337
Materials and supplies	46,548	36,894	36,783	111
Other	2,611	2,069	2,063	6
Total administration	<u>2,085,501</u>	<u>1,652,968</u>	<u>1,648,008</u>	<u>4,960</u>
Fiscal services				
Salaries	273,014	216,391	215,742	649
Benefits	42,860	33,971	33,869	102
Purchased services	55,405	43,914	43,782	132
Materials and supplies	7,504	5,948	5,930	18
Other	292,104	231,522	230,827	695
Total fiscal services	<u>670,887</u>	<u>531,746</u>	<u>530,150</u>	<u>1,596</u>
Business				
Salaries	175,162	138,834	138,417	417
Benefits	53,115	42,099	41,973	126
Purchased services	9,316	7,384	7,362	22
Materials and supplies	879	697	695	2
Other	124,808	98,923	98,626	297
Total business	<u>363,280</u>	<u>287,937</u>	<u>287,073</u>	<u>864</u>
Operation and maintenance				
Salaries	1,261,451	999,826	996,826	3,000
Benefits	550,623	436,424	435,114	1,310
Purchased services	1,023,265	811,040	808,606	2,434
Materials and supplies	79,716	63,183	62,993	190
Total operation and maintenance	<u>2,915,055</u>	<u>2,310,473</u>	<u>2,303,539</u>	<u>6,934</u>
Pupil transportation				
Salaries	1,047,335	830,118	827,627	2,491
Benefits	489,275	387,800	386,636	1,164
Purchased services	81,492	64,591	64,397	194
Materials and supplies	230,387	182,605	182,057	548
Total pupil transportation	<u>1,848,489</u>	<u>1,465,114</u>	<u>1,460,717</u>	<u>4,397</u>
Central services				
Salaries	21,557	17,086	17,035	51
Benefits	5,974	4,735	4,721	14
Purchased services	17,279	13,695	13,654	41
Total central services	<u>44,810</u>	<u>35,516</u>	<u>35,410</u>	<u>106</u>
Total supporting services	<u>11,718,286</u>	<u>9,287,919</u>	<u>9,260,045</u>	<u>27,874</u>

(CONTINUED)

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	General Fund - (Concluded)			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Extracurricular activities				
Academic and subject related				
Salaries	70,423	55,817	55,650	167
Benefits	12,109	9,598	9,569	29
Total academic and subject related	<u>82,532</u>	<u>65,415</u>	<u>65,219</u>	<u>196</u>
Sports oriented				
Salaries	332,669	263,673	262,882	791
Benefits	66,085	52,379	52,222	157
Total sports oriented	<u>398,754</u>	<u>316,052</u>	<u>315,104</u>	<u>948</u>
Co-curricular activities				
Salaries	27,321	21,655	21,590	65
Benefits	4,470	3,543	3,532	11
Total co-curricular activities	<u>31,791</u>	<u>25,198</u>	<u>25,122</u>	<u>76</u>
Total extracurricular activities	<u>513,077</u>	<u>406,665</u>	<u>405,445</u>	<u>1,220</u>
Capital outlay	275,755	218,564	217,908	656
Total expenditures	<u>25,441,507</u>	<u>20,164,949</u>	<u>20,104,436</u>	<u>60,513</u>
Excess (deficiency) of revenues over expenditures	<u>(5,093,529)</u>	<u>1,317,597</u>	<u>1,037,993</u>	<u>(279,604)</u>
Other financing sources (uses)				
Gain (loss) on sale of assets	-	3,377	3,377	-
Advances in	-	224,297	224,297	-
Advances out	-	(206,496)	(206,496)	-
Total other financing sources (uses)	<u>-</u>	<u>21,178</u>	<u>21,178</u>	<u>-</u>
Net change in fund balance	(5,093,529)	1,338,775	1,059,171	(279,604)
Prior year encumbrances	279,612	279,612	279,612	-
Fund balances, beginning of year	5,651,957	5,651,957	5,651,957	-
Fund balances, end of year	<u>\$ 838,040</u>	<u>\$ 7,270,344</u>	<u>\$ 6,990,740</u>	<u>\$ (279,604)</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Emergency Levy Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 4,611,308	\$ 4,641,646	\$ 4,641,646	\$ -
Total expenditures	68,500	4,791,469	4,791,469	-
Net change in fund balance	4,542,808	(149,823)	(149,823)	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	220,555	220,555	220,555	-
Fund balance, end of year	\$ 4,763,363	\$ 70,732	\$ 70,732	\$ -

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Support Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 163,170	\$ 147,347	\$ 147,347	\$ -
Total expenditures	73,364	175,926	175,926	-
Net change in fund balance	89,806	(28,579)	(28,579)	-
Prior year encumbrances	25,648	25,648	25,648	-
Fund balance, beginning of year	69,261	69,261	69,261	-
Fund balance, end of year	<u>\$ 184,715</u>	<u>\$ 66,330</u>	<u>\$ 66,330</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Athletic Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 168,847	\$ 187,200	\$ 187,200	\$ -
Total expenditures	130,618	203,956	203,956	-
Net change in fund balance	38,229	(16,756)	(16,756)	-
Prior year encumbrances	10,079	10,079	10,079	-
Fund balance, beginning of year	34,171	34,171	34,171	-
Fund balance, end of year	\$ 82,479	\$ 27,494	\$ 27,494	\$ -

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Auxiliary Service Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 435,550	\$ 453,004	\$ 453,004	\$ -
Total expenditures	501,840	533,124	533,124	-
Net change in fund balance	(66,290)	(80,120)	(80,120)	-
Prior year encumbrances	29,050	29,050	29,050	-
Fund balance, beginning of year	66,290	66,290	66,290	-
Fund balance, end of year	<u>\$ 29,050</u>	<u>\$ 15,220</u>	<u>\$ 15,220</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	M.I.S. Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 12,584	\$ 18,960	\$ 18,960	\$ -
Total expenditures	12,584	18,960	18,960	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Data Communications Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 21,000	\$ 18,000	\$ 18,000	\$ -
Total expenditures	21,000	18,000	18,000	-
Net change in fund balance	-	-	-	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Schoolnet - Teacher Development Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 4,140	\$ 4,140	\$ 4,140	\$ -
Total expenditures	1,140	5,280	5,280	-
Net change in fund balance	3,000	(1,140)	(1,140)	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	1,140	1,140	1,140	-
Fund balance, end of year	\$ 4,140	\$ -	\$ -	\$ -

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Ohio Reads Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Total expenditures	1,260	9,760	9,760	-
Net change in fund balance	6,740	(1,760)	(1,760)	-
Prior year encumbrances	500	500	500	-
Fund balance, beginning of year	1,260	1,260	1,260	-
Fund balance, end of year	<u>\$ 8,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Student Reading Intervention			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 105,880	\$ 77,544	\$ 77,544	\$ -
Total expenditures	105,880	91,169	91,169	-
Net change in fund balance	-	(13,625)	(13,625)	-
Prior year encumbrances	13,625	13,625	13,625	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ 13,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Miscellaneous State Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 30,091	\$ 30,091	\$ 30,091	\$ -
Total expenditures	30,013	31,681	31,681	-
Net change in fund balance	78	(1,590)	(1,590)	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	3,373	3,373	3,373	-
Fund balance, end of year	<u>\$ 3,451</u>	<u>\$ 1,783</u>	<u>\$ 1,783</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	IDEA Part B Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Revenues				
Total revenues	\$ 936,215	\$ 821,934	\$ 821,934	\$ -
Total expenditures	949,098	807,148	807,148	-
Net change in fund balance	(12,883)	14,786	14,786	-
Prior year encumbrances	2,624	2,624	2,624	-
Fund balance, beginning of year	12,884	12,884	12,884	-
Fund balance, end of year	<u>\$ 2,625</u>	<u>\$ 30,294</u>	<u>\$ 30,294</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Title I Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 146,556	\$ 153,854	\$ 153,854	\$ -
Total expenditures	149,337	147,806	147,806	-
Net change in fund balance	(2,781)	6,048	6,048	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	2,781	2,781	2,781	-
Fund balance, end of year	\$ -	\$ 8,829	\$ 8,829	\$ -

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Title V Fund			Variance w ith Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 17,438	\$ 15,468	\$ 15,468	\$ -
Total expenditures	17,438	15,245	15,245	-
Net change in fund balance	-	223	223	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ 223</u>	<u>\$ 223</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Title IV Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 11,286	\$ 13,083	\$ 13,083	\$ -
Total expenditures	13,635	15,432	15,432	-
Net change in fund balance	(2,349)	(2,349)	(2,349)	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	2,349	2,349	2,349	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	EHA Preschool Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 25,380	\$ 26,325	\$ 26,325	\$ -
Total expenditures	25,380	25,843	25,843	-
Net change in fund balance	-	482	482	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 482	\$ 482	\$ -

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Title VI-R Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 118,008	\$ 101,637	\$ 101,637	\$ -
Total expenditures	118,008	98,071	98,071	-
Net change in fund balance	-	3,566	3,566	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 3,566	\$ 3,566	\$ -

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Miscellaneous Federal Grants Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 3,460	\$ 3,475	\$ 3,475	\$ -
Total expenditures	3,460	2,755	2,755	-
Net change in fund balance	-	720	720	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ 720</u>	<u>\$ 720</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Food Service Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 819,000	\$ 835,993	\$ 835,993	\$ -
Total expenditures	792,083	787,943	787,943	-
Net change in fund balance	26,917	48,050	48,050	-
Prior year encumbrances	5,872	5,872	5,872	-
Fund balance, beginning of year	20,123	20,123	20,123	-
Fund balance, end of year	<u>\$ 52,912</u>	<u>\$ 74,045</u>	<u>\$ 74,045</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Uniform School Supplies Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 87,518	\$ 90,514	\$ 90,514	\$ -
Total expenditures	89,358	90,713	90,713	-
Net change in fund balance	(1,840)	(199)	(199)	-
Prior year encumbrances	14,158	14,158	14,158	-
Fund balance, beginning of year	1,840	1,840	1,840	-
Fund balance, end of year	<u>\$ 14,158</u>	<u>\$ 15,799</u>	<u>\$ 15,799</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Summer School Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 45,597	\$ 102,195	\$ 102,195	\$ -
Total expenditures	53,943	55,860	55,860	-
Net change in fund balance	(8,346)	46,335	46,335	-
Prior year encumbrances	550	550	550	-
Fund balance, beginning of year	8,346	8,346	8,346	-
Fund balance, end of year	<u>\$ 550</u>	<u>\$ 55,231</u>	<u>\$ 55,231</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Special Projects Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 24,500	\$ 7,862	\$ 7,862	\$ -
Total expenditures	20,423	21,192	21,192	-
Net change in fund balance	4,077	(13,330)	(13,330)	-
Prior year encumbrances	9,815	9,815	9,815	-
Fund balance, beginning of year	18,917	18,917	18,917	-
Fund balance, end of year	<u>\$ 32,809</u>	<u>\$ 15,402</u>	<u>\$ 15,402</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Entry Year Teacher Grant Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 12,100	\$ 12,100	\$ 12,100	\$ -
Total expenditures	9,900	9,900	9,900	-
Net change in fund balance	2,200	2,200	2,200	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ 2,200	\$ 2,200	\$ 2,200	\$ -

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 363,095	\$ 382,110	\$ 382,110	\$ -
Total expenditures	386,665	386,633	386,633	-
Net change in fund balance	(23,570)	(4,523)	(4,523)	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	449,482	449,482	449,482	-
Fund balance, end of year	<u>\$ 425,912</u>	<u>\$ 444,959</u>	<u>\$ 444,959</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Capital Projects Fund			Variance with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 743,206	\$ 893,487	\$ 893,487	\$ -
Total expenditures	816,200	1,350,085	1,350,085	-
Net change in fund balance	(72,994)	(456,598)	(456,598)	-
Prior year encumbrances	479,734	479,734	479,734	-
Fund balance, beginning of year	26,198	26,198	26,198	-
Fund balance, end of year	<u>\$ 432,938</u>	<u>\$ 49,334</u>	<u>\$ 49,334</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

FOR THE YEAR ENDED JUNE 30, 2005

	Schoolnet Fund			Variance w with Final Budget Positive (Negative)
	Budget Amounts		Actual	
	Original	Final		
Total revenues	\$ 26,355	\$ 26,355	\$ 26,355	\$ -
Total expenditures	26,355	24,852	24,852	-
Net change in fund balance	-	1,503	1,503	-
Prior year encumbrances	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 1,503	\$ 1,503	\$ -

AGENCY FUNDS

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

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

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2005

	Student Activities	Unclaimed Monies	Totals
Assets			
Equity in pooled cash	\$ 78,931	\$ 3,546	\$ 82,477
Total assets	78,931	3,546	82,477
Liabilities			
Accounts payable	2,413	-	2,413
Due to students	76,518	-	76,518
Due to others	-	3,546	3,546
Total liabilities	\$ 78,931	\$ 3,546	\$ 82,477

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

Student Activities Fund				
	Beginning Balance June 30, 2004	Additions	Deductions	Ending Balance June 30, 2005
Assets				
Equity in pooled cash	\$ 95,121	\$ 78,931	\$ 95,121	\$ 78,931
Total assets	<u>95,121</u>	<u>78,931</u>	<u>95,121</u>	<u>78,931</u>
Liabilities				
Accounts payable	5,029	2,413	5,029	2,413
Due to students	90,092	76,518	90,092	76,518
Total liabilities	<u>\$ 95,121</u>	<u>\$ 78,931</u>	<u>\$ 95,121</u>	<u>\$ 78,931</u>

Unclaimed Monies Fund				
	Beginning Balance June 30, 2004	Additions	Deductions	Ending Balance June 30, 2005
Assets				
Equity in pooled cash	\$ 621	\$ 2,925	-	\$ 3,546
Total assets	<u>621</u>	<u>2,925</u>	<u>-</u>	<u>3,546</u>
Liabilities				
Due to others	621	2,925	-	3,546
Total liabilities	<u>\$ 621</u>	<u>\$ 2,925</u>	<u>\$ -</u>	<u>\$ 3,546</u>

Total Agency Funds				
	Beginning Balance June 30, 2003	Additions	Deductions	Ending Balance June 30, 2004
Assets				
Equity in pooled cash	\$ 95,742	\$ 81,856	\$ 95,121	\$ 82,477
Total assets	<u>95,742</u>	<u>81,856</u>	<u>95,121</u>	<u>82,477</u>
Liabilities				
Accounts payable	5,029	2,413	5,029	2,413
Due to students	90,092	76,518	90,092	76,518
Due to others	621	2,925	-	3,546
Total liabilities	<u>\$ 95,742</u>	<u>\$ 81,856</u>	<u>\$ 95,121</u>	<u>\$ 82,477</u>

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

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Taxes	\$ 17,747,699	\$ 14,474,241	\$ 12,826,732	\$ 13,094,844	\$ 12,763,443	\$ 13,168,049	\$ 11,700,396	\$ 13,360,613	\$ 10,695,215	\$ 9,950,252
Tuition and Fees	504,507	517,422	601,733	53,564	210,736	60,704	66,548	243,263	60,596	120,273
Interest	209,976	80,299	135,797	223,497	476,113	417,405	332,404	247,565	214,161	126,417
Intergovernmental	12,887,335	12,281,597	11,383,487	11,084,782	10,961,705	11,003,032	9,889,421	10,649,785	9,963,759	9,484,808
Extracurricular	187,936	204,452	194,542	176,659	229,689	246,728	233,724	280,700	327,828	336,615
Charges for services	681,725	691,319	673,925	42,781	34,436	-	-	-	-	-
Other	238,721	327,569	244,693	238,896	276,075	484,392	494,473	275,017	177,023	234,415
Total	\$ 32,457,899	\$ 28,576,899	\$ 26,060,909	\$ 25,015,023	\$ 24,952,197	\$ 25,380,310	\$ 22,716,966	\$ 25,056,943	\$ 21,438,582	\$ 20,252,780

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

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

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

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Current										
Instruction	\$ 16,086,745	\$ 16,232,624	\$ 15,238,648	\$ 14,191,471	\$ 14,289,932	\$ 13,456,787	\$ 12,652,949	\$ 12,800,170	\$ 11,799,265	\$ 11,857,480
Pupil Support Services	1,355,679	1,401,962	1,352,067	1,362,532	1,253,079	1,202,992	1,127,599	1,130,331	1,022,252	1,033,490
Instructional Support	1,790,435	1,683,192	1,559,511	1,394,569	1,050,533	988,362	804,916	722,147	693,153	713,893
Administration	1,735,105	1,733,788	1,616,634	1,582,775	1,563,505	1,389,464	1,319,011	1,273,865	1,332,509	1,233,579
Business and Fiscal	881,811	985,178	774,862	680,719	706,657	648,007	631,458	594,889	530,233	484,262
Operation & Maintenance of Plant	2,453,668	2,536,605	2,373,310	2,302,006	2,284,766	2,095,974	2,113,792	1,709,652	1,778,053	1,746,520
Pupil Transportation	1,533,051	1,888,359	1,544,063	1,333,852	1,343,009	1,278,828	1,203,863	1,099,306	1,038,584	1,071,498
Central Services	87,557	112,334	66,167	28,460	55,981	88,443	49,157	64,693	53,240	9,250
Operational of Non-Instructional Services	1,503,412	1,236,031	1,396,065	303,599	637,871	325,248	546,295	300,599	308,374	334,014
Extra-Curricular Activities	577,312	657,740	616,364	592,954	672,136	628,183	508,990	442,467	497,761	436,202
Capital Outlay	-	-	-	133,118	440,914	75,122	30,401	340,390	325,561	93,378
Debt Service	383,691	486,108	488,693	529,606	471,840	440,336	478,826	612,803	641,058	671,922
Total	\$ 28,388,466	\$ 28,953,921	\$ 27,025,384	\$ 24,495,661	\$ 24,716,223	\$ 22,717,746	\$ 21,467,256	\$ 21,091,312	\$ 20,020,043	\$ 19,625,488

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

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

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

Collection Year	Current Taxes Levy	Delinquent Taxes Levy	Total Taxes Levy	Current Taxes Collections	Percent of Current Levy Collected	Delinquent Taxes Collections	Total Tax Collections	Total Collection As a Percent of Current Levy
2005	\$ 16,164,275	\$ 887,511	\$ 17,051,786	\$ 15,730,294	97.315%	\$ 416,269	\$ 16,146,563	99.890%
2004	15,414,892	646,636	16,061,528	14,977,700	97.164%	442,311	15,420,011	100.033%
2003	14,294,009	626,538	14,920,547	13,925,978	97.425%	395,297	14,321,275	100.191%
2002	13,847,896	638,397	14,486,293	13,483,930	97.372%	404,767	13,888,697	100.295%
2001	13,805,885	556,761	14,362,646	13,425,883	97.248%	368,165	13,794,048	99.914%
2000	12,613,589	533,644	13,147,233	12,169,210	96.477%	324,845	12,494,055	99.052%
1999	12,345,970	431,987	12,777,957	12,021,534	97.372%	262,676	12,284,210	99.500%
1998	12,173,962	389,895	12,563,857	11,871,765	97.518%	274,467	12,146,232	99.772%
1997	10,997,811	327,560	11,325,371	10,773,939	97.964%	203,987	10,977,926	99.819%
1996	10,915,076	285,550	11,200,626	10,796,724	98.916%	181,202	10,977,926	100.576%

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

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

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

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Assessed Value Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (3)	Assessed Value	Estimated Actual Value	
2005	\$ 516,494,650	\$ 1,475,699,000	\$ 13,397,310	\$ 15,224,216	\$ 27,187,114	\$ 108,748,456	\$ 557,079,074	\$ 1,599,671,672	34.82%
2004	479,530,600	1,370,087,429	13,468,230	15,304,807	25,708,440	102,833,760	518,707,270	1,488,225,995	34.85%
2003	424,279,770	1,212,227,914	14,029,430	15,942,534	29,101,850	116,407,400	467,411,050	1,344,577,848	34.76%
2002	403,743,540	1,153,552,971	13,448,390	15,282,261	29,496,480	117,985,920	446,688,410	1,286,821,152	34.71%
2001	388,264,140	1,109,326,114	16,757,650	19,042,784	25,822,240	103,288,960	430,844,030	1,231,657,858	34.98%
2000	333,488,470	952,824,200	17,870,720	20,307,636	25,230,804	100,923,216	376,589,994	1,074,055,052	35.06%
1999	320,654,700	916,156,286	17,245,160	19,596,773	23,960,770	95,843,080	361,860,630	1,031,596,139	35.08%
1998	306,872,660	876,779,029	17,371,330	19,740,148	22,726,840	90,907,360	346,970,830	987,426,537	35.14%
1997	248,684,360	710,526,743	17,835,730	20,267,875	22,732,700	90,930,800	289,252,790	821,725,418	35.20%
1996	245,705,620	702,016,057	18,670,790	21,216,807	19,227,605	76,910,420	283,604,015	800,143,284	35.44%

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

- (1) This amount is calculated based upon an assessed value of 35 percent of actual value.
- (2) This amount is calculated based upon the current assessed value of 88 percent of actual value.
- (3) The amount is calculated based upon an assessed value of 25 percent of actual value.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS

(PER \$ 1,000 ASSESSED VALUATION)

LAST TEN FISCAL YEARS

Year	School District			Total	Lorain County	Lorain County Joint Vocational School	City	Total
	General	Voted Debt	Permanent Improvements					
2005	40.84	0.70	2.50	44.04	13.19	2.45	13.56	73.24
2004	41.59	0.70	2.50	44.79	12.89	2.45	13.36	73.49
2003	42.60	0.80	2.50	45.90	12.89	2.45	13.41	74.65
2002	43.07	0.90	2.50	46.47	12.89	2.45	12.41	74.22
2001	43.75	1.00	2.50	47.25	10.79	2.45	13.56	74.05
2000	45.10	1.35	2.50	48.95	10.79	2.45	13.71	75.90
1999	45.25	1.69	2.50	49.44	10.79	2.45	12.25	74.93
1998	46.00	1.69	2.50	50.19	10.79	2.45	12.45	75.88
1997	49.00	1.69	2.50	53.19	12.69	2.45	12.75	81.08
1996	49.35	1.69	2.50	53.54	12.69	2.45	12.75	81.43

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

Year	General Obligation Bonded Debt (1)	Debt Service Funds Available	Net General Obligation Bonded Debt	Assessed Value (2)	Population (3)	Ratio of Net Debt to	
						Assessed Value	Net Debt Per Capita
2004	\$ 3,307,867	\$ 449,482	\$ 2,858,385	\$ 518,707,270	25,204	0.551%	\$ 113
2003	3,556,867	462,719	3,094,148	467,411,050	24,294	0.662%	127
2002	3,806,348	456,951	3,349,397	446,688,410	23,397	0.750%	143
2001	3,990,000	374,874	3,615,126	430,844,030	22,902	0.839%	158
2000	4,125,000	294,582	3,830,418	376,589,994	22,469	1.017%	170
1999	4,250,000	124,100	4,125,900	361,860,630	23,939	1.140%	172
1998	4,370,000	219,043	4,150,957	346,970,830	23,572	1.196%	176
1997	4,575,000	153,518	4,421,482	289,252,790	23,190	1.529%	191
1996	4,775,000	84,379	4,690,621	283,604,015	22,911	1.654%	205
1995	4,970,000	43,332	4,926,668	276,536,426	22,661	1.782%	217

Source: (1) School District Financial Records
(2) Lorain County Auditor
(3) The Cleveland Public Library - Document Section as of July 1st

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
COMPUTATION OF LEGAL DEBT MARGIN
AS OF JUNE 30, 2005

Assessed Valuation	\$ 557,079,074
Debt Limit -9% of Assessed Value (1)	50,137,117
Amount of Debt Application to Debt Limit:	
General Obligation Bonds	3,048,911
Less: Amount Available in Debt Service Fund	444,959
Total	2,603,952
Overall Debt Margin	\$ 47,533,165
Overall Limit - .10% of Assessed Value (1)	\$ 557,079
Amount of Debt Applicable	
Tax Anticipation Notes	
General Long Term Debt	-
Unvoted Debt Margin	\$ 557,079

Source: Lorain County Auditor and School District Financial Records.

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

AS OF JUNE 30, 2005

Jurisdiction	Debt Outstanding	Total Assessed Value	Percentage Applicable to School District (1)	Amount Applicable to School District
North Ridgeville City School District	\$ 3,048,911	\$ 518,707,270	100.00%	\$ 3,048,911
Lorain County	28,165,000 (2)	6,180,332,076	8.39%	2,363,852
Lorain County Joint Vocational School	-	5,279,912,409	9.82%	-
North Ridgeville City	<u>3,447,000 (2)</u>	<u>518,707,270</u>	100.00%	<u>3,447,000</u>
Sub Total				<u>5,810,852</u>
Total	<u>\$ 34,660,911</u>	<u>\$ 12,497,659,025</u>		<u>\$ 8,859,763</u>

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

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

(2) Debt is as of December 31, 2004.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

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

Year	Debt Service		Total	Total General Expenditures	Percent of Debt Service to General Expenditures
	Principal	Interest			
2005	\$ 260,000	\$ 121,165	\$ 381,165	\$ 28,388,466	1.343%
2004	250,000	129,205	379,205	28,953,921	1.310%
2003	240,000	138,272	378,272	27,025,384	1.400%
2002	215,000	119,982	334,982	24,495,661	1.368%
2001	135,000	248,626	383,626	24,716,223	1.552%
2000	125,000	255,785	380,785	22,717,746	1.676%
1999	120,000	265,009	385,009	21,467,256	1.793%
1998	205,000	279,648	484,648	21,091,312	2.298%
1997	200,000	295,622	495,622	20,020,043	2.476%
1996	195,000	311,097	506,097	19,625,488	2.579%

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Year	Lorain County Population (1)	North Ridgeville City Population (1)	Average Daily School Enrollment (2)	Unemployment Rate (1)	
				Lorain County	State
2004	294,324	25,204	3,403	6.2%	6.2%
2003	291,164	24,294	3,367	7.6%	6.2%
2002	288,360	23,397	3,277	7.2%	5.7%
2001	286,380	22,902	3,309	5.6%	4.3%
2000	285,225	22,469	3,167	5.4%	4.1%
1999	282,100	23,939	3,153	5.0%	4.3%
1998	281,716	23,572	3,265	3.6%	4.3%
1997	281,924	23,190	3,359	6.1%	4.6%
1996	280,945	22,911	3,422	7.8%	4.9%
1995	279,924	22,661	3,511	5.1%	4.8%

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

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

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
PROPERTY VALUES
FINANCIAL INSTITUTION DEPOSITS AND BUILDING PERMITS
LAST TEN FISCAL YEARS

Year	Real Estate Property Value (1)	Bank Deposits Lorain County (1,000's)	Value of City Building Permits Issued
2004	\$ 479,530,600	\$ 909,649	\$ 75,415,931
2003	424,279,770	649,005	65,906,345
2002	403,743,540	614,592	65,506,373
2001	388,264,140	555,591	41,807,060
2000	333,488,470	513,102	46,430,275
1999	320,654,700	463,993	41,203,243
1998	306,872,660	444,974	43,683,278
1997	248,684,360	1,381,977	26,524,614
1996	245,705,620	1,329,795	22,709,080
1995	238,866,910	1,237,991	14,759,351

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

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
AS OF JUNE 30, 2005

Name of Taxpayer	Nature of Business	Assessed Value (1)	Percent of Total Assessed Value
R.W. Beckett Corporation	Manufacturer of oil burners	\$ 2,215,950	0.40%
Invacare Corporation	Manufacturer of wheelchairs	2,057,500	0.37%
Morris Pontiac GMC Inc.	New and used automobile sales	1,634,230	0.29%
Beckett Gas, Inc.	Manufacturer of gas burners	1,526,950	0.27%
Beckett Air, Inc.	Manufacturer of blow er w heels	1,176,480	0.21%
Riser Foods Company	Retail grocery	720,430	0.13%
Norlake Manufacturing Co.	Manufacturer of transformers	719,170	0.13%
Dreco, Inc.	Plastic product manufacturing	705,070	0.13%
Comcast of Massachusetts	Cable and Internet provider	668,350	0.12%
Tops Markets LLC	Retail grocery	658,860	0.12%

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

(1) Assessed Values are for the 2005 collection year.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
PRINCIPAL TAXPAYERS
REAL ESTATE TAX
AS OF JUNE 30, 2005

Name of Taxpayer	Nature of Business	Assessed Value (1)	Percent of Total Assessed Value
FJD Properties LLC	Real estate development	\$ 2,979,810	0.53%
Rini Realty Company	Retail grocery store	2,003,330	0.36%
Invacare Corporation	Manufacturer of w heelchairs	1,838,880	0.33%
Oster Construction Inc.	Real estate development	1,799,360	0.32%
Bob Schmitt Homes Inc.	Real estate development	1,775,710	0.32%
Sugar Chestnut LLC	Real estate development	1,624,090	0.29%
R.W. Beckett Corporation	Manufacturer of oil burners	1,412,520	0.25%
R.W. Beckett	Manufacturer	1,316,020	0.24%
All Purpose Construction	Real estate development	1,309,870	0.24%
Lake Ridge Holding Ltd.	Nursing home	1,292,740	0.23%

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

(1) Assessed Values are for the 2005 collection year.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY

PRINCIPAL TAXPAYERS
PUBLIC UTILITIES TAX
AS OF JUNE 30, 2005

Name of Taxpayer	Nature of Business	Assessed Value (1)	Percent of Total Assessed Value
Ohio Edison Company	Electric	\$ 4,438,730	0.80%
Alltel Ohio	Communications	2,961,470	0.53%
Cleveland Electric Illuminating Co. (a)	Electric	1,208,340	0.22%
Columbia Gas of Ohio Inc.	Natural gas	918,760	0.16%
Columbia Gas Transmission	Natural gas	885,980	0.16%
America Transmission	Natural gas	877,120	0.16%

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

(1) Assessed Values are for the 2005 collection year.

(a) Subsidiary of First Energy Corp.

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

Year	Governmental Fund Types Expenditures	Average Daily Student Enrollment (1)	Average Cost Per Pupil
2005	\$ 28,388,466	3,579	\$ 7,932
2004	28,953,921	3,403	8,508
2003	27,025,384	3,367	8,027
2002	24,495,661	3,277	7,475
2001	24,716,223	3,309	7,469
2000	22,717,746	3,167	7,173
1999	21,467,256	3,153	6,809
1998	21,091,312	3,265	6,460
1997	20,020,043	3,359	5,960
1996	19,625,488	3,422	5,735

Source: School District Financial Records.

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
LORAIN COUNTY
TEACHER EDUCATION AND EXPERIENCE
AS OF JUNE 30, 2005

Degree	Number of Teachers	Percent of Total
Bachelor's	35	15.35%
Bachelor's + 8 credit hours	7	3.07%
Bachelor's + 16 credit hours	9	3.95%
Bachelor's + 24 credit hours	48	21.05%
Master's	47	20.61%
Master's + 15 credit hours	19	8.33%
Master's + 30 credit hours	63	27.63%
Total	228	100.00%

Years of Experience	Number of Teachers	Percent of Total
0 - 5	98	42.98%
6 - 10	25	10.96%
11 and Over	105	46.05%
Total	228	100.00%

Source: School District Personnel Records.



**Auditor of State
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NORTH RIDGEVILLE CITY SCHOOL DISTRICT

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 12, 2006**