

RIDGEWOOD LOCAL SCHOOL DISTRICT
ANNUAL AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701



Mary Taylor, CPA
Auditor of State

Board of Education
Ridgewood Local School District
301 South Oak Street
West Lafayette, Ohio 43845

We have reviewed the *Independent Auditors' Report* of the Ridgewood Local School District, Coshocton County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 14, 2010

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**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY**

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Independent Auditors' Report.....	1
Management Discussion and Analysis.....	3
Government-wide Financial Statements:	
Statement of Nets Assets.....	13
Statement of Activities.....	14
Fund Financial Statements:	
Governmental Funds	
Balance Sheet.....	15
Reconciliation of Total Government Fund Balances to Net Assets of Governmental Activities.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances.....	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 and Actual (Non-GAAP Budgetary Basis) - General Fund.....	19
Proprietary Funds	
Statement of Net Assets.....	20
Statement of Revenues, Expenses and Changes in Fund Net Assets.....	21
Statement of Cash Flows.....	22
Fiduciary Funds	
Statement of Fiduciary Net Assets.....	23
Notes to the Financial Statements.....	24
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By Government Auditing Standards.....	53
Independents Auditors' Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.....	55
Schedule of Findings and Questioned Costs.....	57
Independent Auditors' Report on Applying Agreed-Upon Procedures.....	58
Schedule of Federal Awards.....	60
Notes to Schedule of Federal Awards.....	61
Schedule of Prior Audit Findings.....	62

WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Board of Education
Ridgewood Local School District
West Lafayette, Ohio 43845

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ridgewood Local School District, Coshocton County as of and for the year ended June 30, 2009, 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 conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates, if any, made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ridgewood Local School District, Coshocton County as of June 30, 2009, and the respective changes in financial position and where applicable, cash flows and the respective budgetary comparison for the General Fund for the year then ended in conformity generally accepted accounting principles accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 4, 2009, on our consideration of Ridgewood Local School District's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

We conducted our audit to opine of the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards expenditures present additional information and is required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. It is not a required part of the basic financial statements. We subjected the federal awards expenditure schedule 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.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
December 4, 2009

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY**

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**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

The management's discussion and analysis of the Ridgewood Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- In total, net assets of governmental activities decreased \$736,087, which represents a 4.16% decrease from net assets at June 30, 2008.
- General revenues accounted for \$10,111,169 in revenue or 80.44% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,458,175 or 19.56% of total revenues of \$12,569,344.
- The District had \$13,305,431 in expenses related to governmental activities; \$2,458,175 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$10,111,169 were not adequate to provide for these programs.
- The District's major governmental funds are the general fund and the bond retirement fund. The general fund had \$10,541,874 in revenues and other financing sources and \$10,496,885 in expenditures. During fiscal year 2009 the general fund's fund balance increased \$44,989 from \$2,853,718 to \$2,898,707.
- The bond retirement fund had \$393,711 in revenues and \$316,929 in expenditures. During fiscal year 2009 the bond retirement fund's fund balance increased \$76,782 from \$498,669 to \$575,451.

Using these Basic Financial Statements

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

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

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2009?" The statement of net assets and the statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those 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 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 District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net assets and statement of activities can be found on pages 13-14 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 9. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and the bond retirement fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets than can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the 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 basic financial statements. The basic governmental fund financial statements can be found on pages 15-19 of this report.

Proprietary Funds

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for medical/surgical and dental self-insurance. The basic proprietary fund financial statements can be found on pages 20-22 of this report.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Reporting the District's Fiduciary Responsibilities

The District acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. The District's fiduciary activities are reported in a separate statement of fiduciary net assets on page 23. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 24-52 of this report.

The District as a Whole

The statement of net assets provides the perspective of the District as a whole.

The table below provides a summary of the District's net assets for 2009 and 2008.

	Net Assets	
	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>
<u>Assets</u>		
Current and other assets	\$ 8,468,617	\$ 8,784,528
Capital assets, net	<u>16,880,804</u>	<u>17,497,990</u>
Total assets	<u>25,349,421</u>	<u>26,282,518</u>
<u>Liabilities</u>		
Current liabilities	4,030,509	4,135,792
Long-term liabilities	<u>4,376,756</u>	<u>4,468,483</u>
Total liabilities	<u>8,407,265</u>	<u>8,604,275</u>
<u>Net assets</u>		
Invested in capital assets, net of related debt	13,545,038	14,058,993
Restricted	1,655,627	1,095,675
Unrestricted	<u>1,741,491</u>	<u>2,523,575</u>
Total net assets	<u>\$ 16,942,156</u>	<u>\$ 17,678,243</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the District's assets exceeded liabilities by \$16,942,156. Of this total, \$1,655,627 is restricted in use.

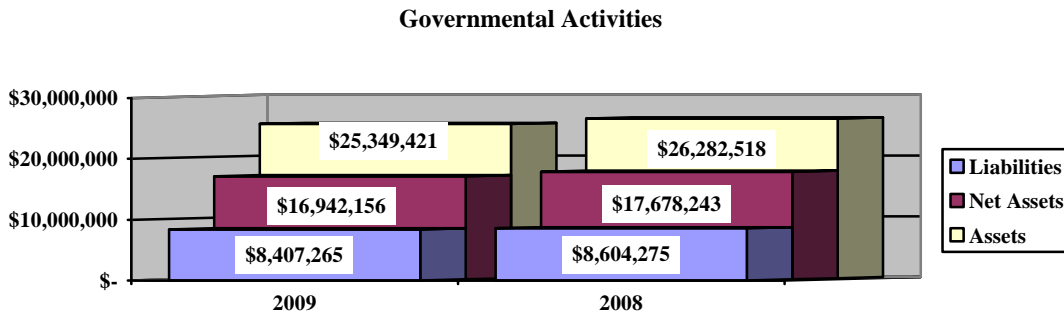
**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

At year-end, capital assets represented 66.59% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles and library and textbooks. Capital assets, net of related debt to acquire the assets at June 30, 2009, were \$13,600,362. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$1,655,627, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$1,741,491 may be used to meet the District's ongoing obligations to the students and creditors.

The graph below presents the District's governmental activities assets, liabilities and net assets for fiscal year 2009 and 2008.



The table below shows the change in net assets for fiscal year 2009 and 2008.

Change in Net Assets

	Governmental Activities 2009	Governmental Activities 2008
Revenues		
Program revenues:		
Charges for services and sales	\$ 882,236	\$ 793,259
Operating grants and contributions	1,558,107	1,755,310
Capital grants and contributions	17,832	13,625
General revenues:		
Property taxes	2,588,925	2,902,719
Grants and entitlements	7,428,186	7,065,242
Investment earnings	84,544	171,510
Other	9,514	14,811
Total revenues	12,569,344	12,716,476

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Change in Net Assets

	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 6,085,203	\$ 6,099,839
Special	1,088,125	1,032,956
Vocational	223,826	230,224
Other	78,601	38,715
Support services:		
Pupil	532,165	456,548
Instructional staff	676,741	613,652
Board of education	38,078	19,147
Administration	864,769	818,068
Fiscal	352,358	332,295
Business	5,446	-
Operations and maintenance	1,408,647	1,149,232
Pupil transportation	820,160	790,969
Central	4,596	2,819
Operations of non-instructional services:		
Food service operations	542,406	548,538
Other non-instructional services	1,038	-
Extracurricular activities	431,951	403,102
Interest and fiscal charges	<u>151,321</u>	<u>144,540</u>
Total expenses	<u>13,305,431</u>	<u>12,680,644</u>
Special item	<u>-</u>	<u>(339,466)</u>
Change in net assets	(736,087)	(303,634)
Net assets at beginning of year	<u>17,678,243</u>	<u>17,981,877</u>
Net assets at end of year	<u>\$ 16,942,156</u>	<u>\$ 17,678,243</u>

Governmental Activities

Net assets of the District's governmental activities decreased \$736,087. Total governmental expenses of \$13,305,431 were offset by program revenues of \$2,458,175 and general revenues of \$10,111,169. Program revenues supported 18.47% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 79.69% of total governmental revenue.

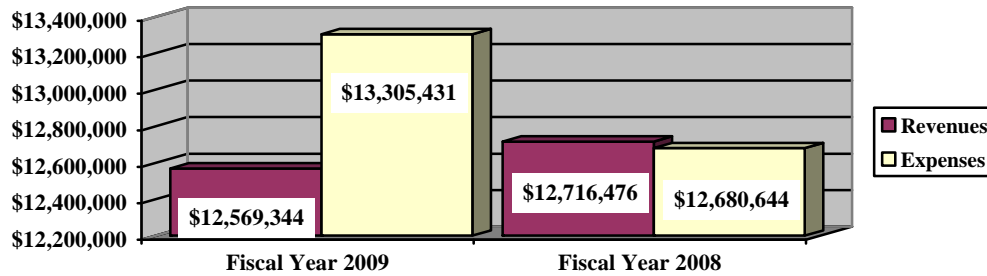
The largest expense of the District is for instructional programs. Instruction expenses totaled \$7,475,755 or 56.19% of total governmental expenses for fiscal year 2009.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2009 and 2008.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>	Total Cost of Services <u>2008</u>	Net Cost of Services <u>2008</u>
Program expenses				
Instruction:				
Regular	\$ 6,085,203	\$ 5,474,370	\$ 6,099,839	\$ 5,416,606
Special	1,088,125	423,186	1,032,956	336,685
Vocational	223,826	112,787	230,224	142,122
Other	78,601	78,601	38,715	38,715
Support services:				
Pupil	532,165	514,046	456,548	456,176
Instructional staff	676,741	493,588	613,652	416,983
Board of education	38,078	38,078	19,147	19,147
Administration	864,769	849,425	818,068	798,278
Fiscal	352,358	352,358	332,295	332,295
Business	5,446	5,446	-	-
Operations and maintenance	1,408,647	1,408,447	1,149,232	1,141,672
Pupil transportation	820,160	781,420	790,969	763,570
Central	4,596	4,596	2,819	2,819
Operation of non-instructional services:				
Food service operations	542,406	(108,986)	548,538	(127,203)
Other non-instructional services	1,038	(114)	-	-
Extracurricular activities	431,951	268,687	403,102	236,045
Interest and fiscal charges	<u>151,321</u>	<u>151,321</u>	<u>144,540</u>	<u>144,540</u>
Total expenses	<u>\$ 13,305,431</u>	<u>\$ 10,847,256</u>	<u>\$ 12,680,644</u>	<u>\$ 10,118,450</u>

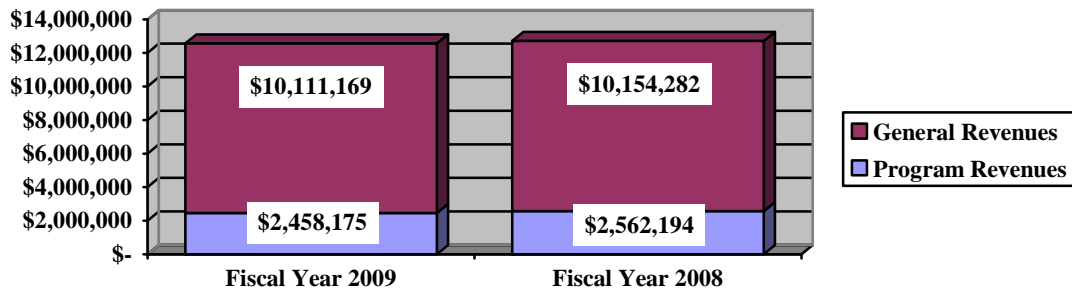
**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

The dependence upon tax and other general revenues for governmental activities is apparent, 81.45% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 81.53%. The District's taxpayers and unrestricted grants and entitlements from the State are by far the primary support for the District's students.

The graph below presents the District's governmental activities revenue for fiscal year 2009 and 2008.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of \$4,449,033, which is greater than last year's total of \$4,237,123. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2009 and 2008.

	Fund Balance <u>June 30, 2009</u>	Fund Balance <u>June 30, 2008</u>	<u>Increase</u>	<u>Percentage Change</u>
General	\$ 2,898,707	\$ 2,853,718	\$ 44,989	1.58 %
Bond retirement	575,451	498,669	76,782	15.40 %
Other governmental	<u>974,875</u>	<u>884,736</u>	<u>90,139</u>	10.19 %
Total	<u>\$ 4,449,033</u>	<u>\$ 4,237,123</u>	<u>\$ 211,910</u>	5.00 %

General Fund

The District's general fund balance increased \$44,989. The increase in fund balance can be attributed to revenues of \$10,498,979 and other financing sources of \$42,895 being greater than expenditures of \$10,496,885.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 2,249,321	\$ 2,409,454	\$ (160,133)	(6.65) %
Tuition	233,242	305,711	(72,469)	(23.71) %
Earnings on investments	83,752	157,770	(74,018)	(46.92) %
Intergovernmental	7,843,193	7,465,012	378,181	5.07 %
Other revenues	<u>89,471</u>	<u>126,151</u>	<u>(36,680)</u>	<u>(29.08) %</u>
Total	<u>\$ 10,498,979</u>	<u>\$ 10,464,098</u>	<u>\$ 34,881</u>	<u>0.33 %</u>
<u>Expenditures</u>				
Instruction	\$ 6,074,621	\$ 5,891,190	\$ 183,431	3.11 %
Support services	4,153,909	3,714,348	439,561	11.83 %
Extracurricular activities	236,699	193,997	42,702	22.01 %
Debt service	<u>26,656</u>	<u>26,544</u>	<u>112</u>	<u>0.42 %</u>
Total	<u>\$ 10,491,885</u>	<u>\$ 9,826,079</u>	<u>\$ 665,806</u>	<u>6.78 %</u>

The decrease in tuition revenue of 23.71% is due to a decrease in open enrollment revenue received during the fiscal year. Earnings on investments decreased 46.92% due to lower interest rates during the fiscal year. Other revenues decreased 29.08% which is primarily due to a decrease in contributions and donations received during the fiscal year. All other revenue remained consistent with the prior fiscal year.

The increase in instruction and support service expenditures is primarily due to increased wage and benefit costs during the fiscal year. The most noticeable increases in support services expenditures were for instructional staff, school administration, and operations and maintenance. Expenditures for extracurricular activities increased due to higher expenditures for the District's sports teams.

Bond Retirement Fund

The bond retirement fund had \$393,711 in revenues and \$316,929 in expenditures. During fiscal year 2009 the bond retirement fund's fund balance increased \$76,782 from \$498,669 to \$575,451.

General Fund Budgeting Highlights

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

During the course of fiscal 2009, the District did not amend its general fund budget. For the general fund, original budgeted revenues and other financing sources were \$10,262,360. The final budgeted revenues and other financing sources were the same as the original. Actual revenues and other financing sources for fiscal year 2009 were \$10,546,917, which represents an increase of \$284,557 over the final budgeted amount.

General fund original appropriations were \$10,698,030. The final appropriations were the same. The actual budget basis expenditures for fiscal year 2009 totaled \$10,454,676, which was \$243,354 less than the final budgeted appropriations.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2009, the District had \$16,880,804 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and library and textbooks. This entire amount is reported in governmental activities. The following table shows fiscal 2009 balances compared to 2008:

**Capital Assets at June 30
(Net of Depreciation)**

	Governmental Activities	
	2009	2008
Land	\$ 194,966	\$ 194,966
Land improvements	1,111,065	1,217,093
Building and improvements	14,665,596	15,073,242
Furniture and equipment	572,887	664,978
Vehicles	322,650	301,339
Library and textbooks	13,640	46,372
Total	\$ 16,880,804	\$ 17,497,990

The overall decrease in capital assets of \$617,186 is due to depreciation expense of \$813,634 exceeding capital outlay of \$213,255 and disposals (net of accumulated depreciation) of \$16,807 during the fiscal year.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

Debt Administration

At June 30, 2009, the District had \$3,058,002 in general obligation bonds outstanding. Of this total, \$185,000 is due within one year and \$2,873,002 is due in greater than one year. The following table summarizes the bonds outstanding.

Outstanding Debt, at Year End

	Governmental Activities	Governmental Activities
	2009	2008
General obligation bonds	\$ 3,058,002	\$ 3,223,393
Total	\$ 3,058,002	\$ 3,223,393

At June 30, 2009, the District's overall legal debt margin was \$8,551,488, and an unvoted debt margin of \$122,234.

See Note 10 to the basic financial statements for additional information on the District's debt administration.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Current Financial Related Activities

Ridgewood Local School District has continued to maintain the highest standards of service to its students, parents, and community. Financially, the District continues to operate in a fiscally responsible manner. The District ended the 2009 fiscal year by spending less on a cash basis than was received. The financial future of the District is not without its challenges, however. The Board of Education and administration must continue to closely monitor its revenues and expenditures in accordance with its five-year forecast.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Lori Statler, Treasurer, Ridgewood Local School District, 301 S. Oak Street, West Lafayette, Ohio 43845.

**BASIC
FINANCIAL STATEMENTS**

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCKTON COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 5,669,572
Receivables:	
Taxes	2,664,710
Accounts	1,553
Intergovernmental	48,232
Accrued interest	1,642
Prepayments	17,232
Materials and supplies inventory	10,352
Unamortized bond issue costs	55,324
Capital assets:	
Land	194,966
Depreciable capital assets, net	16,685,838
Capital assets, net.	16,880,804
 Total assets.	 25,349,421
Liabilities:	
Accounts payable.	26,689
Accrued wages and benefits	910,763
Pension obligation payable.	291,951
Intergovernmental payable	25,021
Accrued interest payable	9,778
Claims payable	323,218
Unearned revenue.	2,443,089
Long-term liabilities:	
Due within one year.	244,692
Due in more than one year.	4,132,064
Total liabilities	8,407,265
Net assets:	
Invested in capital assets, net of related debt.	13,545,038
Restricted for:	
Capital projects	139,238
Debt service	581,505
Classroom facilities maintenance	283,199
Locally funded programs	13,286
State funded programs.	227
Federally funded programs	757
Student activities.	39,963
Other purposes	597,452
Unrestricted.	1,741,491
 Total net assets	 \$ 16,942,156

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

		Program Revenues				Net (Expense) Revenue and Changes in Net Assets
Expenses		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities
Governmental activities:						
Instruction:						
Regular	\$ 6,085,203	\$ 413,102	\$ 197,731	\$ -		\$ (5,474,370)
Special	1,088,125	15,354	649,585	-		(423,186)
Vocational	223,826	-	111,039	-		(112,787)
Other	78,601	-	-	-		(78,601)
Support services:						
Pupil.	532,165	-	18,119	-		(514,046)
Instructional staff	676,741	7,425	175,728	-		(493,588)
Board of education	38,078	-	-	-		(38,078)
Administration.	864,769	633	14,711	-		(849,425)
Fiscal.	352,358	-	-	-		(352,358)
Business.	5,446	-	-	-		(5,446)
Operations and maintenance	1,408,647	200	-	-		(1,408,447)
Pupil transportation.	820,160	4,394	16,514	17,832		(781,420)
Central	4,596	-	-	-		(4,596)
Operation of non-instructional services:						
Food service operations	542,406	277,864	373,528	-		108,986
Other non-instructional services	1,038	-	1,152	-		114
Extracurricular activities.	431,951	163,264	-	-		(268,687)
Interest and fiscal charges	151,321	-	-	-		(151,321)
Total governmental activities	<u>\$ 13,305,431</u>	<u>\$ 882,236</u>	<u>\$ 1,558,107</u>	<u>\$ 17,832</u>		<u>(10,847,256)</u>
General revenues:						
Property taxes levied for:						
General purposes						2,186,104
Bond retirement.						329,733
Classroom facilities maintenance						73,088
Grants and entitlements not restricted to specific programs.						7,428,186
Investment earnings						84,544
Miscellaneous						9,514
Total general revenues.						10,111,169
Change in net assets						(736,087)
Net assets at beginning of year.						17,678,243
Net assets at end of year						\$ 16,942,156

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>General</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,906,046	\$ 569,305	\$ 1,037,541	\$ 5,512,892
Receivables:				
Taxes.	2,339,984	271,832	52,894	2,664,710
Accounts	629	-	924	1,553
Intergovernmental	5,049	-	43,183	48,232
Accrued interest	1,642	-	-	1,642
Due from other funds.	1,219	-	-	1,219
Prepayments	17,232	-	-	17,232
Materials and supplies inventory	-	-	10,352	10,352
Restricted assets:				
Equity in pooled cash and cash equivalents	42,320	-	-	42,320
Total assets	<u>\$ 6,314,121</u>	<u>\$ 841,137</u>	<u>\$ 1,144,894</u>	<u>\$ 8,300,152</u>
Liabilities:				
Accounts payable	\$ 22,081	\$ -	\$ 4,608	\$ 26,689
Accrued wages and benefits	830,481	-	80,282	910,763
Pension obligation payable.	262,078	-	29,873	291,951
Intergovernmental payable.	22,507	-	2,514	25,021
Due to other funds.	-	-	1,219	1,219
Deferred revenue.	133,661	15,832	2,894	152,387
Unearned revenue.	2,144,606	249,854	48,629	2,443,089
Total liabilities	<u>3,415,414</u>	<u>265,686</u>	<u>170,019</u>	<u>3,851,119</u>
Fund balances:				
Reserved for encumbrances	47,846	-	115,040	162,886
Reserved for materials and supplies inventory.	-	-	10,352	10,352
Reserved for prepayments	17,232	-	-	17,232
Reserved for property tax unavailable for appropriation	65,394	6,146	1,371	72,911
Reserved for BWC refunds.	42,320	-	-	42,320
Reserved for debt service.	-	569,305	-	569,305
Unreserved:				
Designation for budget stabilization	54,777	-	-	54,777
Undesignated, reported in:				
General fund	2,671,138	-	-	2,671,138
Special revenue funds.	-	-	782,450	782,450
Capital projects funds.	-	-	65,662	65,662
Total fund balances.	<u>2,898,707</u>	<u>575,451</u>	<u>974,875</u>	<u>4,449,033</u>
Total liabilities and fund balances	<u>\$ 6,314,121</u>	<u>\$ 841,137</u>	<u>\$ 1,144,894</u>	<u>\$ 8,300,152</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2009

Total governmental fund balances		\$	4,449,033
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			16,880,804
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes	\$	148,710	
Intergovernmental revenue		2,885	
Accrued interest		792	
Total			152,387
Unamortized bond issue costs are not recognized in the funds			55,324
Unamortized premiums on bond issuance are not recognized in the funds.			(231,520)
Unamortized deferred charges on refundings are not recognized in the funds.			176,195
An internal service fund is used by management to charge the costs of health and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets.			(208,858)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(9,778)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		1,007,985	
Capital lease obligations		255,444	
General obligation bonds payable		3,058,002	
Total			(4,321,431)
Net assets of governmental activities		\$	16,942,156

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>General</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
From local sources:				
Taxes	\$ 2,249,321	\$ 334,167	\$ 72,646	\$ 2,656,134
Tuition.	233,242	-	-	233,242
Charges for services.	-	-	277,864	277,864
Earnings on investments.	83,752	-	-	83,752
Extracurricular.	-	-	156,301	156,301
Classroom materials and fees.	8,259	-	43,914	52,173
Other local revenues.	81,212	-	65,561	146,773
Intergovernmental - State.	7,843,193	59,544	159,273	8,062,010
Intergovernmental - Federal	-	-	1,011,734	1,011,734
Total revenue	<u>10,498,979</u>	<u>393,711</u>	<u>1,787,293</u>	<u>12,679,983</u>
Expenditures:				
Current:				
Instruction:				
Regular	5,008,044	-	244,522	5,252,566
Special.	749,356	-	304,303	1,053,659
Vocational.	239,124	-	-	239,124
Other.	78,097	-	-	78,097
Support services:				
Pupil.	496,305	-	22,094	518,399
Instructional staff	431,232	-	233,481	664,713
Board of education	38,078	-	-	38,078
Administration.	811,169	-	17,049	828,218
Fiscal	325,414	11,238	1,390	338,042
Business	5,446	-	-	5,446
Operations and maintenance.	1,275,816	-	173,935	1,449,751
Pupil transportation	770,853	-	16,718	787,571
Central.	4,596	-	-	4,596
Operation of non-instructional services:				
Food service operations	-	-	507,369	507,369
Other non-instructional services.	-	-	1,038	1,038
Extracurricular activities.	236,699	-	158,895	395,594
Facilities acquisition and construction	-	-	16,360	16,360
Debt service:				
Principal retirement	15,221	180,000	-	195,221
Interest and fiscal charges	11,435	125,691	-	137,126
Total expenditures	<u>10,496,885</u>	<u>316,929</u>	<u>1,697,154</u>	<u>12,510,968</u>
Excess of revenues over expenditures	<u>2,094</u>	<u>76,782</u>	<u>90,139</u>	<u>169,015</u>
Other financing sources:				
Sale of assets	6,230	-	-	6,230
Capital lease transaction.	36,665	-	-	36,665
Total other financing sources	<u>42,895</u>	<u>-</u>	<u>-</u>	<u>42,895</u>
Net change in fund balances	44,989	76,782	90,139	211,910
Fund balance at beginning of year	<u>2,853,718</u>	<u>498,669</u>	<u>884,736</u>	<u>4,237,123</u>
Fund balance at end of year.	<u>\$ 2,898,707</u>	<u>\$ 575,451</u>	<u>\$ 974,875</u>	<u>\$ 4,449,033</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Net change in fund balances - total governmental funds	\$	211,910
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Additions	\$ 213,255	
Depreciation expense	(813,634)	
Total		(600,379)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		
		(16,807)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	(67,209)	
Intergovernmental	(50,452)	
Accrued interest	792	
Total		(116,869)
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.		
		195,221
Proceeds of capital leases are recorded as revenue in the funds, however on the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net assets.		
		(36,665)
Governmental funds report expenditures for interest when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. More interest is reported in the statement of activities due to the following:		
Decrease in accrued interest payable	415	
Accreted interest on "capital appreciation bonds"	(14,609)	
Amortization of bond issuance costs	(3,589)	
Amortization of bond premiums	15,017	
Amortization of deferred charges on refundings	(11,429)	
Total		(14,195)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(119,793)
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.		
		(238,510)
Change in net assets of governmental activities	\$	(736,087)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Taxes	\$ 2,521,400	\$ 2,521,400	\$ 2,296,802	\$ (224,598)
Tuition.	25,200	25,200	244,111	218,911
Earnings on investments.	120,000	120,000	68,051	(51,949)
Classroom materials and fees	5,000	5,000	8,307	3,307
Other local revenues	8,400	8,400	81,869	73,469
Intergovernmental - State	<u>7,579,360</u>	<u>7,579,360</u>	<u>7,838,885</u>	<u>259,525</u>
Total revenue	<u>10,259,360</u>	<u>10,259,360</u>	<u>10,538,025</u>	<u>278,665</u>
Expenditures:				
Current:				
Instruction:				
Regular	5,329,376	5,329,376	5,010,265	319,111
Special.	561,508	561,508	724,547	(163,039)
Vocational.	253,096	253,096	243,108	9,988
Other.	30,000	30,000	76,884	(46,884)
Support services:				
Pupil.	511,126	511,126	492,929	18,197
Instructional staff	352,052	352,052	419,046	(66,994)
Board of education	31,525	31,525	38,443	(6,918)
Administration.	828,482	828,482	794,173	34,309
Fiscal	330,576	330,576	314,159	16,417
Business	-	-	9,661	(9,661)
Operations and maintenance.	1,396,898	1,396,898	1,326,889	70,009
Pupil transportation	878,491	878,491	771,088	107,403
Central.	3,100	3,100	4,600	(1,500)
Extracurricular activities.	<u>191,800</u>	<u>191,800</u>	<u>228,884</u>	<u>(37,084)</u>
Total expenditures	<u>10,698,030</u>	<u>10,698,030</u>	<u>10,454,676</u>	<u>243,354</u>
Excess of revenues over (under) expenditures.	<u>(438,670)</u>	<u>(438,670)</u>	<u>83,349</u>	<u>522,019</u>
Other financing sources (uses):				
Refund of prior year expenditure.	2,000	2,000	2,662	662
Sale of assets.	<u>1,000</u>	<u>1,000</u>	<u>6,230</u>	<u>5,230</u>
Total other financing sources (uses)	<u>3,000</u>	<u>3,000</u>	<u>8,892</u>	<u>5,892</u>
Net change in fund balance	(435,670)	(435,670)	92,241	527,911
Fund balance at beginning of year.	3,767,228	3,767,228	3,767,228	-
Prior year encumbrances appropriated	26,300	26,300	26,300	-
Fund balance at end of year	<u>\$ 3,357,858</u>	<u>\$ 3,357,858</u>	<u>\$ 3,885,769</u>	<u>\$ 527,911</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2009

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents.	\$ 114,360
Total assets	<u>114,360</u>
Liabilities:	
Claims payable	<u>323,218</u>
Total liabilities.	<u>323,218</u>
Net assets (deficit):	
Unrestricted (deficit).	<u>(208,858)</u>
Total net assets (deficit)	<u><u>\$ (208,858)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services.	\$ 1,687,357
 Total operating revenues	 <u>1,687,357</u>
Operating expenses:	
Purchased services.	428,867
Claims	<u>1,497,000</u>
 Total operating expenses	 <u>1,925,867</u>
 Change in net assets	 (238,510)
 Net assets at beginning of year.	 <u>29,652</u>
 Net assets (deficit) at end of year	 <u><u>\$ (208,858)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	\$ 1,687,357
Cash payments for purchased services	(428,867)
Cash payments for claims.	<u>(1,425,242)</u>
 Net cash used in operating activities	 <u>(166,752)</u>
 Net decrease in cash and cash equivalents	 (166,752)
 Cash and cash equivalents at beginning of year	 <u>281,112</u>
Cash and cash equivalents at end of year.	<u><u>\$ 114,360</u></u>
 Reconciliation of operating loss to net cash used in operating activities:	
Operating loss.	\$ (238,510)
 Changes in assets and liabilities:	
Increase in claims payable.	<u>71,758</u>
 Net cash used in operating activities.	 <u><u>\$ (166,752)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009**

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 35,794
Total assets.	<u>\$ 35,794</u>
Liabilities:	
Due to students	\$ 35,794
Total liabilities	<u>\$ 35,794</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 1 - DESCRIPTION OF SCHOOL DISTRICT

Ridgewood Local School District (the "District") was established for the purposes of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District ranks as the 390th largest by total enrollment among the 922 public school districts and community schools in the State. The District is a local school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by State statute and/or Federal guidelines. It is staffed by 73 non-certified employees and 95 certified personnel who provide services to 1,366 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic 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, preschool and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) 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. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following organizations are described due to their relationship to the District:

JOINTLY GOVERNED ORGANIZATIONS

Ohio Mid-Eastern Regional Education Service Agency (OME-RESA)

OME-RESA is a computer service organization whose primary function is to provide information technology services to its member districts with the major emphasis being placed on accounting, payroll and inventory control services. Other areas of service provided by OME-RESA include pupil scheduling, attendance and grade reporting, career guidance services, special education records and test scoring.

OME-RESA is one of 23 regional service organizations serving over 600 public districts in the State of Ohio that make up the Ohio Educational Computer Network (OECN). These service organizations are known as Data Acquisition Sites. The OECN is a collective group of Data Acquisition Sites, authorized pursuant to Section 3301.075 of the Ohio Revised Code, and their member districts. Such sites, in conjunction with the Ohio Department of Education (ODE), comprise a statewide delivery system to provide comprehensive, cost-efficient accounting and other administrative and instructional computer services for participating Ohio districts.

Major funding for this network is derived from the State of Ohio. In addition, a majority of the software utilized by the OME-RESA is developed by the ODE.

OME-RESA is owned and operated by 49 member districts in 10 different Ohio counties. The member districts are comprised of public districts and educational service centers. Each member district pays an annual fee for services provided by OME-RESA. OME-RESA is governed by a Board of Directors, which is selected by the member districts. Each member district has one vote in all matters and each member district's control over budgeting and financing of OME-RESA is limited to its voting authority and any representation it may have on the Board of Directors.

OME-RESA is located at 2023 Sunset Blvd., Steubenville, Ohio 43952. The Jefferson County Educational Service Center is one of OME-RESA's member districts, and acts in the capacity of fiscal agent for OME-RESA.

Coshocton County Joint Vocational School District

The Coshocton County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school district's elected Boards, which possesses its own budgeting and taxing authority. The Board controls the financial activity of the Vocational School. The Vocational School receives no direct funding from the member school district. The continued existence of the Vocational School is not dependent on the Ridgewood Local School District's continued participation.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

PUBLIC ENTITY RISK POOL

Ohio Association of School Business Officials Worker's Compensation Group

The District participates in the Ohio Association of School Business Officials (OASBO) Workers' Compensation Group Rating Plan (GRP). The GRP is sponsored by OASBO and administered by Sheakley UniService, Inc. 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 District pays a fee to the GRP to cover the costs of administering the program.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses 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 used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond retirement fund - The bond retirement fund is used to account for the accumulation of resources and payment of general obligation bonds and principal and interest from governmental resources when the government is obligated in some manner for payment.

Other governmental funds of the District are used to account (a) for food service operations; (b) for financial resources to be used for the acquisition, construction, or improvement of capital facilities; and (c) for grants and other resources whose use is restricted to a particular purpose.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal service fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides medical/surgical and dental benefits to employees.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 fund accounts for student activities.

C. Basis of Presentation and Measurement Focus

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. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of 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 not classified as program revenues are presented as general revenues of the District.

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.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one 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.

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.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 fund 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund is charges for services. Operating expenses for the internal service fund includes claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Agency funds do not report a measurement focus as they do not report operations.

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 fiduciary funds also use the accrual basis of accounting.

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

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 fiscal 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, interest, tuition, grants, student fees and rentals.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise 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, 2009, but which were levied to finance fiscal year 2010 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2009 are recorded as deferred revenue.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

E. Budgetary Process

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The 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 revenues establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board of Education's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control set by the Board. The legal level of control has been established by the Board of Education at the fund level. The District Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

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 certificate of estimated resources issued during fiscal year 2009.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The appropriation resolution is subject to amendment by the Board of Education throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as 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 fiscal year 2009.

F. Cash and Investments

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

During fiscal year 2009, investments were limited to federal agency securities, U.S. Government money market and nonnegotiable certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as certificates of deposit, are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2009 amounted to \$83,752, which includes \$26,881 assigned from other funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are reported on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

General capital 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 in the fund financial statements.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. 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.

All reported capital assets, except 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:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land improvements	10 to 40 years
Buildings and improvements	10 to 40 years
Furniture and equipment	5 to 20 years
Vehicles	13 years
Library and textbooks	5 years

I. Interfund Balances

On the fund financial statements, the amounts payable to the general fund to cover deficit cash balances in the nonmajor governmental funds are classified as "due to/from other funds." These amounts are eliminated in the governmental activities column on the statement of net assets.

J. Compensated Absences

GASB Statement No. 16, "Accounting for Compensated Absences", specifies the method used to accrue liabilities for leave benefits. 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 termination method. An accrual for earned sick leave is made to the extent that is probable that benefits will result in termination (severance) payments. The liability is an estimate based on the District's past experience of making termination (severance) payments.

The total liability for vacation and sick leave has been calculated using pay rates in effect at June 30, 2009 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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, accrued liabilities and long-term obligations payable from the internal service fund are reported on the proprietary fund financial statements.

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

L. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized issuance costs are recorded as a separate line item on the statement of net assets.

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented as an addition to or reduction of the face amount of the new debt. On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period.

A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 10.A.

M. Fund Balance Reserves/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 encumbrances, materials and supplies inventory, prepayments, debt service, property tax revenue unavailable for appropriation and BWC refunds. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP, but not available for appropriation under State statute. A portion of fund balance has been designated for budget stabilization.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist 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 enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted by State statute for BWC refunds, food service, uniform school supplies and public school support.

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

O. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

P. Estimates

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

Q. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set-aside to establish reserves for BWC refunds. This reserve is required by State statute. A schedule of statutory reserves is presented in Note 17.

R. Interfund Activity

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 and after nonoperating revenues/expenses in proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The District did not have any extraordinary and special items during fiscal year 2009.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2009, the District has implemented GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", GASB Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 56 "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards".

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the District.

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the District.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the District.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the District.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2009 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Management information systems	\$ 7
Alternative school grant	96
Poverty aid	49
Title VI-B	29,393
Drug - free schools grant	1
Handicapped preschool	36
Improving teacher quality	2,369
 <u>Proprietary Fund</u>	
Employee benefits self-insurance	208,858

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 are the result of adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 two percent and be marked to market daily, and that 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 items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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.

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

A. Cash on Hand

At fiscal year end, the District had \$2,500 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and cash equivalents".

B. Deposits with Financial Institutions

At June 30, 2009, the carrying amount of all District deposits was \$4,473,946. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2009, \$3,532,148 of the District's bank balance of \$4,510,373 was exposed to custodial risk as discussed below, while \$978,225 was covered by the FDIC.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

C. Investments

As of June 30, 2009, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities</u>			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>
FHLB	\$ 200,938	\$ -	\$ -	\$ 200,938	\$ -
FHLMC	245,347	-	-	-	245,347
FHLB discount notes	679,349	494,978	184,371	-	-
FHLMC discount notes	99,620	-	99,620	-	-
U.S. Government money market	3,666	3,666	-	-	-
Total	\$ 1,228,920	\$ 498,644	\$ 283,991	\$ 200,938	\$ 245,347

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Custodial Credit Risk: 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. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Credit Risk: The District's investments in federal agency securities were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned the U.S. Government money market an AAAM money market rating.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2009:

<u>Investment type</u>	<u>Fair value</u>	<u>% of total</u>
FHLB	\$ 200,938	16.35
FHLMC	245,347	19.96
FHLB discount notes	679,349	55.28
FHLMC discount notes	99,620	8.11
U.S. Government money market	3,666	0.30
Total	<u>\$ 1,228,920</u>	<u>100.00</u>

D. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2009:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 4,473,946
Investments	1,228,920
Cash on hand	2,500
Total	<u>\$ 5,705,366</u>

<u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 5,669,572
Agency fund	35,794
Total	<u>\$ 5,705,366</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 2009 consisted of the following amounts due from and to other funds, as reported in the fund financial statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 1,219

The primary purpose of the due from and to other funds is to cover negative cash balances in the improving teacher quality fund, a nonmajor governmental fund. This negative cash balance is allowable under Ohio Revised Code Section 3315.20. The interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed values as of January 1, 2008, 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 property tax revenues received in calendar year 2009 represent the collection of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien on December 31, 2007, were levied after April 1, 2008, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. 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.

The District receives property taxes from Coshocoton, Guernsey and Tuscarawas Counties. The County Auditors periodically advance to the District their portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available as an advance at June 30, 2009 was \$65,394 in the general fund, \$6,146 in the bond retirement fund and \$1,371 in the classroom facilities maintenance fund, a nonmajor governmental fund. These amounts have been recorded as revenue. The amount that was available as an advance at June 30, 2008 was \$112,875 in the general fund, \$12,696 in the bond retirement fund and \$1,549 in the classroom facilities maintenance fund, a nonmajor governmental fund.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2009 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been deferred.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second Half Collections		2009 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 114,861,440	93.65	\$ 116,925,170	94.58
Public utility personal	5,197,260	4.24	5,346,450	4.32
Tangible personal property	<u>2,596,033</u>	<u>2.11</u>	<u>1,354,860</u>	<u>1.10</u>
Total	<u>\$ 122,654,733</u>	<u>100.00</u>	<u>\$ 123,626,480</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 43.00		\$ 43.00	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2009 consisted of taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements, and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of Federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental activities:

Taxes	\$ 2,664,710
Accounts	1,553
Intergovernmental	48,232
Accrued interest	<u>1,642</u>
Total	<u>\$ 2,716,137</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Balance <u>June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2009</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 194,966	\$ -	\$ -	\$ 194,966
Total capital assets, not being depreciated	<u>194,966</u>	<u>-</u>	<u>-</u>	<u>194,966</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,980,792	-	-	1,980,792
Building and improvements	20,155,067	54,405	-	20,209,472
Furniture and equipment	1,656,870	76,165	(45,364)	1,687,671
Vehicles	1,117,675	82,685	-	1,200,360
Library and textbooks	853,829	-	-	853,829
Total capital assets, being depreciated	<u>25,764,233</u>	<u>213,255</u>	<u>(45,364)</u>	<u>25,932,124</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(763,699)	(106,028)	-	(869,727)
Building and improvements	(5,081,825)	(462,051)	-	(5,543,876)
Furniture and equipment	(991,892)	(151,449)	28,557	(1,114,784)
Vehicles	(816,336)	(61,374)	-	(877,710)
Library and textbooks	(807,457)	(32,732)	-	(840,189)
Total accumulated depreciation	<u>(8,461,209)</u>	<u>(813,634)</u>	<u>28,557</u>	<u>(9,246,286)</u>
Governmental activities capital assets, net	<u>\$ 17,497,990</u>	<u>\$ (600,379)</u>	<u>\$ (16,807)</u>	<u>\$ 16,880,804</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 687,961
<u>Support services:</u>	
Administration	5,905
Operations and maintenance	6,017
Pupil transportation	61,374
Food service operations	22,043
Extracurricular	<u>30,334</u>
Total depreciation expense	<u>\$ 813,634</u>

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE

During fiscal year 2009, the District entered into a capital lease for the acquisition of copiers. In prior fiscal years, the District entered into a capital lease for the acquisition of an administrative building. These leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers the benefits and risks of ownership to the lessee at the conclusion of the lease term. At inception, the leases were accounted for as an other financing source and a capital outlay expenditure in the general fund. Capital lease payments have been reclassified and shown as debt service expenditures in the general fund. These expenditures will be reflected as function expenditures on a budgetary basis.

The general capital assets acquired by these capital leases have been capitalized in the governmental activities on the statement of net assets in the amount of \$334,665, which is equal to the present value of the future minimum lease payments as of the date of their inception. Accumulated depreciation as of June 30, 2009 was \$57,083, leaving a current book value of \$277,582. A corresponding liability has been recorded in the governmental activities on the statement of net assets. Principal payments made during fiscal year 2009 totaled \$15,221.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2009.

<u>Fiscal Year Ending</u>	<u>Payments</u>
2010	\$ 30,329
2011	29,786
2012	29,244
2013	28,702
2014	23,944
2015 - 2019	87,555
2020 - 2024	71,486
2025 - 2028	<u>57,266</u>
Total minimum lease payment	358,312
Less: amount representing interest	<u>(102,868)</u>
Present value of minimum lease payments	<u>\$ 255,444</u>

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 10 - LONG-TERM OBLIGATIONS

- A. During the fiscal year 2009, the following changes occurred in governmental activities long-term obligations:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental activities:					
<i>General obligation bonds:</i>					
May 1999 bond issue					
5.85% due 12/1/2011	\$ 125,000	\$ -	\$ (40,000)	\$ 85,000	\$ 40,000
November 1999 bond issue					
5.85% due 12/1/2011	300,000	-	(95,000)	205,000	100,000
Refunded general obligations					
bonds 4.0% due 12/1/2024	2,740,000	-	(45,000)	2,695,000	45,000
Capital appreciation bonds					
4.45% due 12/1/2018	39,997	-	-	39,997	-
Accreted interest on bonds	18,396	14,609	-	33,005	-
Total general obligation bonds	<u>3,223,393</u>	<u>14,609</u>	<u>(180,000)</u>	<u>3,058,002</u>	<u>185,000</u>
<i>Other long-term obligations:</i>					
Compensated absences	952,177	153,267	(97,459)	1,007,985	40,972
Capital leases	234,000	36,665	(15,221)	255,444	18,720
Total other obligations	<u>1,186,177</u>	<u>189,932</u>	<u>(112,680)</u>	<u>1,263,429</u>	<u>59,692</u>
Total governmental activities					
long-term liabilities	<u>\$ 4,409,570</u>	<u>\$ 204,541</u>	<u>\$ (292,680)</u>	4,321,431	<u>\$ 244,692</u>
Less: unamortized deferred charge on refunding bonds				(176,195)	
Add: unamortized premium on refunding bonds				231,520	
Total on statement of net assets				<u>\$ 4,376,756</u>	

Compensated Absences: Compensated absences will be paid from the fund from which the employee's salaries are paid, which, for the District, is primarily the general fund.

Capital Leases: Capital leases will be paid from the general fund. See Note 9 for more detail.

B. General Obligation Bonds

In May 1999, the District issued \$2,759,000 in general obligation bonds. In November 1999, the District issued \$1,300,000 in general obligation bonds. These issues represent the District's share of a construction and renovation project approved and significantly funded by the Ohio School Facilities Commission (OSFC). These bonds are a general obligation of the District, for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to these bonds are recorded as an expenditure in the bond retirement fund, a nonmajor governmental fund.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

During fiscal year 2007, the District issued general obligation bonds to advance refund the callable portion of the May 1999 and November 1999 bonds (callable principal \$2,815,000). The issuance proceeds of \$3,020,720 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

The refunding issue was comprised of both current interest term bonds, par value \$1,250,000, serial bonds, par value \$1,525,000 and capital appreciation bonds, par value \$39,997. The capital appreciation bonds mature December 1, 2017 and December 1, 2018 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$525,000. Total accreted interest of \$33,005 has been included on the statement of net assets at June 30, 2009.

The reacquisition price exceeded the net carrying amount of the old debt by \$205,720. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issue.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2024.

The following is a summary of the District's future annual principal and interest requirements to retire the general obligation bonds:

Fiscal Year Ended	Current Interest and Serial Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 185,000	\$ 116,955	\$ 301,955	\$ -	\$ -	\$ -
2011	195,000	107,838	302,838	-	-	-
2012	200,000	99,400	299,400	-	-	-
2013	220,000	91,525	311,525	-	-	-
2014	220,000	83,000	303,000	-	-	-
2015 - 2019	715,000	293,100	1,008,100	39,997	485,003	525,000
2020 - 2024	1,175,000	119,300	1,294,300	-	-	-
2025	<u>75,000</u>	<u>1,500</u>	<u>76,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,985,000</u>	<u>\$ 912,618</u>	<u>\$ 3,897,618</u>	<u>\$ 39,997</u>	<u>\$ 485,003</u>	<u>\$ 525,000</u>

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2009, are a voted debt margin of \$8,551,488 (including available funds of \$575,451) and an unvoted debt margin of \$122,234.

NOTE 11 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified, full-time administrators and non-bargaining unit employees earn 10 to 20 days of vacation per year, depending upon length of service and hours worked. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and elementary principals do not earn vacation time. A maximum of five vacation days beyond the twelve month period may be carried over. Additional days may be carried over only with the approval of the superintendent.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave accumulation for a year is fifteen days. Payment is made of one-fourth of the total sick leave accumulation, up to a maximum accumulation of 234 days upon retirement for certified employees or 230 days upon termination with 10 years of service for non-certified employees.

B. Life Insurance

The District provides life insurance and accidental death and dismemberment insurance to most employees. Life insurance is provided through American International Group, Inc. The premium for the employee term life insurance is paid by the District at a rate of .10 per \$1,000 of coverage.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 12 - RISK MANAGEMENT

A. Property, Fleet, and Liability Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2009, the District contracted with the Indiana Insurance for liability, fleet, property and inland marine insurance coverage. Coverage is as follows:

	<u>Coverage</u>	<u>Deductible</u>
Buildings and Contents	\$ 38,407,285	\$ 1,000
Automobile Liability	1,000,000	250-500
Uninsured Motorists	1,000,000	250-500
Crime Insurance	5,000	25
General Liability:		
Per Occurrence	1,000,000	-
Aggregate	3,000,000	-

Settled claims have not exceeded this commercial coverage in any of the past three years. There was no significant reduction in coverage from the prior year.

B. Workers' Compensation

The District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 2.A.). 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. Participants in the GRP are placed on tiers according to their loss history. Participants with low loss histories are rewarded with greater savings than participants with higher loss histories. Each participant pays its workers' compensation premium to the state based on the rate for its GRP tier rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService, Inc. provides administrative, cost control, assistance with safety programs, and actuarial services to the GRP.

C. Employee Group Medical/Surgical and Dental Insurance

The District has established a limited risk management program for hospital/medical benefits. Premiums are paid into the self insurance fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2009, a total expense of \$1,925,867 was incurred in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$60,000. The liability for unpaid claims cost of \$323,218 reported in the fund at June 30, 2009 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling claims. Interfund premiums are based primarily upon the insured funds' claims experience and are reported as quasi-external interfund transactions.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 12 - RISK MANAGEMENT - (Continued)

Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2009	\$ 251,460	\$ 1,497,000	\$ (1,425,242)	\$ 323,218
2008	69,666	1,710,782	(1,528,988)	251,460

NOTE 13 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (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 Chapter 3309 of the Ohio Revised Code. SERS 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 School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Forms and Publications*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District 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 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$133,627, \$138,739 and \$144,846, respectively; 34.71 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System of Ohio

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 13 - PENSION PLANS - (Continued)

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 a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For fiscal year 2009, 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 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 District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008 and 2007 were \$640,806, \$619,098 and \$567,899, respectively; 81.46 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$191 made by the District and \$8,351 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2009, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 14 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, the actuarially determined amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2009, 2008, and 2007 were \$91,238, \$92,030 and \$76,808 respectively; 34.71 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2009, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$11,025, \$9,966 and \$9,847, respectively; 34.71 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System of Ohio

Plan Description - The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$49,293, \$47,623 and \$43,685, respectively; 81.46 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenues, expenditures, and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Advance-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCTON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 92,241
Net adjustment for revenue accruals	(39,046)
Net adjustment for expenditure accruals	(91,174)
Net adjustment for other financing sources and uses	34,003
Adjustment for encumbrances	<u>48,965</u>
GAAP basis	<u>\$ 44,989</u>

NOTE 16 - CONTINGENCIES

Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCOTON COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

NOTE 17 - STATUTORY RESERVES

The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2009, the reserve activity was as follows:

	Textbooks/ Instructional <u>Materials</u>	Capital <u>Acquisition</u>	BWC <u>Refunds</u>
Set-aside balance as of June 30, 2008	\$ (109,921)	\$ 3,744	\$ 42,320
Current year set-aside requirement	185,922	185,922	-
Qualifying disbursements	<u>(185,251)</u>	<u>(213,544)</u>	<u>-</u>
Total	<u>\$ (109,250)</u>	<u>\$ (23,878)</u>	<u>\$ 42,320</u>
Balance carried forward to FY 2010	<u>\$ (109,250)</u>	<u>\$ -</u>	
A schedule of the restricted assets at June 30, 2009 follows:			
Amounts restricted for BWC refund	<u>\$ 42,320</u>		
Total restricted assets	<u>\$ 42,320</u>		

The District had qualifying disbursements during the year that reduced the set-aside amount below zero for the textbooks/instructional materials reserve. This amount may be used to reduce the set-aside requirement for future years. The negative amount is therefore presented as being carried forward to the next fiscal year.

In addition to the above statutory reserves, the School Board has set-aside monies for budget stabilization. The amount set-aside is reported as a designation of fund balance in the general fund. The balance in the budget stabilization designation at June 30, 2009 was \$54,777.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

Board of Education
Ridgewood Local School District
West Lafayette, Ohio 43845

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ridgewood Local School District as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 4, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ridgewood Local School District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the School's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the School's financial statements that is more than inconsequential will not be prevented or detected by the School's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School's internal control.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ridgewood Local School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standard*. However, we noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated December 4, 2009.

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

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
December 4, 2009

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

Board of Education
Ridgewood Local School District
West Lafayette, Ohio 43845

Compliance

We have audited the compliance of Ridgewood Local School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. Ridgewood Local School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Ridgewood Local School District management. Our responsibility is to express an opinion on Ridgewood Local School District's compliance based on our audit.

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

In our opinion, the Ridgewood Local School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Ridgewood Local School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ridgewood Local School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

Page 2

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
December 4, 2009

**RIDGEWOOD LOCAL SCHOOL DISTRICT
 COSHOCTON COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 SECTION 505**

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 significant deficiencies in internal control reported at the financial statement level (GAGAS)?	NO
(d)(1)(iii)	Was there any reported 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 significant deficiencies in internal control reported for major federal programs?	NO
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section. 510?	NO
(d)(1)(vii)	Major Programs:	Special Education Cluster; CFDA #84.027 CFDA #84.173
(d)(1)(viii)	Dollar Threshold: Type A/B Programs:	Type A: >\$300,000; Type B: All Others
(d)(1)(ix)	Low Risk Auditee?	Yes

2. Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

NONE

3. Findings and Questioned Costs for Federal Awards

NONE

WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

**INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON
PROCEDURES**

Board of Education
Ridgewood Local School District
West Lafayette, Ohio 43845

Ohio Revised Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Ridgewood Local School District has adopted an anti-harassment policy in accordance with Ohio Revised Code Section 3313.666. Management is responsible for complying with this requirement. This agree-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on February 27, 2007.
2. We read the policy, noting it included the following requirements from Ohio revised Code Section 3313.666(B):
 - A. A statement prohibiting harassment, intimidations, or bullying of any student on school property or at school-sponsored events;
 - B. A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Revised Code Section 3313.666;
 - C. A procedure for reporting prohibited incidents;
 - D. A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - E. A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the “Family Educational Rights and Privacy Act of 1974, “ 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - F. A procedure for documenting any prohibited incident that is reported;
 - G. A procedure for responding to and investigating any reported incident;
 - H. A strategy for protecting a victim from additional harassment, intimidation or bullying, and from retaliation following a report;

- I. A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- J. A requirement that the District administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "family Educational Rights and Privacy Act of 1974, " 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the attention and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
December 4, 2009

**RIDGEWOOD LOCAL SCHOOL DISTRICT
COSHOCKTON COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Sub-Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>						
Pass through Ohio Department of Education						
Nutrition Cluster						
National School Breakfast Program	n/a	10.553	\$ 75,472	\$ -	\$ 75,472	\$ -
National School Lunch Program	n/a	10.555	253,125	-	253,125	-
Total Nutrition Cluster			328,597	-	328,597	-
Food Distribution Program	n/a	10.550	-	63,146	-	63,146
Total U.S. Department of Agriculture			328,597	63,146	328,597	63,146
<u>U.S. DEPARTMENT OF EDUCATION:</u>						
Pass through Ohio Department of Education						
Title I Educationally Deprived Children	046474C1S109	84.010	165,853	-	160,646	-
	046474C1S108		14,759	-	16,428	-
			180,612	-	177,074	-
Special Education Cluster:						
Title VI-B Special Education Assistance for handicapped Children	046474BSF09	84.027	331,666	-	329,614	-
	046474BSF08		57,991	-	64,096	-
Preschool Grants for Children	046474PG3109	84.173	11,849	-	11,849	-
	046474PG3108		760	-	763	-
			402,266	-	406,322	-
Drug Free School Program	046474DRS109	84.186	2,906	-	2,906	-
	046474DRS108		2,951	-	-	-
			5,857	-	2,906	-
Innovative Education Program Strategies	046474C2S109	84.298	514	-	-	-
	046474C2S108		-	-	410	-
			514	-	410	-
Technology Literacy Challenge	046474TJS109	84.318	3,335	-	3,090	-
	046474TJS108		-	-	1,372	-
			3,335	-	4,462	-
Improving Teacher Quality State Grant	046474TRS109	84.367	7,872	-	12,505	-
	046474TRS108		87,104	-	88,324	-
			94,976	-	100,829	-
Total U.S. Department of Education			687,560	-	692,003	-
Total Federal Awards Expenditures			1,016,157	63,146	1,020,600	63,146

See notes to Schedule of Federal Awards Expenditures.

**RIDGEWOOD LOCAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

NOTES A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTES 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 nonmonetary 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.

RIDGEWOOD LOCAL SCHOOL DISTRICT

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 SECTION 315(b)**

June 30, 2009

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2008-01	Prior Period Adjustment	Yes	Finding No Longer Valid



Mary Taylor, CPA
Auditor of State

RIDGEWOOD LOCAL SCHOOL DISTRICT

COSHOCTON 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 28, 2010**