

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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Board of Education
North Ridgeville City School District
North Ridgeville, Ohio 44039

We have reviewed the Independent Auditor's Report of the North Ridgeville City School District, Lorain County, prepared by Costin + Company, for the audit period July 1, 1999 through June 30, 2000. 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 North Ridgeville City School District is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

December 21, 2000

NORTH RIDGEVILLE CITY SCHOOL DISTRICT

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COSTIN + COMPANY

Certified Public Accountants
35945 Center Ridge Road
North Ridgeville, OH 44039

INDEPENDENT AUDITOR'S REPORT

Board of Education
North Ridgeville City School District

We have audited the accompanying general purpose financial statements of the North Ridgeville City School District, as of and for the year ended June 30, 2000 as listed in the table of contents. These general purpose financial statements are the responsibility of the North Ridgeville City School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Internal Service Fund. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal Service Fund is based on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States and the U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of State and 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 the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general purpose financial statements present fairly, in all material respects, the financial position of the North Ridgeville City School District, as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with "Government Auditing Standards", we have also issued our report dated November 30, 2000 on our consideration of the North Ridgeville City School District's internal control over financial reporting and our test of compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with "Governmental Auditing Standards" and should be read in conjunction with this report in considering the results of our audit.

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

North Ridgeville, Ohio
November 30, 2000

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits</u>				
Pooled cash and equivalents	\$ 4,474,676	\$ 455,979	\$ 294,582	\$ 576,060
Prepaid expenses	-	-	-	-
Receivables, net				
Taxes, current	7,407,372	4,168,694	443,396	548,045
Taxes, delinquent	203,184	106,944	11,643	14,784
Accounts and other	14,373	5,640	-	-
Intergovernmental receivable	2,300	25,722	-	91,446
Interfund receivable	49,380	-	-	-
Inventories and supplies	-	-	-	-
Restricted cash and equivalents	513,407	-	-	-
Fixed assets	-	-	-	-
Accumulated depreciation	-	-	-	-
Amount available for debt service	-	-	-	-
Amount to be provided for debt	-	-	-	-
Amount to be provided for benefits	-	-	-	-
Amount to be provided for capital lease obligations	-	-	-	-
Total assets and other debits	<u>\$ 12,664,692</u>	<u>\$ 4,762,979</u>	<u>\$ 749,621</u>	<u>\$ 1,230,335</u>
<u>Liabilities, fund equity and other credits</u>				
Liabilities				
Accounts and contracts payable	\$ 221,692	\$ 43,013	\$ -	\$ 69,612
Claims payable	-	-	-	-
Accrued liabilities				
Salaries and benefits	2,323,992	6,424	-	-
Interest	13,957	-	-	4,882
Intergovernmental payable	374,671	7,542	-	-
Interfund payable	-	33,248	-	24
Due to students	-	-	-	-
Due to others	-	-	-	-
Deferred revenue	5,585,965	3,059,393	322,625	415,431
Notes payable	540,000	-	-	377,144
Bonds payable	-	-	-	-
Capital lease obligations	-	-	-	-
Accrued leave benefits	28,021	2,462	-	-
Total liabilities	<u>9,088,298</u>	<u>3,152,082</u>	<u>322,625</u>	<u>867,093</u>
Fund equity and other credits				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings				
Unreserved	-	-	-	-
Fund balance				
Reserved for property taxes	2,024,591	1,216,245	132,414	147,398
Reserved for budget stabilization	286,162	-	-	-
Reserved for textbooks	203,794	-	-	-
Reserved for capital maintenance	23,451	-	-	-
Reserved for debt service	-	-	294,582	-
Reserved for encumbrances	173,799	83,590	-	377,277
Unreserved	864,597	311,062	-	(161,433)
Total fund equity and other credits	<u>3,576,394</u>	<u>1,610,897</u>	<u>426,996</u>	<u>363,242</u>
Total liabilities, fund equity and other credits	<u>\$ 12,664,692</u>	<u>\$ 4,762,979</u>	<u>\$ 749,621</u>	<u>\$ 1,230,335</u>

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Debt	
\$ 98,077	\$ 582,938	\$ 78,524	\$ -	\$ -	\$ 6,560,836
-	798	-	-	-	798
-	-	-	-	-	12,567,507
-	-	-	-	-	336,555
2,603	-	576	-	-	23,192
-	-	-	-	-	119,468
-	-	-	-	-	49,380
18,386	-	-	-	-	18,386
-	-	-	-	-	513,407
193,687	-	-	21,955,716	-	22,149,403
(170,372)	-	-	-	-	(170,372)
-	-	-	-	426,996	426,996
-	-	-	-	3,698,004	3,698,004
-	-	-	-	2,922,028	2,922,028
-	-	-	-	16,155	16,155
<u>\$ 142,381</u>	<u>\$ 583,736</u>	<u>\$ 79,100</u>	<u>\$ 21,955,716</u>	<u>\$ 7,063,183</u>	<u>\$ 49,231,743</u>
\$ 12,375	\$ 12,310	\$ 2,107	\$ -	\$ -	\$ 361,109
-	322,278	-	-	-	322,278
40,577	-	-	-	-	2,370,993
-	-	-	-	-	18,839
28,937	-	-	-	169,911	581,061
16,108	-	-	-	-	49,380
-	-	60,398	-	-	60,398
-	-	620	-	-	620
5,990	-	-	-	-	9,389,404
-	-	-	-	-	917,144
-	-	-	-	4,125,000	4,125,000
-	-	-	-	16,155	16,155
-	-	-	-	2,752,117	2,782,600
<u>103,987</u>	<u>334,588</u>	<u>63,125</u>	<u>-</u>	<u>7,063,183</u>	<u>20,994,981</u>
-	-	-	21,955,716	-	21,955,716
11,451	-	-	-	-	11,451
26,943	249,148	-	-	-	276,091
-	-	-	-	-	3,520,648
-	-	-	-	-	286,162
-	-	-	-	-	203,794
-	-	-	-	-	23,451
-	-	-	-	-	294,582
-	-	-	-	-	634,666
-	-	15,975	-	-	1,030,201
<u>38,394</u>	<u>249,148</u>	<u>15,975</u>	<u>21,955,716</u>	<u>-</u>	<u>28,236,762</u>
<u>\$ 142,381</u>	<u>\$ 583,736</u>	<u>\$ 79,100</u>	<u>\$ 21,955,716</u>	<u>\$ 7,063,183</u>	<u>\$ 49,231,743</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE YEAR ENDED JUNE 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues				
Taxes	\$ 8,472,657	\$ 3,615,764	\$ 390,530	\$ 689,098
Tuition and fees	60,704	-	-	-
Interest	383,977	9,824	-	23,476
Intergovernmental	9,113,512	1,511,357	59,781	318,382
Extracurricular	27,545	216,251	-	-
Miscellaneous	339,550	129,488	-	225
Total revenues	<u>18,397,945</u>	<u>5,482,684</u>	<u>450,311</u>	<u>1,031,181</u>
Expenditures				
Current				
Instruction				
Regular	6,826,311	3,926,740	-	63,618
Special	1,711,220	307,101	-	-
Vocational education	556,891	-	-	-
Other	60,788	-	-	-
Support services				
Pupil	1,044,364	154,971	-	-
Instructional	915,398	72,964	-	-
Board of education	58,489	-	-	-
Administration	1,273,215	48,980	-	8,780
Fiscal	380,698	64,894	7,843	8,562
Business	186,010	-	-	-
Operation and maintenance	1,867,509	16,553	-	211,222
Pupil transportation	1,164,188	-	-	114,640
Central services	10,642	10,124	-	67,677
Non-instructional services				
Food service operations	-	450	-	-
Community service	-	315,835	-	-
Extracurricular				
Academic oriented	74,552	52,390	-	-
Sports oriented	325,998	120,786	-	14,700
Co-curricular	39,757	-	-	-
Capital outlay	-	-	-	175,122
Debt service				
Principal	801	-	125,000	-
Interest	35,221	-	255,785	23,529
Total expenditures	<u>16,532,052</u>	<u>5,091,788</u>	<u>388,628</u>	<u>687,850</u>
Excess (deficiency) of revenues over expenditures	<u>1,865,893</u>	<u>390,896</u>	<u>61,683</u>	<u>343,331</u>
Other financing sources (uses)				
Operating transfers-in	-	11,249	118,541	-
Gain on sale of assets	1,185	-	-	-
Operating transfers-out	(14,440)	-	-	(118,541)
Capital lease proceeds	16,956	-	-	-
Total other financing sources (uses)	<u>3,701</u>	<u>11,249</u>	<u>118,541</u>	<u>(118,541)</u>
Excess (deficiency) of revenues over expenditures and other source financing sources (uses)	<u>1,869,594</u>	<u>402,145</u>	<u>180,224</u>	<u>224,790</u>
Fund balances at beginning of year, as restated	<u>1,706,800</u>	<u>1,208,752</u>	<u>246,772</u>	<u>138,452</u>
Fund balances at end of year	<u>\$ 3,576,394</u>	<u>\$ 1,610,897</u>	<u>\$ 426,996</u>	<u>\$ 363,242</u>

The accompanying notes are an integral part of these financial statements.

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)
\$ -	\$ 13,168,049
-	60,704
128	417,405
-	11,003,032
2,932	246,728
15,129	484,392
18,189	25,380,310
3,964	10,820,633
154	2,018,475
-	556,891
-	60,788
3,657	1,202,992
-	988,362
-	58,489
-	1,330,975
-	461,997
-	186,010
690	2,095,974
-	1,278,828
-	88,443
8,963	9,413
-	315,835
-	126,942
-	461,484
-	39,757
-	175,122
-	125,801
-	314,535
17,428	22,717,746
761	2,662,564
-	129,790
-	1,185
-	(132,981)
-	16,956
-	14,950
761	2,677,514
15,214	3,315,990
\$ 15,975	\$ 5,993,504

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2000

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$ 7,369,366	\$ 7,369,366	\$ -
Tuition and fees	60,704	60,704	-
Interest	383,990	383,977	(13)
Intergovernmental	9,112,462	9,112,462	-
Extracurricular	21,689	21,689	-
Miscellaneous	529,435	529,435	-
Total revenues	<u>17,477,646</u>	<u>17,477,633</u>	<u>(13)</u>
Expenditures			
Current			
Instruction			
Regular	6,978,496	6,978,496	-
Special	1,665,903	1,665,903	-
Vocational education	563,476	563,476	-
Other	60,834	60,834	-
Support services			
Pupil	1,012,825	1,012,825	-
Instructional	902,571	902,571	-
Board of education	68,995	68,995	-
Administration	1,272,791	1,272,791	-
Fiscal	388,910	388,897	13
Business	185,876	185,876	-
Operation and maintenance	1,861,001	1,861,001	-
Pupil transportation	1,193,155	1,193,155	-
Central services	11,255	11,255	-
Non-instructional services			
Food service operations	-	-	-
Community service	-	-	-
Extracurricular			
Academic oriented	75,028	75,028	-
Sports oriented	318,140	318,140	-
Co-curricular	39,624	39,624	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>16,598,880</u>	<u>16,598,867</u>	<u>13</u>
Excess (deficiency) of revenue over expenditures	<u>878,766</u>	<u>878,766</u>	<u>-</u>
Other financing sources (uses)			
Operating transfers-in	594,085	594,085	-
Gain on sale of assets	1,185	1,185	-
Advances in	-	-	-
Operating transfers-out	(608,525)	(608,525)	-
Advances out	(17,077)	(17,077)	-
Refund of prior years receipts	-	-	-
Total other financing sources (uses)	<u>(30,332)</u>	<u>(30,332)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	848,434	848,434	-
Prior year encumbrances	163,359	163,359	-
Fund balances at beginning of year	3,624,301	3,624,301	-
Fund balances at end of year	<u>\$ 4,636,094</u>	<u>\$ 4,636,094</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue			Debt Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 3,898,543	\$ 3,898,543	\$ -	\$ 499,824	\$ 499,824	\$ -
-	-	-	-	-	-
9,824	9,824	-	-	-	-
1,460,635	1,460,635	-	59,781	59,781	-
216,251	216,251	-	-	-	-
149,083	149,083	-	-	-	-
<u>5,734,336</u>	<u>5,734,336</u>	<u>-</u>	<u>559,605</u>	<u>559,605</u>	<u>-</u>
3,951,352	3,951,352	-	-	-	-
351,951	351,951	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
174,616	174,616	-	-	-	-
75,020	75,020	-	-	-	-
-	-	-	-	-	-
47,224	47,224	-	-	-	-
64,894	64,894	-	7,843	7,843	-
-	-	-	-	-	-
16,553	16,553	-	-	-	-
-	-	-	-	-	-
10,124	10,124	-	-	-	-
450	450	-	-	-	-
478,973	478,973	-	-	-	-
53,827	53,827	-	-	-	-
127,259	127,259	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	759,286	759,286	-
-	-	-	328,595	328,595	-
<u>5,352,243</u>	<u>5,352,243</u>	<u>-</u>	<u>1,095,724</u>	<u>1,095,724</u>	<u>-</u>
<u>382,093</u>	<u>382,093</u>	<u>-</u>	<u>(536,119)</u>	<u>(536,119)</u>	<u>-</u>
21,618	21,618	-	706,601	706,601	-
-	-	-	-	-	-
17,077	17,077	-	-	-	-
(598,429)	(598,429)	-	-	-	-
-	-	-	-	-	-
<u>(1,750)</u>	<u>(1,750)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(561,484)</u>	<u>(561,484)</u>	<u>-</u>	<u>706,601</u>	<u>706,601</u>	<u>-</u>
(179,391)	(179,391)	-	170,482	170,482	-
232,110	232,110	-	-	-	-
290,800	290,800	-	124,100	124,100	-
<u>\$ 343,519</u>	<u>\$ 343,519</u>	<u>\$ -</u>	<u>\$ 294,582</u>	<u>\$ 294,582</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2000

	Capital Projects		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$ 532,928	\$ 532,928	\$ -
Tuition and fees	-	-	-
Interest	23,476	23,476	-
Intergovernmental	226,936	226,936	-
Extracurricular	-	-	-
Miscellaneous	225	225	-
Total revenues	<u>783,565</u>	<u>783,565</u>	<u>-</u>
Expenditures			
Current			
Instruction			
Regular	88,153	88,153	-
Special	-	-	-
Vocational education	-	-	-
Other	-	-	-
Support services			
Pupil	-	-	-
Instructional	-	-	-
Board of education	-	-	-
Administration	13,524	13,524	-
Fiscal	8,562	8,562	-
Business	-	-	-
Operation and maintenance	338,712	338,712	-
Pupil transportation	146,958	146,958	-
Central services	79,951	79,951	-
Non-instructional services			
Food service operations	-	-	-
Community service	-	-	-
Extracurricular			
Academic oriented	-	-	-
Sports oriented	14,700	14,700	-
Co-curricular	-	-	-
Capital outlay	395,821	395,821	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>1,086,381</u>	<u>1,086,381</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>(302,816)</u>	<u>(302,816)</u>	<u>-</u>
Other financing sources (uses)			
Operating transfers-in	31,269	31,269	-
Gain on sale of assets	-	-	-
Advances in	-	-	-
Operating transfers-out	(149,810)	(149,810)	-
Advances out	-	-	-
Refund of prior years receipts	-	-	-
Total other financing sources (uses)	<u>(118,541)</u>	<u>(118,541)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(421,357)</u>	<u>(421,357)</u>	<u>-</u>
Prior year encumbrances	268,108	268,108	-
Fund balances at beginning of year	336,104	336,104	-
Fund balances at end of year	<u>\$ 182,855</u>	<u>\$ 182,855</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Totals
(Memorandum Only)

Budget	Actual	Variance Favorable (Unfavorable)
\$ 12,300,661	\$ 12,300,661	\$ -
60,704	60,704	-
417,290	417,277	(13)
10,859,814	10,859,814	-
237,940	237,940	-
678,743	678,743	-
<u>24,555,152</u>	<u>24,555,139</u>	<u>(13)</u>
11,018,001	11,018,001	-
2,017,854	2,017,854	-
563,476	563,476	-
60,834	60,834	-
1,187,441	1,187,441	-
977,591	977,591	-
68,995	68,995	-
1,333,539	1,333,539	-
470,209	470,196	13
185,876	185,876	-
2,216,266	2,216,266	-
1,340,113	1,340,113	-
101,330	101,330	-
450	450	-
478,973	478,973	-
128,855	128,855	-
460,099	460,099	-
39,624	39,624	-
395,821	395,821	-
759,286	759,286	-
328,595	328,595	-
<u>24,133,228</u>	<u>24,133,215</u>	<u>13</u>
<u>421,924</u>	<u>421,924</u>	<u>-</u>
1,353,573	1,353,573	-
1,185	1,185	-
17,077	17,077	-
(1,356,764)	(1,356,764)	-
(17,077)	(17,077)	-
(1,750)	(1,750)	-
<u>(3,756)</u>	<u>(3,756)</u>	<u>-</u>
418,168	418,168	-
663,577	663,577	-
4,375,305	4,375,305	-
<u>\$ 5,457,050</u>	<u>\$ 5,457,050</u>	<u>\$ -</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)
Operating revenues			
Extracurricular	\$ 805	\$ -	\$ 805
Miscellaneous	7,248	-	7,248
Charges for services	675,943	2,281,971	2,957,914
Total operating revenue	<u>683,996</u>	<u>2,281,971</u>	<u>2,965,967</u>
Operating expenses			
Salaries and wages	293,788	-	293,788
Fringe benefits	120,109	-	120,109
Contractual services	14,796	2,222,061	2,236,857
Materials and supplies	473,794	-	473,794
Other expenses	829	-	829
Depreciation	2,487	-	2,487
Total operating expenses	<u>905,803</u>	<u>2,222,061</u>	<u>3,127,864</u>
Operating income (loss)	<u>(221,807)</u>	<u>59,910</u>	<u>(161,897)</u>
Non-operating revenues			
Interest	3,420	25,431	28,851
Intergovernmental	134,042	-	134,042
Total non-operating revenues	<u>137,462</u>	<u>25,431</u>	<u>162,893</u>
Income (loss) before operating transfers	(84,345)	85,341	996
Operating transfer-in	<u>3,191</u>	<u>-</u>	<u>3,191</u>
Net income (loss)	(81,154)	85,341	4,187
Add depreciation on fixed assets acquired by capital grants which reduces contributed capital by such grants	1,779	-	1,779
Retained earnings at beginning of year, as restated	<u>106,318</u>	<u>163,807</u>	<u>270,125</u>
Retained earnings at end of year	<u>\$ 26,943</u>	<u>\$ 249,148</u>	<u>\$ 276,091</u>

The accompanying notes are an integral part of these financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000

	Enterprise	Internal Service	Totals (Memorandum Only)
Cash flows from operating activities:			
Operating income (loss)	\$ (221,807)	\$ 59,910	\$ (161,897)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Donated commodities, used	27,362	-	27,362
Depreciation	2,487	-	2,487
Changes in net assets (increase) decrease and liabilities increase (decrease)			
Accounts and other receivables	45,728	-	45,728
Prepaid expenses	-	18,033	18,033
Intergovernmental receivable	14,010	-	14,010
Inventories and supplies	3,232	-	3,232
Accounts and contracts payable	(6,005)	(269,681)	(275,686)
Accrued salaries and benefits	6,571	-	6,571
Intergovernmental payable	(4,226)	-	(4,226)
Deferred revenue	(2,351)	-	(2,351)
Accrued leave benefits	(1,062)	-	(1,062)
Total adjustments	<u>85,746</u>	<u>(251,648)</u>	<u>(165,902)</u>
Net cash (used in) operating activities	<u>(136,061)</u>	<u>(191,738)</u>	<u>(327,799)</u>
Cash flows from non-capital financing activities:			
Intergovernmental revenue	106,680	-	106,680
Operating transfer-in	3,191	-	3,191
Net cash provided by non-capital financing activities	<u>109,871</u>	<u>-</u>	<u>109,871</u>
Cash flows from capital financing activities:			
Acquisition of fixed assets	(12,033)	-	(12,033)
Net cash (used in) capital financing activities	<u>(12,033)</u>	<u>-</u>	<u>(12,033)</u>
Cash flows from investing activities:			
Interest revenue	3,420	25,431	28,851
Net cash provided by investing activities	<u>3,420</u>	<u>25,431</u>	<u>28,851</u>
Net (decrease) in cash and cash equivalents	(34,803)	(166,307)	(201,110)
Equity in cash and cash equivalents at beginning of year	<u>132,880</u>	<u>749,245</u>	<u>882,125</u>
Equity in cash and cash equivalents at end of year	<u>\$ 98,077</u>	<u>\$ 582,938</u>	<u>\$ 681,015</u>
Non-cash transactions:			
Disposal of fixed assets	<u>\$ 3,290</u>	<u>\$ -</u>	<u>\$ 3,290</u>

The accompanying notes are an integral part of these financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 1 NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY

The North Ridgeville City School District (the District) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city school district as defined by Section 3311.02 of the Ohio Revised Code. The District operates under an elected Board of Education, consisting of five members, and is responsible for providing public education to residents of the District. Average daily membership on or as of, October 1, 1999 was 3,146. The District employs 229 certificated and 161 non-certificated employees.

The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the North Ridgeville City School District, this includes general operations, food service 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 organizations' governing board and 1) the District is able to significantly influence the programs or services performed or provided by the organization; or 2) the District is legally entitled to or can otherwise access the organizations' resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provided financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes.

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

Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees (the Trust) - Although the Trust is legally separate from the District, it should be reported as if it were part of the primary government because its sole purpose is to provide benefits to District employees for hospitalization, medical, dental, vision and prescription drugs as provided for in the collective bargaining agreements. The District's participation is disclosed in Note 15 to the financial statements.

Financial information for the Trust's year ended March 31, 2000 is presented in these financial statements as an internal service fund. Complete financial statements for the Trust may be obtained by contacting the Plan Administrator at 10045 College Park, Concord, Ohio 44060.

The following entities, which perform activities within the District's boundaries for the benefit of its residents, are excluded from the accompanying financial statements because the District is not financially accountable for these entities, nor are they fiscally dependent on the District.

Lake Erie Educational Computer Association - The North Ridgeville City School District participates in the Lake Erie Educational Computer Association (LEECA). LEECA provides data services needed by the participating school districts. This is a jointly governed organization. The District's participation is disclosed in Note 20 to the financial statements.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 1 NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY (continued)

Lake Erie Regional Council - The Lake Erie Regional Council (LERC) promotes cooperative agreements to its members in dealing with problems of mutual concern. This is a jointly governed organization. The District's participation is disclosed in Note 20 to the financial statements.

Lorain County Joint Vocational School District - The Lorain County Joint Vocational School District is a separate body politic and corporate, established by the Ohio Revised Code to provide for vocational and special education needs of the students. The Board of the Lorain County Joint Vocational School District is comprised of representatives from each participating school district and is responsible for approving its own budgets, appointing personnel, and accounting and financing related activities. The North Ridgeville City School District's students may attend the Lorain County Joint Vocational School District.

Management believes the financial statements included in this report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

The accounts of the North Ridgeville City School District are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The North Ridgeville City School District has the following fund types and account groups:

Governmental Fund Types

Governmental fund types are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay obligations of the current period, which is considered to be approximately sixty days. Generally property taxes, although measurable, are not available soon enough after the current period to finance current period obligations, and accordingly, property taxes receivable are reflected as deferred revenue until available. Reimbursements due for federally funded programs are recognized when the corresponding expenditures are made.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION (continued)

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, since the measurement focus of governmental funds is on decreases in financial resources. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year. Compensated absences are reported as a fund liability when payment will require the use of current available financial resources. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds. Governmental funds include the following fund types:

General Fund - used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects, which are legally restricted to expenditure for specified purposes.

Debt Service Fund - used to account for the accumulation of resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds.

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

Proprietary Fund Types

Proprietary fund types are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Allocations of costs, such as depreciation, are recognized in the proprietary funds. As permitted, the board of education has elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in its accounting and reporting practices for its proprietary operations. Proprietary funds include the following fund types:

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

Internal Service Fund - used to account for the financing of goods or services provided by one department or agency to governmental units, on a cost-reimbursement basis.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION
(continued)

Fiduciary Fund Types

Fiduciary fund types account for assets held by the government in a trustee capacity or as an agent on behalf of others. Fiduciary fund types are as follows:

Expendable Trust Fund - accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting.

Agency Funds - custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

Account Groups

The District maintains two account groups as described below:

General Fixed Assets Account Group - used to account for fixed assets acquired principally for general purposes other than those accounted for in proprietary or trust funds.

General Long-term Debt Account Group - used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

B. DEPOSITS AND INVESTMENTS

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The District pools its cash for investment and administration purposes. The provisions of the Ohio Revised Code restrict deposit and investment procedures. Purchased investments and other cash equivalents are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Investment income is distributed to the funds based on their contribution to the pool, as permitted by the Ohio Revised Code.

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

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2000. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2000.

C. RESTRICTED CASH

Restricted cash in the general fund represents cash and cash equivalents set aside to establish statutory reserves. These reserves are required by State statute and can be used only after receiving approval from the State.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items.

E. RECEIVABLES

Receivables are reflected at their gross value reduced by the estimated amount that is expected to be uncollectible.

F. INVENTORIES AND SUPPLIES

The costs of inventory items are recognized as expenditures when purchased in the governmental funds and recognized as expenses when used in the enterprise funds. For all funds, cost is determined on a first-in, first-out basis.

G. FIXED ASSETS AND DEPRECIATION

Fixed assets used in governmental fund types of the District are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets. The District does not possess any infrastructure.

Fixed assets, which are used in proprietary fund type activities, are capitalized in the respective funds. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at estimated fair market value when received, based on historical information available. Proprietary fund type fixed assets consist of machinery and equipment. Depreciation is computed using the straight-line method based on composite lives of the assets.

H. LONG-TERM LIABILITIES

Unmatured general long-term liabilities, which are related to governmental fund type operations, are reflected in the general long-term debt account group.

I. UNPAID COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and severance. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absence liability is reported in the General Long-term Debt Account Group. In the proprietary funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. FUND EQUITY

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation in future periods. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. Fund balance reserves have also been established for the required statutory reserves and are not available for appropriations.

K. TOTAL COLUMNS

Total columns on the GENERAL PURPOSE financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

L. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. 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 appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object code function level within each fund. Budgetary modifications may only be made by resolution of the Board of Education.

Tax Budget

A budget of estimated revenue and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the ensuing July 1 to June 30 fiscal year.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. BUDGETARY PROCESS (continued)

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the District by March 1. As part of the certification, the District receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. Budget receipts, as shown in the accompanying "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) - All Governmental Fund Types" do not include July 1, 1999 unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 to June 30. The appropriation resolution fixes spending authority at the fund, function level and may be amended during the year as new information becomes available provided that total fund appropriations do not exceed current estimated resources, as certified.

The allocation of appropriations among functions within a fund may be modified during the year by a resolution of the Board of Education. Several supplemental appropriation resolutions were legally enacted by the Board of Education during the year. The budget figures, as shown in the accompanying "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) - All Governmental Fund Types" represent the final appropriation amounts including all amendments and modifications.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year-end for governmental funds are reported as reservations of fund balances for subsequent-year expenditures.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 2000

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. BUDGETARY PROCESS (continued)

Budgetary Reporting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP basis), the budgetary basis, as provided by law, is based upon accounting for transactions on a basis of cash receipts, disbursements, and encumbrances. Accordingly, the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) - All Governmental Fund Types" is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget and to demonstrate compliance with state statute. The major differences between the budget basis and the modified accrual basis of generally accepted accounting principles (GAAP basis) are that:

1. Revenues are recorded when received (budget basis) rather than when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid or encumbered (budget basis) rather than when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from the budget basis to the GAAP basis for the governmental funds follow:

	<u>Excess (deficiency) of revenues over expenditures and other sources (uses) - reconciliation of budget basis to GAAP basis</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget basis	\$ 848,434	\$ (179,391)	\$ 170,482	\$ (421,357)
Adjustments, increase (decrease)				
Revenue accruals	343,183	(279,098)	(697,354)	216,347
Expenditure accruals	677,977	860,634	707,096	429,800
GAAP basis, as reported	<u>\$ 1,869,594</u>	<u>\$ 402,145</u>	<u>\$ 180,224</u>	<u>\$ 224,790</u>

B. FUND EQUITY DEFICITS

Not apparent in the general purpose financial statements is a deficit fund equity balance of \$ 11,753 in the Chapter 1 Fund. This deficit equity balance at year-end resulted from reflecting expenditures in accordance with the modified accrual basis, which is substantially larger than the amounts recognized on the budget basis. The District, in accordance with its budget basis, will appropriate such expenditures from resources of the subsequent year.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 2000

NOTE 4 RESTATEMENT OF PROIR YEAR EQUITY

The beginning fund equity balances of the General Fund, Special Revenue Auxiliary Service Fund and the Enterprise Food Service Fund have been restated to properly reflect the liability to the Bureau of Workman's Compensation. The beginning balance of contributed capital has been restated to correct an error in prior years' depreciation. The beginning balance in the Internal Service Fund has been restated to include the component unit Joint Insurance Health Plan Trust for the Benefit of North Ridgeville City School District Employees.

	Previously Reported, June 30, 1999	Adjustment	Restated June 30, 2000
General fund	\$ 1,727,240	\$ (20,441)	\$ 1,706,800
Special revenue fund type	\$ 1,209,064	\$ (312)	\$ 1,208,752
Enterprise fund type			
Contributed capital	\$ 16,753	\$ (3,523)	\$ 13,230
Retained earnings	\$ 103,107	\$ 3,211	\$ 106,318
Internal service fund	\$ -	\$ 163,807	\$ 163,807

NOTE 5 DEPOSITS AND INVESTMENTS

The North Ridgeville City School District maintains a cash and investment pool used by various funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Pooled cash and equivalents."

A. LEGAL REQUIREMENTS

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts. Interim monies may be invested in the following obligations provided they matured or were redeemable within two years from the date of purchase:

- 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 or interest by the United States;

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 5 DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

- 2) Bonds, notes, debentures, or 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 issuance of federal government agencies or instrumentalities;
- 3) Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to 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 division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- 6) The State Treasurer's investment pool (STAROhio); and
- 7) Certain bankers' acceptance and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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 of debt of the District, and must be purchased with the expectation that it will be held until maturity.

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

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

B. DEPOSITS

At year-end, the carrying amount of the North Ridgeville City School District's deposits was \$ 637,520 and the bank balance was \$ 970,571 all of which was covered by federal depository insurance or by collateral held by a qualified third party trustee in the name of the North Ridgeville City School District.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 5 DEPOSITS AND INVESTMENTS (continued)

C. INVESTMENTS

Investments are categorized to give an indication of the level of risk assumed by an entity at year-end. The District invests in STAROhio which is not classified by degree of credit risk since it is not evidenced by securities that exist in physical or book entry form. The District's interest in STAROhio has a carrying value and fair value of \$ 6,436,723 at June 30, 2000.

NOTE 6 FIXED ASSETS AND ACCUMULATED DEPRECIATION

A. GENERAL FIXED ASSETS ACCOUNT GROUP

The changes in general fixed assets during the year consisted of:

	Balance July 1, 1999	Additions	Disposals	Balance June 30, 2000
Land	\$ 207,401	\$ 9,357	\$ -	\$ 216,758
Buildings and improvements	14,433,175	944,923	-	15,378,098
Furniture, fixtures and equipment	4,594,994	460,985	104,229	4,951,750
Vehicles	2,223,136	105,339	919,365	1,409,110
	<u>\$ 21,458,706</u>	<u>\$1,520,604</u>	<u>\$1,023,594</u>	<u>\$ 21,955,716</u>

B. PROPRIETARY FUND TYPE FIXED ASSETS

Propriety fund type fixed assets and accumulated depreciation at year-end consisted of:

<u>Enterprise</u>	Balance June 30, 2000
Machinery and equipment	\$ 193,687
Less accumulated depreciation	170,372
Net fixed assets	<u>\$ 23,315</u>

NOTE 7 DEFERRED REVENUE

Deferred revenue at year-end, consisted of:

	Balance June 30, 2000
Property taxes	\$ 9,383,414
Federal commodities, unused	5,990
	<u>\$ 9,389,404</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 8 NOTES PAYABLE

Notes payable outstanding at year-end consisted of the following tax anticipation notes:

	Rate of Interest	Issue Date	Maturity Date	Balance June 30, 2000
General Fund	4.45%	12-05-95	12-05-00	\$ 540,000
Capital Projects Fund	5.25%	03-27-97	04-01-04	377,144
				<u>\$ 917,144</u>

Debt service requirements to retire notes payable outstanding at June 30, 2000, consisted of:

Year ending June 30,	Principal	Interest	Total
2001	\$ 634,286	\$ 43,830	\$ 678,116
2002	94,286	14,850	109,136
2003	94,286	9,900	104,186
2004	94,286	4,950	99,236
	<u>\$ 917,144</u>	<u>\$ 73,530</u>	<u>\$ 990,674</u>

NOTE 9 GENERAL LONG-TERM DEBT

	Outstanding June 30, 1999	Additions	Deductions	Outstanding June 30, 2000
Due to other governments	\$ 182,795	\$ 169,911	\$ 182,795	\$ 169,911
Bonds payable	4,250,000	-	125,000	4,125,000
Capital lease obligations	-	16,956	801	16,155
Accrued leave benefits	2,057,063	879,395	184,341	2,752,117
	<u>\$ 6,489,858</u>	<u>\$ 1,066,262</u>	<u>\$ 492,937</u>	<u>\$ 7,063,183</u>

Intergovernmental payable recorded as general long-term debt consists of pension obligations payable that will not be paid with current available financial resources.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 10 BONDS PAYABLE

	Outstanding June 30, 1999	Additions	Deductions	Outstanding June 30, 2000
General obligation bonds				
School improvement, (1992)				
6.30% through 2017	\$ 4,250,000	\$ -	\$ 125,000	\$ 4,125,000
	\$ 4,250,000	\$ -	\$ 125,000	\$ 4,125,000

Debt service requirements to retire bonds payable at June 30, 2000, consisted of:

Year ending June 30,	Principal	Interest	Total
2001	\$ 135,000	\$ 248,626	\$ 383,626
2002	140,000	241,578	381,578
2003	150,000	233,925	383,925
2004	155,000	225,650	380,650
2005	165,000	216,726	381,726
2006-2010	990,000	916,213	1,906,213
2011-2015	1,355,000	549,517	1,904,517
2016-2018	1,035,000	100,328	1,135,328
	\$ 4,125,000	\$ 2,732,563	\$ 6,857,563

NOTE 11 OPERATING LEASE

The District is obligated under a lease accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreement is not reflected in the District's account groups. During fiscal year 2000, expenditures for operating leases totaled \$ 56,271. The following is a schedule of the future minimum lease payments as of June 30, 2000.

Year ending June 30,	Amount
2001	\$ 57,074
2002	57,074
2003	57,074
2004	36,100
2005	4,851
Total minimum lease payments	\$ 212,173

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 12 CAPITAL LEASE OBLIGATIONS

The North Ridgeville City School District is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the general fixed asset account group and the general long-term debt account group, respectively. The assets under capital leases totaled \$ 16,956 at June 30, 2000.

The following is a schedule of future minimum lease payments under the capital leases together with the net present value of the minimum lease payments as of June 30, 2000.

	Year ending June 30,	Amount
	2001	\$ 5,522
	2002	5,522
	2003	5,522
	2004	3,906
	2005	2,526
Total minimum lease payments		22,998
Less amount representing interest		6,843
Net present value of minimum lease payments		\$ 16,155

NOTE 13 CONTRIBUTED CAPITAL

The changes in the District's contributed capital accounts for its Food Service Fund were as follows:

	Amount
Balance at 6/30/99, restated	\$ 13,230
Less depreciation	(1,779)
Balance at 6/30/00	\$ 11,451

NOTE 14 PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the District. Taxes collected on real property, other than public utility, in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of the preceding year, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 14 PROPERTY TAXES (continued)

Taxes collected from tangible personal property, other than public utility, in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business, except for public utilities, is currently assessed for ad valorem taxation purposes at 25% of its true value. Amounts paid by multi-county taxpayers are due September 20. Single-county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88% of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously. The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the District its portion of the taxes collected.

The tax applied to real property collected in 2000 before certain homestead and rollback reductions, which reductions are reimbursed to the District by the State of Ohio, amounted to \$ 49.44 per \$ 1,000 of valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$ 35.66 per \$ 1,000 of assessed valuation of real property classified as residential/agricultural and \$ 37.20 per \$ 1,000 of assessed valuation for all other real property. The tax rate applied to tangible personal property for the current year ended June 30, 2000, was \$ 49.44 per \$ 1,000 of valuation

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable at June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000 was \$ 3,520,648 and is recognized as revenue.

The property valuation consisted of:

Real Property - 1999	
Residential / Agricultural	\$276,200,070
Commercial / Industrial / Mineral	44,454,630
Public Utilities	17,245,160
Tangible Personal Property - 2000	
General	23,960,770
	<u>\$361,860,630</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 15 RISK MANAGEMENT

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. The District has a property and casualty policy with the CoRegis Insurance Company. The deductible is \$ 1,000 per incident on property and \$ 250 per incident on inland marine. All vehicles are insured with CoRegis Insurance Company and have a \$ 500 deductible. The umbrella policy is insured with CoRegis Insurance. This umbrella is excess liability insurance over the primary coverage. The limits of this coverage are \$ 4,000,000 per occurrence and \$ 4,000,000 per aggregate. All board members, administrators and employees are covered under a school district liability policy with CoRegis Insurance Company with no deductible and \$ 1,000,000 limit per claim and a \$3,000,000 annual aggregate limit.

A surety bond in the amount of \$ 100,000 covers the Treasurer with Ohio Farmers Insurance Company. Remaining employees, who handle money, are covered with a public employees blanket bond in the amount of \$ 25,000 with Westfield Companies.

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

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

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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 15 RISK MANAGEMENT (continued)

The Trust establishes a liability for both reported and unreported insured events. Changes in the balance of claims liability are summarized below. Incurred claims and claim payments are not segregated between current and prior year claims due to the impracticability of obtaining such information.

	June 30, 2000	June 30, 1999
Unpaid claims, beginning of year	\$ 303,992	\$ -
Incurred claims	322,278	303,992
Paid claims	(303,992)	-
Unpaid claims, end of year	\$ 322,278	\$ 303,992

NOTE 16 INTERFUND TRANSACTIONS

Interfund balances at June 30, 2000, consist of the following individual fund receivables and payables:

Fund	Receivable	Payable
General	\$ 49,380	\$ -
Special revenue		
Title 1	-	33,077
Drug-free Schools	-	171
Capital projects		
Schoolnet Plus	-	24
Enterprise		
Uniform School Supplies	-	16,108
Total	\$ 49,380	\$ 49,380

NOTE 17 PENSION PLANS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

The North Ridgeville City School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 17 PENSION PLANS (continued)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) (continued)

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute 14 percent. The contribution rates are not determined actuarially, but are established by the SERS Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's contributions to SERS for the years ended June 30, 2000, 1999, and 1998 were \$ 395,700, \$ 407,900, and \$ 386,000, respectively. The full amount has been contributed for fiscal years 1999 and 1998. For fiscal year 2000, 51.4% has been contributed with the remainder being reported as a fund liability within the respective funds and in the general long-term debt account group.

B. STATE TEACHERS RETIREMENT SYSTEM (STRS)

The North Ridgeville City School District contributes to the State Teachers Retirement System of Ohio (STRS), a multiple-employer cost-sharing public employee's retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions to STRS for the years ended June 30, 2000, 1999, and 1998 were \$ 1,582,600, \$ 1,541,000, and \$ 1,485,100, respectively. The full amount has been contributed for fiscal years 1999 and 1998. For fiscal year 2000, 83% has been contributed with the remainder being reported as a fund liability within the respective funds.

NOTE 18 POSTEMPLOYMENT BENEFITS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit, must pay a portion of their premium for health care. The portion is based upon years of service up to a maximum of 75% of the premium.

After the allocation for basic benefits, the remainder of the employer's contribution is allocated to providing health care benefits. At June 30, 1999 (the latest information available) the allocation rate was 6.30%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 1999, the minimum pay has been established as \$ 12,400. The surcharge rate, added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 18 POSTEMPLOYMENT BENEFITS (continued)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) (continued)

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 1999 were \$ 126,380,984 and the target level was \$ 189.6 million. At June 30, 1999, the System's net assets available for payment of health care benefits were \$ 188.0 million.

The number of retirees and covered dependents currently receiving health care benefits is approximately 51,000. For 1999, the portion of the District's contributions that were used to fund postemployment benefits was \$ 251,635.

B. STATE TEACHERS RETIREMENT SYSTEM (STRS)

The State Teachers Retirement System (STRS) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code (RC), the State Teachers Retirement Board (the board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

The RC grants authority to STRS to provide health care coverage to benefit recipients, spouses, and dependents. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The board currently allocates employer contributions equal to 2% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. However, for the fiscal year ended June 30, 1999 (the latest information available), the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2.783 billion at June 30, 1999. The Health Care Reserve Fund allocation for the year ended June 30, 2000, will be 8% of covered payroll. For the year ended June 30, 1999, the net health care costs paid by STRS were \$ 249,929,000. There were 95,796 eligible benefit recipients.

NOTE 19 RETIREMENT INCENTIVE PLAN

The North Ridgeville City School District has adopted an early retirement incentive plan which became effective July 1, 1998 and expired June 30, 2000. Certificated employees who meet certain eligibility requirements will receive a lump sum retirement buyout equal to \$ 700 for each year of STRS service. Payment will be made in three equal installments beginning in January of the calendar year following the date of retirement and the following two Januarys thereafter. As of June 30, 2000 the District's liability related to this retirement incentive plan was \$ 446,768.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 JUNE 30, 2000

NOTE 20 JOINTLY GOVERNED ORGANIZATIONS

A. LAKE ERIE EDUCATIONAL COMPUTER ASSOCIATION (LEECA)

The Lake Erie Educational Computer Association (LEECA) is a jointly governed organization comprised of thirty school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts. Each of the governments of these districts supports LEECA based upon a per pupil charge dependent upon the software package utilized. The LEECA assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. LEECA is governed by a board of directors chosen from the general membership of the LEECA assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county from which participating districts are located. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Lorain County, which serves as fiscal agent, located at 1885 Lake Avenue, Elyria, Ohio 44035. During the year ended June 30, 2000 the District paid \$ 228,167 to LEECA.

B. LAKE ERIE REGIONAL COUNCIL (LERC)

The Lake Erie Regional Council (LERC) is a jointly governed organization among thirteen districts. The jointly governed organization was formed for the purpose of promoting cooperative agreements and activities among its members in dealing with problems of mutual concern such as a media center, gas consumption, driver education, food service and insurance. Each member provided operating resources to LERC on a per pupil or actual usage charge except for insurance. The LERC assembly consists of a superintendent or designated representative from each participating district and the fiscal agent. LERC is governed by a board of directors chosen from the general membership. The degree of control exercised by any participating district is limited to its representation on the board. Financial information can be obtained by contacting the Treasurer at the Educational Service Center of Lorain County located at 1885 Lake Avenue, Elyria, Ohio 44035. During the year ended June 30, 2000 the District paid \$ 81,495 to LERC.

NOTE 21 STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During fiscal year ended June 30, 2000, the reserve activity (cash basis) was as follows:

	<u>Textbook</u>	<u>Capital Maintenance</u>	<u>Budget Stabilization</u>
Balance, July 1, 1999	\$ -	\$ -	\$ 117,077
Required set aside	508,678	508,678	169,085
Offset credits	(27,821)	-	-
Qualifying expenditures	(277,063)	(485,227)	-
Carry forward balance, June 30, 2000	<u>\$ 203,794</u>	<u>\$ 23,451</u>	<u>\$ 286,162</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 22 SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains enterprise funds to account for the operation of school food service, uniform school supplies, and summer school. Segment information related to these follows:

	Food Service	Uniform School Supplies	Summer School	Total
Operating revenues	\$ 594,297	\$ 61,874	\$ 27,825	\$ 683,996
Operating expenses				
Salaries and wages	261,818	-	31,970	293,788
Fringe benefits	114,919	-	5,190	120,109
Contractual services	14,233	563	-	14,796
Materials and supplies	333,182	135,924	4,688	473,794
Other expenses	829	-	-	829
Depreciation	2,487	-	-	2,487
Total operating expenses	<u>727,468</u>	<u>136,487</u>	<u>41,848</u>	<u>905,803</u>
Operating (loss)	(133,171)	(74,613)	(14,023)	(221,807)
Non-operating revenues	<u>137,462</u>	<u>-</u>	<u>-</u>	<u>137,462</u>
Income before operating transfers	4,291	(74,613)	(14,023)	(84,345)
Operating transfers-in	<u>-</u>	<u>3,191</u>	<u>-</u>	<u>3,191</u>
Net income (loss)	<u>\$ 4,291</u>	<u>\$ (71,422)</u>	<u>\$ (14,023)</u>	<u>\$ (81,154)</u>
Other information				
Net working capital	<u>\$ 3,966</u>	<u>\$ 3,970</u>	<u>\$ 7,143</u>	<u>\$ 15,079</u>
Fixed asset additions	<u>\$ 12,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,033</u>
Fixed asset disposals	<u>\$ 3,290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,290</u>
Total assets	<u>\$ 86,338</u>	<u>\$ 32,140</u>	<u>\$ 23,903</u>	<u>\$ 142,381</u>
Total equity	<u>\$ 27,281</u>	<u>\$ 3,970</u>	<u>\$ 7,143</u>	<u>\$ 38,394</u>

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 23 CONTINGENT LIABILITIES

The District receives financial assistance from various state and federal agencies. There are certain requirements of a compliance nature that have to be met and programs are subject to audit by the grantor agency. Any disallowed claims could be liabilities of the general fund or other applicable funds. In the opinion of management, any claims that might arise would not have a material effect on the District's financial statements.

The North Ridgeville City School District is a defendant in certain litigation, the outcome of which cannot be determined. It is the opinion of the District's management that any judgment against the district would not have a material adverse effect on the District's financial position.

NOTE 24 OHIO SCHOOL FUNDING PLAN

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school-funding plan unconstitutional. The Court stayed the effect of its ruling to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 2000, the District received \$ 8,270,678 of school foundation support, all of which was recorded in its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the (Ohio) Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997 decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the State's basic aid formula, the school funding program, as discussed above, the mechanism for, and adequacy of, funding for facilities, and the existence of the State's School Solvency Assistance Fund, which the court found took the place of the unconstitutional emergency school loan program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

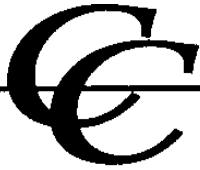
As of the date of these financial statements, the District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
SUPPLEMENTAL AUDITOR'S REPORTS
JUNE 30, 2000

NORTH RIDGEVILLE CITY SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2000



COSTIN + COMPANY

Certified Public Accountants
35945 Center Ridge Road
North Ridgeville, OH 44039

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

Board of Education
North Ridgeville City School District

We have audited the financial statements of the North Ridgeville City School District as of and for the year ended June 30, 2000, and have issued our report thereon dated November 30, 2000. We conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the North Ridgeville City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under "Government Auditing Standards".

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the North Ridgeville City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management of the District in a separate letter dated November 30, 2000.

This report is intended for the information of management and federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

November 30, 2000
North Ridgeville, Ohio

NORTH RIDGEVILLE CITY SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2000



COSTIN + COMPANY

Certified Public Accountants
35945 Center Ridge Road
North Ridgeville, OH 44039

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
North Ridgeville City School District

Compliance

We have audited the compliance of the North Ridgeville City 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 each of its major federal programs for the year ended June 30, 2000. The North Ridgeville City 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 the North Ridgeville City School District's management. Our responsibility is to express an opinion on the North Ridgeville City School District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 the North Ridgeville City School District's compliance with those requirements and performing such other procedures we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the North Ridgeville City School District's compliance with those requirements.

In our opinion, the North Ridgeville City School District complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the North Ridgeville City 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 the North Ridgeville City 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Board of Education
North Ridgeville City School District

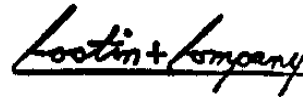
Report on Compliance With Requirements Applicable to Each Major
Program and Internal Control Over Compliance in Accordance With
OMB Circular A-133 (continued)

Internal Control Over Compliance (continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

November 30, 2000
North Ridgeville, Ohio



NORTH RIDGEVILLE CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
YEAR ENDED JUNE 30, 2000

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 §.505
 JUNE 30, 2000

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs	84.010 Title I Grant
(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

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2000

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

	CFDA Number	Pass Through Number	Revenue Recognized	Federal Expenditures
<u>U.S. Department of Agriculture</u>				
Passed through State Department of Education:				
Nutrition Cluster:				
Food Distribution Program	10.550	N/A	\$ 25,011	\$ 25,011
National School Lunch Program	10.555	04-PU-00	113,427	113,427
Total Department of Agriculture - Nutrition Cluster			138,438	138,438
 <u>U.S. Department of Education</u>				
Passed through State Department of Education:				
Title I	84.010	C1-S1-00	168,552	185,628
Title I	84.010	C1-S1-99	24,657	43,540
Total Title I			193,209	229,168
Title VI	84.151	C2-S1-00	20,524	7,652
Title VI	84.151	C2-S1-99	-	8,668
Title VI	84.151	C2-S1-99 c/o	2,778	5,151
Title VI	84.151	C2-S1-98 c/o	-	4,213
Total Title VI			23,302	25,684
Special Education Cluster:				
Title VI-B	84.027	6B-SF-00	208,923	175,933
Title VI-B	84.027	6B-SF-99	-	4,477
Total Title VI-B, Special Education Grants to States			208,923	180,410
Special Education, Preschool Grants	84.173	PG-S1-00	19,654	18,571
Total Special Education Cluster			228,577	198,981
Drug-Free Schools	84.186	DR-S1-00	15,661	13,678
Drug-Free Schools	84.186	DR-S1-99	-	4,079
Drug-Free Schools	84.186	DR-S1-99 c/o	-	2,078
Total Drug-Free Schools			15,661	19,835
Continuous Improvement Grant	84.276	N/A	-	10,000

continued

NORTH RIDGEVILLE CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

	<u>CFDA Number</u>	<u>Pass Through Number</u>	<u>Revenue Recognized</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>				
Passed through State Department of Education: (continued)				
Eisenhower Professional State Grants	84.281	MS-S1-00	\$ 12,117	\$ 3,368
Eisenhower Professional State Grants	84.281	MS-S1-99	-	6,341
Eisenhower Professional State Grants		MS-S1-99 c/o	-	1,296
Eisenhower Professional State Grants	84.281	MS-S1-98 c/o	-	9,450
Total Eisenhower Professional State Grants			<u>12,117</u>	<u>20,455</u>
Title VI-R, Class Size Reduction Grant	84.340	N/A	<u>45,508</u>	<u>43,265</u>
Total U.S. Department of Education			<u>518,374</u>	<u>547,388</u>
<u>Federal Communications Commission</u>				
Telecommunications Act Grant (E-Rate)	N/A	N/A	-	16,553
Total Federal Financial Assistance (memorandum only)			<u>\$ 656,812</u>	<u>\$ 702,379</u>

The accompanying schedule of expenditures of federal awards is a summary of the cash activity of the District's federal award programs and does not present transactions that would be included in financial statements of the District presented on the accrual basis of accounting, as contemplated by generally accepted accounting principles.

Non-monetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed.



STATE OF OHIO
OFFICE OF THE AUDITOR

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NORTH RIDGEVILLE CITY SCHOOL DISTRICT

LORAIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 04, 2001**