

LEDGEMONT LOCAL SCHOOL DISTRICT
CLEVELAND REGION, GEAUGA COUNTY
FINANCIAL FORECAST
JULY 1, 1999, THROUGH JUNE 30, 2000

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

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Ledgemont Local School District
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We have examined the accompanying forecasted schedules of Revenues, Expenditures, and Changes in Fund Balance of the General Fund of the Ledgemont Local School District for the fiscal year ending June 30, 2000. Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included such procedures as we considered necessary to evaluate both the assumptions used by the Board/Commission and the preparation and presentation of the forecast.

The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balance of the General Fund for the fiscal year ending June 30, 2000 present, to the best of management's knowledge and belief, the expected Revenues, Expenditures, and Changes in Fund Balance of the General Fund for the forecast period. The accompanying forecasted Revenues, Expenditures, and Changes in Fund Balance of the General Fund and this report were prepared for the purpose of determining whether the School District will incur an operating deficit for the current fiscal year, pursuant to Section 3316.08, Revised Code, and should not be used for any other purpose.

In our opinion, the forecasted schedules referred to above are presented in conformity with the guidelines for presentation of forecasted information established by the American Institute of Certified Public Accountants (AICPA), and the underlying assumptions provide a reasonable basis for the Board's forecast. Our examination of the financial forecast presented in this document was made for the purpose of forming an opinion on whether the financial forecast is presented in conformity with AICPA guidelines for the presentation of a forecast and whether the underlying assumptions provide a reasonable basis for the forecast. The supplemental data as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial forecast. Such information has not been subjected to procedures

applied in the examination of the financial forecast and, accordingly, we express no opinion or any other form of assurance on it. Furthermore, differences between the forecasted and actual results will usually happen because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after its date.

The financial statements for the years ended June 30, 1997 and June 30, 1998, were audited by the State Auditor's Office, and they expressed an unqualified opinion on them in their report dated December 23, 1998, but we have not performed any auditing procedures since.

We have compiled the accompanying schedule of Revenues, Expenditures, and Changes in Fund Balance of the Ledgemont Local School District for the years ended June 30, 1997, 1998, 1999 and 2000, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed these financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

JIM PETRO
Auditor of State

January 10, 2000

LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDING JUNE 30, 2000 FORECASTED
GENERAL FUND

	Fiscal Year 2000 Forecasted
Revenues	
General Property Tax (Real Estate)	\$1,923,000
Tangible Personal Property Tax	219,000
Unrestricted Grants-in-Aid	1,959,000
Restricted Grants-in-Aid	13,000
Property Tax Allocation	258,000
All Other Revenues	296,000
<i>Total Revenues</i>	4,668,000
Expenditures	
Personal Services	2,564,000
Employees' Retirement/Insurance Benefits	738,000
Purchased Services	900,000
Supplies and Materials	164,000
Capital Outlay	42,000
Debt Service:	
Principal-Notes	15,000
Principal-State Loans	156,000
Interest and Fiscal Charges	9,000
Other Objects	81,000
<i>Total Expenditures</i>	4,669,000
Other Financing Uses	
Operating Transfers-Out	5,000
<i>Total Expenditures and Other Financing Uses</i>	4,674,000
<i>Excess of Revenues and Other Financing Sources over Expenditures</i>	(6,000)
<i>Cash Balance July 1, 1999</i>	196,000
<i>Cash Balance June 30, 2000</i>	190,000
<i>Estimated Encumbrances June 30, 2000</i>	98,000
Reservation of Fund Balance	
Textbooks and Instructional Materials	44,000
Budget Reserve	23,000
<i>Subtotal</i>	67,000
<i>Unreserved Fund Balance June 30, 2000</i>	\$25,000

See accompanying summary of significant forecast assumptions, accounting policies, and accountant's report

Note: Schedule includes the general fund, emergency levy fund, textbook subsidy fund and any portion of debt service fund related to the general fund

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL
FOR THE FISCAL YEARS ENDED JUNE 30, 1997, 1998 AND 1999 ACTUAL;
FOR THE FISCAL YEAR ENDING JUNE 30, 2000 FORECASTED

	Fiscal Year 1997 Actual	Fiscal Year 1998 Actual	Fiscal Year 1999 Actual	Fiscal Year 2000 Forecasted
Revenues				
General Property Tax (Real Estate)	\$1,390,000	\$1,675,000	\$1,900,000	\$1,923,000
Tangible Personal Property Tax	222,000	173,000	202,000	219,000
Unrestricted Grants-in-Aid	1,333,000	1,402,000	1,825,000	1,959,000
Restricted Grants-in-Aid	11,000	32,000	22,000	13,000
Property Tax Allocation	168,000	200,000	234,000	258,000
All Other Revenues	95,000	162,000	315,000	296,000
<i>Total Revenues</i>	<u>3,219,000</u>	<u>3,644,000</u>	<u>4,498,000</u>	<u>4,668,000</u>
Other Financing Sources				
Proceeds from Sale of Notes	759,000	593,000	0	0
Operating Transfers-In	20,000	0	0	0
<i>Total Other Financing Sources</i>	<u>779,000</u>	<u>593,000</u>	<u>0</u>	<u>0</u>
<i>Total Revenues and Other Financing Sources</i>	<u>3,998,000</u>	<u>4,237,000</u>	<u>4,498,000</u>	<u>4,668,000</u>
Expenditures				
Personal Services	2,311,000	2,027,000	2,294,000	2,564,000
Employees' Retirement/Insurance Benefits	679,000	666,000	710,000	738,000
Purchased Services	434,000	421,000	851,000	900,000
Supplies and Materials	134,000	126,000	154,000	164,000
Capital Outlay	29,000	4,000	65,000	42,000
Debt Service:				
Principal-Notes	15,000	15,000	15,000	15,000
Principal-State Loans	146,000	401,000	410,000	156,000
Principal-Spending Reserve	180,000	266,000	93,000	0
Interest and Fiscal Charges	21,000	38,000	29,000	9,000
Other Objects	70,000	64,000	88,000	81,000
<i>Total Expenditures</i>	<u>4,019,000</u>	<u>4,028,000</u>	<u>4,709,000</u>	<u>4,669,000</u>
Other Financing Uses				
Operating Transfers-Out	6,000	3,000	0	5,000
All Other Financing Uses	0	5,000	0	0
<i>Total Other Financing Uses</i>	<u>6,000</u>	<u>8,000</u>	<u>0</u>	<u>5,000</u>
<i>Total Expenditures and Other Financing Uses</i>	<u>4,025,000</u>	<u>4,036,000</u>	<u>4,709,000</u>	<u>4,674,000</u>
<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	(27,000)	201,000	(211,000)	(6,000)
<i>Cash Balance July 1</i>	<u>233,000</u>	<u>206,000</u>	<u>407,000</u>	<u>196,000</u>
<i>Cash Balance June 30</i>	206,000	407,000	196,000	190,000
<i>Estimated Encumbrances June 30</i>	39,000	86,000	79,000	98,000
Reservation of Fund Balance				
Textbooks and Instructional Materials	0	0	9,000	44,000
Budget Reserve	0	23,000	23,000	23,000
Bus Purchases	0	25,000	1,000	0
<i>Subtotal</i>	<u>0</u>	<u>48,000</u>	<u>33,000</u>	<u>67,000</u>
<i>Unreserved Fund Balance June 30</i>	<u>\$167,000</u>	<u>\$273,000</u>	<u>\$84,000</u>	<u>\$25,000</u>

See accompanying summary of significant forecast assumptions and accounting policies

Note: Schedule includes the general fund, emergency levy fund, textbook subsidy fund and any portion of debt service fund related to the general fund.

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

Nature of Presentation

This financial forecast presents, to the best of the Ledgemont Local School District Board of Education's and the Financial Planning and Supervision Commission's knowledge and belief, the expected Revenues, Expenditures, and Changes in Fund Balance of the General Fund for the forecast period. Accordingly, the forecast reflects the Board of Education's and the Financial Planning and Supervision Commission's judgment of the expected conditions and its expected course of action as of January 10, 2000 the date of this forecast. The forecast is designed to present the Revenues, Expenditures and Changes in Fund Balance for the purpose of determining whether the School District will incur an operating deficit for the current fiscal year, pursuant to Section 3316.08, Revised Code, and should not be used for any other purpose. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

1. General Assumptions

The Ledgemont Local School District will continue to operate its instructional program in accordance with its adopted school calendar and pay all obligations.

The forecast includes the revenue and expenditure activity of the General Fund, Emergency Levy Fund, Textbook Subsidy Fund and any portion of the Debt Service Fund that relates to the General Fund.

The forecast contains those expenditures the Board has determined to be necessary to provide for an adequate educational program.

2. Revenue and Other Financing Source Assumptions

The fiscal year 2000 revenue and other financing source assumptions are based on the following:

Property Taxes

Property taxes consist of real estate, public utility real and personal property and tangible personal property taxes. Advances may be requested from the Geauga County Auditor as the tax is collected. When settlements are made, any amounts remaining to be distributed to the School District are paid. Deductions for auditor and treasurer's fees, advertising delinquent taxes, election expenses, and other fees are made at these settlement times.

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

The forecasted figures for fiscal year 2000 were based on the most recent information provided by the Geauga County Auditor. The amounts shown in the revenue section of the forecast statements represent gross property tax revenue.

General Property Tax (Real Estate)

The general property tax revenue estimates are based upon confirmations received from the Geauga County Auditor. Included in this revenue source are real estate tax revenues. Amounts forecasted for the rollback and homestead exemption are included under the property tax allocation account. Based upon these estimates, the School District anticipates receiving \$1,923,000 in real estate tax revenue, an increase of \$23,000 over the prior fiscal year. The increase is due to higher property valuations.

Tangible Personal Property Tax

This revenue source consists of tangible personal property tax revenue and the public utility personal property tax revenue. The first \$10,000 of tangible personal property is exempt from taxation. The State reimburses the School District for all revenue lost due to this exemption. The amount of the reimbursement, as estimated by the Geauga County Auditor, is included in the forecasted amount of property tax allocation for fiscal year 2000.

As with real estate taxes, tangible personal property tax and public utility personal property tax revenues are based upon confirmations received from the Geauga County Auditor. Based upon these estimates, the School District anticipates receiving \$219,000 in tangible personal property tax revenue, an increase of \$17,000 over fiscal year 1999 levels. The increase is due to higher property valuations.

Unrestricted Grants-in-Aid

State foundation payments established by Chapter 3317 of the Revised Code are calculated by the State Department of Education, Division of School Finance, on the basis of pupil enrollment (ADM) and classroom teacher ratios plus other factors. The funds are distributed on a semi-monthly basis. Deductions from the monthly payments for contributions to the two school retirement systems are included in the expenditure section. Forecasted amounts are based on current information provided by the State Department of Education. For the forecast period, a 7 percent increase is anticipated, largely due to a new method used to calculate school foundation.

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

This revenue source includes formula aid, special education aid, training and experience of classroom teachers funding, extended service, gifted aid, transportation, vocational education, and equalization enhancement revenues received from the State Department of Education, Division of School Finance. The amount of revenue reported on the most recent school foundation statement of settlement is \$1,959,000.

Restricted Grants-in-Aid

Restricted grants-in-aid consist of a bus purchase allowance of \$13,000 received in November 1999. This is the only form of restricted revenue that the School District expects to receive.

Property Tax Allocation

State law grants tax relief in the form of a ten percent reduction in real property tax bills. In addition, a two and one half percent rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. The State reimburses the School District for the loss of real property taxes as a result of the above (rollback and homestead).

The first \$10,000 of tangible personal property is exempt from taxation. The State reimburses the School District for all revenue lost due to this exemption. The amount of the reimbursement, as estimated by the Geauga County Auditor, is also included in the forecasted amount of property tax allocation.

The Geauga County Auditor certified the amounts for rollback and homestead and the personal property tax exemption at \$258,000, an increase of \$24,000 over the prior fiscal year. The increase is due to rising property valuations.

All Other Revenues

The following schedule represents all other revenues not classified elsewhere:

Tuition	\$140,000
Earnings on Investments	36,000
Transportation Fees	69,000
Classroom Materials and Fees	16,000
Refund of Prior Year	
Expenditures	6,000
Miscellaneous	29,000
Total	<u>\$296,000</u>

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

The forecasted revenue is based on the following:

- Investment earnings are expected to decrease due to an expected decline in excess cash.
- Miscellaneous revenues are expected to decrease due to the School District receiving monies for fiberoptics in fiscal year 1999, which will not recur in fiscal year 2000.
- All other revenues are expected to remain consistent with the prior fiscal year.

3. Expenditure and Other Financing Use Assumptions

The fiscal year 2000 anticipated expenditures and other financing uses are based on the following:

Personal Services

The personal service expenditures of \$2,564,000 forecasted for fiscal year 2000 are as follows:

Certified Salaries	\$1,852,000
Classified Salaries	512,000
Substitutes	79,000
Supplemental Contracts	55,000
Severance Pay	17,000
Overtime	32,000
Longevity	15,000
Board Members	<u>2,000</u>
Total	<u><u>\$2,564,000</u></u>

The School District anticipates a \$270,000 increase in the cost of personal services from fiscal year 1999 levels. The major reasons for this increase are outlined below:

- The School District will have 27 pay periods in the forecast year, compared to 26 in fiscal year 1999.
- Step increases have been included for teachers, tutors, supplemental contract employees and classified employees for fiscal year 2000.
- An increase in substitute costs is expected due to two additional long-term substitutes being used in the forecast year.

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

Employees' Retirement/Insurance Benefits

Employee retirement and insurance benefits are forecasted at \$738,000 for fiscal year 2000. This amount is as follows:

Retirement	\$365,000
Insurance	321,000
Workers' Compensation	31,000
Tuition	1,000
Medicare	20,000
	<hr/>
Total	<u><u>\$738,000</u></u>

The School District anticipates a \$28,000 increase in benefits for fiscal year 2000. This increase is due primarily to the following:

- Retirement costs will increase by \$9,000. The increase is mainly due to the additional pay period in fiscal year 2000.
- Insurance costs are anticipated to increase by \$3,000.
- A \$16,000 increase in workers' compensation payments is expected due to an increase in the School District's workers' compensation rate.

Purchased Services

Purchased service expenditures forecasted in the amount of \$900,000 are comprised of the following:

Professional and Technical Services	\$255,000
Property Services	98,000
Travel and Meeting Expenses	15,000
Communication	8,000
Utilities Services	85,000
Tuition	406,000
Pupil Transportation	33,000
	<hr/>
Total	<u><u>\$900,000</u></u>

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

The School District is anticipating a \$49,000 increase in purchased services for fiscal year 2000. This increase is due primarily to the following:

- The cost of professional and technical services is forecasted to increase \$15,000. This increase is mainly due to an expected increase in legal fees for contract negotiations.
- The cost of property services is forecasted to increase \$30,000. This increase is due to expected bus repairs.

Supplies and Materials

The School District anticipates spending \$164,000 for supplies and materials in fiscal year 2000. The expenditures are as follows:

General Supplies, Library Books, Periodicals and Food	\$60,000
Supplies and Materials for Operation, Maintenance and Repair	96,000
Textbooks	<u>8,000</u>
Total	<u><u>\$164,000</u></u>

There is a forecasted \$10,000 increase in expenditures for supplies and materials from fiscal year 1999 levels. The increase is primarily due to the School District's need to replenish textbooks for classrooms and supplies for mechanics.

Capital Outlay

Capital outlay expenditures are forecasted for fiscal year 2000 in the amount of \$42,000, which represents \$28,000 for new capital outlay and \$14,000 of replacement capital outlay. The majority of the planned expenditures are for the purchase of a new school bus, roof improvements and the installation of a new water well.

Debt Service

The School District's debt service expenditures required for fiscal year 2000 include payments on a State loan and an energy conservation note. These debt payments will be repaid with general fund revenues.

The State loan, in the amount of \$156,000 with interest of \$4,000, will be paid from State foundation revenues. The energy conservation note with principal of \$15,000 and interest payments of \$4,500 are made from general fund revenues.

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

Other Objects

This account includes dues, fees, liability insurance, county board deductions, and award costs. The School District is projecting a \$7,000 decrease in this area, due to a decline in county auditors fees.

Operating Transfers-Out

The School District anticipates \$5,000 in transfers out during fiscal year 2000.

4. Spending Reserve

Section 133.301, Revised Code, allows the School District to issue notes during the current fiscal year in anticipation of fiscal year 2000 property tax revenues provided that such amount, referred to as the spending reserve, is included in the current year tax budget and the State Superintendent of Public Instruction has authorized such notes. The School District did include a spending reserve of \$44,000 in their current year tax budget; however, authorization to issue such notes has not been received from the State Superintendent of Public Instruction and, therefore, is not included in the forecast.

5. Encumbrances

Encumbrances for purchased services, supplies and materials, capital outlay and other expenditures for the fiscal year ended June 30, 1999 were \$79,000 and are forecasted at \$98,000 for June 30, 2000.

6. Reservation of Fund Balance

Textbooks and Instructional Materials

The required three percent contribution for fiscal year 2000 for the textbooks and instructional materials set aside amounted to \$95,000. This amount was reduced by \$55,000 of qualifying planned expenditures for textbooks, instructional materials, instructional supplies, instructional software, and instructional equipment. The set aside was increased by \$4,000 due to last year's carryover. Therefore, a reserve of \$44,000 is included.

Capital Improvements

The required three percent contribution for fiscal year 2000 for the capital improvements and maintenance set aside amounted to \$95,000. This amount was completely offset by qualifying expenditures for capital improvements.

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

Budget Reserve

A contribution for the budget stabilization set aside is generally required if the District's revenues for the prior year grew by at least three percent, unless the District is in fiscal emergency. The revenue for the Ledgemont Local School District actually declined and the School District is in a state of fiscal emergency. The District received a refund from the Bureau of Workers' Compensation in fiscal year 1998 in the amount of \$23,000. This refund is required under Section 39 of House Bill 770 to be part of the set aside reserve balance. Therefore, the refund of \$23,000 received from the Bureau of Workers' Compensation has been reserved for budget stabilization.

Bus Purchases

At June 30, 1999, the School District had \$1,000 in unspent bus monies. In addition, the School District received \$13,000 in bus purchase allowance during fiscal year 2000. The School District anticipates purchasing one school bus. Therefore, the entire balance will be completely offset.

7. Levies

The School District placed a .50% income tax levy on the November 1999 ballot. The levy failed. The School District plans to place a .75% income tax levy on the May 2000 ballot. If passed, the levy will generate \$525,000 in revenues annually.

8. Pending Litigation

The School District has no pending litigation that will have a financial impact according to the School District's legal counsel.

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2000**

A. Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts and disbursements which is consistent with the required budget basis (non-GAAP) of accounting which is the same as that used to prepare the historical budgetary statements for the years ended June 30, 1996, 1997, and 1998. Under this system, certain revenue and related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the School District is required to maintain the encumbrance method of accounting and to make appropriations for budgetary funds. The appropriations are made by the Board of Education to their classification of accounts and are restricted for such purpose until expended or amended by the Board.

B. Investments

Investment procedures are restricted by the provisions of the Ohio Revised Code. The School District pools cash from all funds for investment purposes. Purchased investments are valued at cost and are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Interest earned is recognized and recorded when received.

C. Fund Accounting

The School District maintains its accounting in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

General Fund

The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is disbursed or transferred in accordance with Ohio law.

Special Revenue Funds

To account for the proceeds of specific revenue sources (other than expendable trusts or those for major capital projects) that are legally restricted to disbursements for specified purposes.

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2000
(Continued)

Capital Project Funds

To account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Funds

To account for the accumulation of resources for, and the payment of, general long-term and short-term debt principal and interest. According to governmental accounting principles, the Debt Service Fund accounts for the payment of debt for governmental funds only. Under Ohio law, the debt service fund may be used to account for the payment of debt for both governmental and proprietary funds.

Proprietary Funds

Enterprise Funds

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

Internal Service Funds

To account for the financing of goods or services provided by one department or agency to other departments or agencies of the School District, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds

To account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include (a) Expendable Trust Funds, (b) Non-expendable Trust Funds, (c) Pension Funds, and (d) Agency Funds.

D. Budgetary Process

Budget

A budget of estimated cash receipts and disbursements is submitted to the Geauga County Auditor, as secretary of the County Budget Commission, by January 20 of each year, for the succeeding fiscal year.

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2000
(Continued)

Estimated Resources

The County Budget Commission certifies its actions to the School District by March 1. As part of this certification, the School District receives the Official Certificate of Estimated Resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about July 1 of each year. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire year. The appropriation measure may be amended or supplemented during the year as new information becomes available.

Encumbrances

The School District uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation.

E. Property, Plant and Equipment

Fixed assets acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these fixed assets as the purpose of the financial statements for the general governmental services is to report the expenditure of resources, not costs.

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SCHEDULE OF BOND INDEBTEDNESS
JANUARY 10, 2000**

DESCRIPTION OF ORIGINAL ISSUE	INTEREST RATE	ISSUE DATE	MATURITY DATE	REQUIRED ANNUAL PAYMENT	AUTHORIZED AND ISSUED	RETIRED TO DATE	OUTSTANDING
School Improvement	14.0	3/1/82	12/1/05	\$55,000	\$1,325,000	\$940,000	\$385,000
School Improvement	5.27	6/1/77	12/1/99	25,000	605,000	580,000	25,000

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

**SCHEDULE OF NOTE INDEBTEDNESS
JANUARY 10, 2000**

<u>O.R.C. AUTHORITY</u>	<u>NOTE AMOUNT</u>	<u>HELD BY</u>	<u>DUE</u>	<u>RATE OF INTEREST</u>	<u>SOURCE OF REPAYMENT</u>
3313.483	\$193,363	BANK ONE	6/2000	4.00%	STATE FOUNDATION REVENUES
133.06(g)	90,000	HUNTINGTON	6/2003	6.00%	GENERAL FUND REVENUES

**LEDGEMONT LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

TEN-YEAR LEVY HISTORY

DATE	TYPE	AMOUNT	TERM	ELECTION RESULTS
November 1989	Emergency	9.7 Mills	5 Years	Passed
November 1991	Income Tax	0.5%	Continuing	Failed
June 1992	Operating	10.9 Mills	Continuing	Failed
November 1992	Operating	8.9 Mills	Continuing	Passed
May 1994	Operating	9.7 Mills	Continuing	Failed
November 1994	Operating	9.7 Mills	Continuing	Failed
May 1995	Operating	18.9 Mills	Continuing	Failed
August 1995	Emergency	9.9 Mills	5 Years	Failed
November 1995	Emergency	9.9 Mills	5 Years	Failed
November 1996	Emergency	9.7 Mills	5 Years	Failed
February 1997	Emergency	9.1 Mills	5 Years	Failed
May 1997	Emergency	9.85 Mills	5 Years	Passed
May 1999	Income Tax	1%	Continuing	Failed
November 1999	Income Tax	.50%	5 Years	Failed



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

LEDGEMONT LOCAL SCHOOL DISTRICT

GEAUGA 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
FEBRUARY 4, 2000**