

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2002



**Auditor of State
Betty Montgomery**

Board of Education
Ridgemont Local School District
330 West Taylor Street
Mt. Victory, OH 43340

We have reviewed the Independent Auditor's Report of the Ridgemont Local School District, Hardin County, prepared by E. S. Evans and Company, for the audit period July 1, 2001 through June 30, 2002. 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 Ridgemont Local School District is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

March 24, 2003

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RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

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E.S. Evans and Company

Certified Public Accountants and Consultants

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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

March 11, 2003

INDEPENDENT AUDITOR'S REPORT

Board of Education
Ridgemont Local School District
Hardin County, Ohio

and

Auditor of State of Ohio
Columbus, Ohio

We have audited the accompanying general purpose financial statements of the Ridgemont Local School District as of and for the year ended June 30, 2002. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Ridgemont Local School District, as of June 30, 2002, and the results of its operations and cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated March 11, 2003 on our consideration of Ridgemont Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Ridgemont Local School District, Hardin County, Ohio taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose financial statements. Such information has been subjected to the 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.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Debt Service
Assets and Other Debits			
Equity in Pooled Cash and Cash Equivalents	\$ 1,515,680	\$ 158,845	\$ 202,652
Receivables -			
Taxes	1,040,225	-	147,263
Accounts	530	624	-
Interfund	19,684	-	-
Prepaid Items	26,410	2,704	-
Inventory	-	-	-
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	-	-	-
Amount Available in Debt Service for Retirement of General Obligation Debt	-	-	-
Amount to be Provided from General Government Resources	-	-	-
Total Assets and Other Debits	\$ 2,602,529	\$ 162,173	\$ 349,915
Liabilities, Fund Equity and Other Credits			
<u>Liabilities:</u>			
Accounts Payable	\$ 60,182	\$ 3,201	\$ -
Accrued Salaries and Benefits	231,276	37,069	-
Interfund Payable	-	4,684	-
Due to Students	-	-	-
Compensated Absences Payable	5,756	-	-
Intergovernmental Payable	60,882	6,013	-
Deferred Revenue	722,889	42,000	115,970
Undistributed Monies	-	-	-
General Obligation Bonds Payable	-	-	-
Total Liabilities	1,080,985	92,967	115,970
<u>Fund Equity and Other Credits:</u>			
Investment in General Fixed Assets	-	-	-
Contributed Capital	-	-	-
Retained Earnings	-	-	-
Fund Balance -			
Reserved for Encumbrances	61,281	16,190	-
Reserved for Property Taxes	180,549	-	31,293
Unreserved Fund Balance	1,279,714	53,016	202,652
Total Fund Equity and Other Credits	1,521,544	69,206	233,945
Total Liabilities, Fund Equity & Other Credits	\$ 2,602,529	\$ 162,173	\$ 349,915

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

Governmental Fund Types	Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
			Capital Projects	Enterprise	
\$ 15,923	\$ 15,218	\$ 31,176	\$ -	\$ -	\$ 1,939,494
-	-	-	-	-	1,187,488
-	133	300	-	-	1,587
-	-	-	-	-	19,684
-	964	-	-	-	30,078
-	5,702	-	-	-	5,702
-	35,390	-	7,073,717	-	7,109,107
-	-	-	-	202,652	202,652
-	-	-	-	1,339,472	1,339,472
<u>\$ 15,923</u>	<u>\$ 57,407</u>	<u>\$ 31,476</u>	<u>\$ 7,073,717</u>	<u>\$ 1,542,124</u>	<u>\$ 11,835,264</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,383
-	15,614	-	-	-	283,959
-	15,000	-	-	-	19,684
-	-	25,765	-	-	25,765
-	7	-	-	170,120	175,883
-	8,654	-	-	27,009	102,558
-	3,061	-	-	-	883,920
-	-	594	-	-	594
-	-	-	-	1,344,995	1,344,995
<u>-</u>	<u>42,336</u>	<u>26,359</u>	<u>-</u>	<u>1,542,124</u>	<u>2,900,741</u>
-	-	-	7,073,717	-	7,073,717
-	19,597	-	-	-	19,597
-	(4,526)	-	-	-	(4,526)
-	-	-	-	-	77,471
-	-	-	-	-	211,842
<u>15,923</u>	<u>-</u>	<u>5,117</u>	<u>-</u>	<u>-</u>	<u>1,556,422</u>
<u>15,923</u>	<u>15,071</u>	<u>5,117</u>	<u>7,073,717</u>	<u>-</u>	<u>8,934,523</u>
<u>\$ 15,923</u>	<u>\$ 57,407</u>	<u>\$ 31,476</u>	<u>\$ 7,073,717</u>	<u>\$ 1,542,124</u>	<u>\$ 11,835,264</u>

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS

For the Year Ended June 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<u>Revenues:</u>			
Income Taxes	\$ 418,779	\$ -	\$ -
Property Taxes	987,204	-	162,024
Tuition and Fees	13,388	-	-
Intergovernmental	2,290,704	351,165	16,820
Interest	54,982	-	-
Extracurricular Activities	-	67,167	-
Rent	327	-	-
Gifts and Donations	1,000	63,450	-
Miscellaneous	16,041	5,041	-
Total Revenues	3,782,425	486,823	178,844
<u>Expenditures:</u>			
Current -			
Instruction -			
Regular	1,592,159	55,770	-
Special	83,289	269,043	-
Vocational	106,805	-	-
Other	10,489	-	-
Support Services -			
Pupils	169,710	20,655	-
Instruction	163,065	27,837	-
Board of Education	9,682	-	-
Administration	391,417	11,176	-
Fiscal	153,029	918	4,168
Operation and Maintenance	353,706	529	-
Transportation	252,509	-	-
Central Support	2,510	-	-
Extracurricular Activities	79,999	78,881	-
Capital Outlay	311,378	130,847	-
Miscellaneous	84	-	-
Debt Service-			
Principal Retirement	-	-	150,000
Interest and Fiscal Charges	-	-	38,163
Total Expenditures	3,679,831	595,656	192,331
Excess (Deficiency) of Revenues			
Over/(Under) Expenditures	102,594	(108,833)	(13,487)

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

<u>Governmental Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Capital Projects</u>	<u>Expendable Trust</u>	
\$ -	\$ -	\$ 418,779
-	-	1,149,228
-	-	13,388
19,105	-	2,677,794
-	-	54,982
-	-	67,167
-	-	327
-	3,345	67,795
-	-	21,082
19,105	3,345	4,470,542
-	-	1,647,929
-	-	352,332
865	-	107,670
-	-	10,489
-	-	190,365
-	-	190,902
-	-	9,682
-	-	402,593
-	-	158,115
-	-	354,235
-	-	252,509
-	-	2,510
-	5,600	164,480
9,171	-	451,396
-	-	84
-	-	150,000
-	-	38,163
10,036	5,600	4,483,454
9,069	(2,255)	(12,912)

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS

For the Year Ended June 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<u>Other Financing Sources (Uses):</u>			
Other Financing Sources	\$ 5,496	\$ -	\$ -
Other Financing Uses	-	(11,817)	-
Operating Transfers Out	(9,000)	-	-
Total Other Financing Sources (Uses)	(3,504)	(11,817)	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	99,090	(120,650)	(13,487)
Fund Balances (Deficits) at Beginning of Year	1,422,454	189,856	247,432
Fund Balances (Deficits) at End of Year	\$ 1,521,544	\$ 69,206	\$ 233,945

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

<u>Governmental Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>
<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
\$ -	\$ -	\$ 5,496
-	-	(11,817)
<u>-</u>	<u>-</u>	<u>(9,000)</u>
<u>-</u>	<u>-</u>	<u>(15,321)</u>
9,069	(2,255)	(28,233)
<u>6,854</u>	<u>7,372</u>	<u>1,873,968</u>
<u>\$ 15,923</u>	<u>\$ 5,117</u>	<u>\$ 1,845,735</u>

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND
ACTUAL - ALL GOVERNMENTAL FUNDS TYPES AND SIMILAR TRUST FUNDS

For the Year Ended June 30, 2002

	Governmental Fund Types		
	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Income Taxes	\$ 419,572	\$ 419,572	\$ -
Property Taxes	924,225	924,225	-
Tuition and Fees	13,137	13,137	-
Intergovernmental	2,290,704	2,290,704	-
Interest	54,982	54,982	-
Rent	327	327	-
Extracurricular Activities	-	-	-
Gifts and Donations	1,000	1,000	-
Miscellaneous	15,863	15,863	-
Total Revenues	3,719,810	3,719,810	-
<u>Expenditures:</u>			
Current -			
Instruction -			
Regular	1,721,941	1,607,850	114,091
Special	89,200	83,426	5,774
Vocational	123,580	117,994	5,586
Other	13,952	13,441	511
Support Services -			
Pupils	171,630	161,147	10,483
Instruction	175,853	164,124	11,729
Board of Education	16,885	11,196	5,689
Administration	427,108	395,266	31,842
Fiscal	161,075	155,445	5,630
Operation and Maintenance	393,355	358,612	34,743
Transportation	288,957	250,057	38,900
Central Support	2,200	2,200	-
Extracurricular Activities	97,565	81,071	16,494
Miscellaneous	150	84	66
Capital Outlay	356,076	351,503	4,573
Debt Service -			
Principal Retirement	-	-	-
Interest and Fiscal Changes	-	-	-
Total Expenditures	4,039,527	3,753,416	286,111
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(319,717)	(33,606)	286,111

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

Governmental Fund Types

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	151,275	151,275	-
-	-	-	-	-	-
351,165	351,165	-	16,820	16,820	-
-	-	-	-	-	-
66,724	66,724	-	-	-	-
56,450	56,450	-	-	-	-
5,053	5,053	-	-	-	-
<u>479,392</u>	<u>479,392</u>	<u>-</u>	<u>168,095</u>	<u>168,095</u>	<u>-</u>
81,062	61,041	20,021	-	-	-
301,178	270,054	31,124	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
32,623	21,896	10,727	-	-	-
47,044	27,155	19,889	-	-	-
-	-	-	-	-	-
10,272	10,272	-	-	-	-
927	921	6	8,800	4,168	4,632
596	529	67	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
97,783	94,780	3,003	-	-	-
-	-	-	-	-	-
131,601	131,601	-	-	-	-
-	-	-	150,000	150,000	-
-	-	-	41,200	38,163	3,037
<u>703,086</u>	<u>618,249</u>	<u>84,837</u>	<u>200,000</u>	<u>192,331</u>	<u>7,669</u>
<u>(223,694)</u>	<u>(138,857)</u>	<u>84,837</u>	<u>(31,905)</u>	<u>(24,236)</u>	<u>7,669</u>

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND
ACTUAL - ALL GOVERNMENTAL FUNDS TYPES AND SIMILAR TRUST FUNDS**

For the Year Ended June 30, 2002

	Governmental Fund Types Capital Projects Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Income Taxes	\$ -	\$ -	\$ -
Property Taxes	-	-	-
Tuition and Fees	-	-	-
Intergovernmental	19,105	19,105	-
Interest	-	-	-
Rent	-	-	-
Extracurricular Activities	-	-	-
Gifts and Donations	-	-	-
Miscellaneous	-	-	-
Total Revenues	19,105	19,105	-
<u>Expenditures:</u>			
Current -			
Instruction -			
Regular	5,472	-	5,472
Special	-	-	-
Vocational	865	865	-
Other	-	-	-
Support Services -			
Pupils	-	-	-
Instruction	-	-	-
Board of Education	-	-	-
Administration	-	-	-
Fiscal	-	-	-
Operation and Maintenance	-	-	-
Transportation	-	-	-
Central Support	-	-	-
Extracurricular Activities	-	-	-
Miscellaneous	-	-	-
Capital Outlay	19,622	9,171	10,451
Debt Service -			
Principal Retirement	-	-	-
Interest and Fiscal Changes	-	-	-
Total Expenditures	25,959	10,036	15,923
Excess of Revenues Over (Under) Expenditures	(6,854)	9,069	15,923

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

Fiduciary Fund Types Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 419,572	\$ 419,572	\$ -
-	-	-	1,075,500	1,075,500	-
-	-	-	13,137	13,137	-
-	-	-	2,677,794	2,677,794	-
-	-	-	54,982	54,982	-
-	-	-	327	327	-
4,045	4,045	-	70,769	70,769	-
-	-	-	57,450	57,450	-
-	-	-	20,916	20,916	-
<u>4,045</u>	<u>4,045</u>	<u>-</u>	<u>4,390,447</u>	<u>4,390,447</u>	<u>-</u>
-	-	-	1,808,475	1,668,891	139,584
-	-	-	390,378	353,480	36,898
-	-	-	124,445	118,859	5,586
-	-	-	13,952	13,441	511
-	-	-	204,253	183,043	21,210
-	-	-	222,897	191,279	31,618
-	-	-	16,885	11,196	5,689
-	-	-	437,380	405,538	31,842
-	-	-	170,802	160,534	10,268
-	-	-	393,951	359,141	34,810
-	-	-	288,957	250,057	38,900
-	-	-	2,200	2,200	-
6,871	5,600	1,271	202,219	181,451	20,768
-	-	-	150	84	66
-	-	-	507,299	492,275	15,024
-	-	-	150,000	150,000	-
-	-	-	41,200	38,163	3,037
<u>6,871</u>	<u>5,600</u>	<u>1,271</u>	<u>4,975,443</u>	<u>4,579,632</u>	<u>395,811</u>
<u>(2,826)</u>	<u>(1,555)</u>	<u>1,271</u>	<u>(584,996)</u>	<u>(189,185)</u>	<u>395,811</u>

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND
ACTUAL - ALL GOVERNMENTAL FUNDS TYPES AND SIMILAR TRUST FUNDS

For the Year Ended June 30, 2002

	Governmental Fund Types General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other Financing Sources (Uses):</u>			
Other Financing Sources	\$ 5,496	\$ 5,496	\$ -
Other Financing Uses	-	-	-
Advances In	15,000	15,000	-
Advances Out	(20,000)	(19,684)	316
Operating Transfers Out	<u>(10,000)</u>	<u>(9,000)</u>	<u>1,000</u>
Total Other Financing Sources (Uses)	<u>(9,504)</u>	<u>(8,188)</u>	<u>1,316</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(329,221)	(41,794)	287,427
Prior Year Encumbrances Appropriated	51,373	51,373	-
Fund Balances (Deficit) at Beginning of Year	<u>1,391,206</u>	<u>1,391,206</u>	<u>-</u>
Fund Balances (Deficit) at End of Year	<u>\$ 1,113,358</u>	<u>\$ 1,400,785</u>	<u>\$ 287,427</u>

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

Governmental Fund Types

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(11,817)	(11,817)	-	-	-	-
4,684	4,684	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(7,133)</u>	<u>(7,133)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(230,827)	(145,990)	84,837	(31,905)	(24,236)	7,669
40,823	40,823	-	-	-	-
<u>244,956</u>	<u>244,956</u>	<u>-</u>	<u>226,888</u>	<u>226,888</u>	<u>-</u>
<u>\$ 54,952</u>	<u>\$ 139,789</u>	<u>\$ 84,837</u>	<u>\$ 194,983</u>	<u>\$ 202,652</u>	<u>\$ 7,669</u>

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND
ACTUAL - ALL GOVERNMENTAL FUNDS TYPES AND SIMILAR TRUST FUNDS

For the Year Ended June 30, 2002

	Governmental Fund Types Capital Projects Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other Financing Sources (Uses):</u>			
Other Financing Sources	\$ -	\$ -	\$ -
Other Financing Uses	-	-	-
Advances In	-	-	-
Advances Out	-	-	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(6,854)	9,069	15,923
Prior Year Encumbrances Appropriated	5,000	5,000	-
Fund Balances (Deficit) at Beginning of Year	1,854	1,854	-
Fund Balances (Deficit) at End of Year	\$ -	\$ 15,923	\$ 15,923

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

Fiduciary Fund Types Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 5,496	\$ 5,496	\$ -
-	-	-	(11,817)	(11,817)	-
-	-	-	19,684	19,684	-
-	-	-	(20,000)	(19,684)	316
-	-	-	(10,000)	(9,000)	1,000
-	-	-	(16,637)	(15,321)	1,316
(2,826)	(1,555)	1,271	(601,633)	(204,506)	397,127
-	-	-	97,196	97,196	-
6,372	6,372	-	1,871,276	1,871,276	-
\$ 3,546	\$ 4,817	\$ 1,271	\$ 1,366,839	\$ 1,763,966	\$ 397,127

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY-
ENTERPRISE FUND

For the Year Ended June 30, 2002

	<u>Enterprise</u>
<u>Operating Revenues:</u>	
Sales	\$ 170,031
<u>Operating Expenses:</u>	
Salaries	77,770
Fringe Benefits	27,788
Purchased Services	3,336
Materials and Supplies	8,832
Cost of Sales	109,860
Depreciation	4,246
Total Operating Expenses	<u>231,832</u>
Operating Income (Loss)	<u>(61,801)</u>
<u>Non-Operating Revenues (Expenses):</u>	
Interest	51
Operating Grants	27,523
Federal Donated Commodities	16,789
Total Non-Operating Revenues and (Expenses)	<u>44,363</u>
Net Income (Loss) Before Operating Transfers	(17,438)
Operating Transfers In	<u>9,000</u>
Net Income (Loss)	(8,438)
Retained Earnings (Deficit) at Beginning of Year	<u>3,912</u>
Retained Earnings (Deficit) at End of Year	(4,526)
Contributed Capital at Beginning and End of Year	<u>19,597</u>
Total Fund Equity at End of Year	\$ <u><u>15,071</u></u>

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

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL -
ENTERPRISE FUND

For the Year Ended June 30, 2002

	Proprietary Fund Types Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 169,908	\$ 169,908	\$ -
Operating Grants	27,523	27,523	-
Interest	51	51	-
Total Revenues	197,482	197,482	-
<u>Expenditures:</u>			
Salaries	77,770	77,770	-
Fringe Benefits	26,246	26,031	215
Purchased Services	3,336	3,336	-
Materials and Supplies	116,713	116,531	182
Capital Outlay	1,139	1,139	-
Total Expenditures	225,204	224,807	397
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(27,722)	(27,325)	397
<u>Other Financing Sources (Uses):</u>			
Transfers In	9,000	9,000	-
Advances In	15,000	15,000	-
Advances Out	(15,000)	(15,000)	-
Total Other Financing Sources (Uses)	9,000	9,000	-
Excess (Deficiency) of Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(18,722)	(18,325)	397
Prior Year Encumbrances Appropriated	9,894	9,894	-
Fund Balance (Deficit) Beginning of Year	12,496	12,496	-
Fund Balance (Deficit) End of Year	\$ 3,668	\$ 4,065	\$ 397

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

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

STATEMENT OF CASH FLOWS - ENTERPISE FUND

For the Year Ended June 30, 2002

	<u>Enterprise</u>
Increase (Decrease) in Cash and Cash Equivalents	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$ 169,908
Cash Payments to Suppliers for Goods and Services	(77,770)
Cash Payments to Employees for Services	(26,031)
Cash Payments for Employee Benefits	<u>(109,018)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(42,911)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Grants Received	27,523
Transfers In	9,000
Advances In	15,000
Advances Out	<u>(15,000)</u>
Net Cash Provided by (Used for) Noncapital Investing Activities	<u>36,523</u>
<u>Cash Flows from Capital Financing Activities:</u>	
Acquisition of Capital Assets	<u>(835)</u>
<u>Cash Flows from Investing Activities:</u>	
Interest	<u>51</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,172)
Cash and Cash Equivalents at Beginning of Year	<u>22,390</u>
Cash and Cash Equivalents at End of Year	<u>\$ 15,218</u>

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

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

STATEMENT OF CASH FLOWS - ENTERPRISE FUND

For the Year Ended June 30, 2001

	<u>Enterprise</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	\$ <u>(61,801)</u>
Adjustments to Reconcile Operating Income (Loss) to <u>Net Cash Provided by (Used for) Operating Activities:</u>	
Depreciation	4,246
Donated Commodities Used During Year	16,789
Changes in Assets and Liabilities -	
(Increase)/Decrease in Accounts Receivable	(123)
(Increase)/Decrease in Prepaid Items	128
(Increase)/Decrease in Inventory	(2,148)
Increase/(Decrease) in Accounts Payable	(3,641)
Increase/(Decrease) in Accrued Salaries and Benefits	1,980
Increase/(Decrease) in Compensated Absences Payable	(126)
Increase/(Decrease) in Intergovernmental Payable	(225)
Increase/(Decrease) in Deferred Revenue	<u>2,010</u>
Total Adjustments	<u>18,890</u>
Net Cash Provided by (Used for) Operating Activities	\$ <u><u>(42,911)</u></u>

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

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note A - Description of the School District and Reporting Entity

Description of the School

Ridgemont Local School District is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally elected, five-member Board for staggered four year terms. The School District provides educational services as mandated by state and/or federal agencies. The Board controls the Local School District staffed by 51 certified personnel, 32 non-certified support personnel, and provided services to approximately 637 students for fiscal year 2002.

The School District serves an area of approximately 98.3 square miles and includes parts of Hardin and Logan Counties. The School District currently operates two instructional buildings.

Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. There are no component units of the Ridgemont Local School District.

The School District is associated with two jointly governed organizations, an insurance pool, and a related organization. These organizations are the Western Ohio Area Computer Organization (WOCO), Ohio Hi-Point Joint Vocational School District, the Hardin County School Employees' Health and Welfare Benefit Plan and Trust, and the Ridgemont Public Library. These organizations are presented in Notes N, O, and P to the general purpose financial statements.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note B - Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Ridgemont Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

Basis of Presentation - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories of governmental, proprietary, and fiduciary.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note B - Summary of Significant Accounting Policies (continued)

Governmental Fund Types

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and trust funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

General Fund - The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

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

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

Proprietary Fund Types

Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

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

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note B - Summary of Significant Accounting Policies (continued)

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's fiduciary funds include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary or trust funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the School District except for those accounted for in the proprietary or trust funds.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note B - Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

The modified accrual basis of accounting is followed for the governmental, expendable trust, and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. This available period for the School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: taxpayer-assessed income taxes, interest, grants, and rent.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2002, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2002 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the enterprise funds. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note B - Summary of Significant Accounting Policies (continued)

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 legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Tax Budget

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Hardin County Budget Commission for rate determination.

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2002.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note B - Summary of Significant Accounting Policies (continued)

Budgetary Process (continued)

Appropriations

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

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. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note B - Summary of Significant Accounting Policies (continued)

Budgetary Process (continued)

Lapsing of Appropriations

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

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet.

During fiscal year 2002, investments were limited to STAR Ohio. 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 (STAR Ohio) during fiscal year 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2002.

Investment earnings are allocated as authorized by state statute and Board Policy.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note B - Summary of Significant Accounting Policies (continued)

Inventory

Inventory of proprietary funds is stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical costs) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not have any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements above \$15,000 are capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note B - Summary of Significant Accounting Policies (continued)

Fixed Assets and Depreciation (continued)

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture, equipment, and vehicles in the proprietary fund types is computed using the straight-line method over an estimated useful life of five to twenty years. Buildings and improvements are depreciated over the estimated useful life of the related asset.

Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

Entitlements:

- General Fund
 - State Foundation Program
 - State Property Tax Relief
 - School Bus Purchase Reimbursement

Non-Reimbursable Grants:

- Special Revenue Funds
 - Professional Development Block Grant
 - Public School Preschool
 - Education Management Information Systems
 - Title I
 - Title II – Eisenhower Grant
 - Title VI
 - Drug Free Schools
 - Title VI-R – Class Size Reduction Grant
 - Safe School Help Line Grant
- Capital Projects Funds
 - School Net

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note B - Summary of Significant Accounting Policies (continued)

Intergovernmental Revenues (continued)

Reimbursable Grants:

Proprietary Funds

National School Lunch Program

Government Donated Commodities

Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables". Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of current service with the School District.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note B - Summary of Significant Accounting Policies (continued)

Compensated Absences (continued)

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. In general, amounts paid more than sixty days after year end are considered not to have been paid with current available financial resources. Bonds, capital leases, and long-term loans are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Under Ohio law, a debt service fund must be created and used for the payment of tax and revenue anticipation notes. Generally accepted accounting principles requires the reporting of the liability in the funds that received the proceeds.

Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note B - Summary of Significant Accounting Policies (continued)

Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to the proprietary funds that are not subject to repayment. These assets are recorded at their fair market values on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year-end. There was no change in contributed capital during either fiscal year.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1995, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

Fund Balance Reserves

The School District reserves fund balance for amounts that are legally segregated for a specific purpose or which are not available for appropriation. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances and property taxes.

Estimates

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

Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Total - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note C - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and Similar Trust Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual, All Proprietary Fund Types and Similar Fiduciary Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type:

<u>Governmental and Similar Trust Funds</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
Fund Balance - GAAP Basis	\$ 1,521,544	\$ 69,206	\$ 233,945	\$ 15,923	\$ 5,117
Adjustments to GAAP Basis -					
Accrued Revenues/Prepaid Expenses at June 30, 2002	(1,086,849)	(3,328)	(147,263)	-	(300)
Accrued Expenditures/Deferred Revenue at June 30, 2002	1,080,985	92,967	115,970	-	-
Encumbrances Outstanding at June 30, 2002 (Budget Basis)	<u>(114,895)</u>	<u>(19,056)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Basis - Fund Balance	<u>\$ 1,400,785</u>	<u>\$ 139,789</u>	<u>\$ 202,652</u>	<u>\$ 15,923</u>	<u>\$ 4,817</u>

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note C - Budgetary Basis of Accounting (continued)

<u>Proprietary and Similar Fiduciary Funds</u>	<u>Enterprise</u>
Fund Balance - GAAP Basis	\$ 15,071
Adjustments to GAAP Basis -	
Accrued Revenues/Prepaid Expenses/ Inventory Held for Resale at June 30, 2002	(42,189)
Accrued Expenditures/ Deferred Revenue at June 30, 2002	42,336
Encumbrances Outstanding at June 30, 2002 (Budget Basis)	<u>(11,153)</u>
Budget Basis - Fund Balance	<u>\$ 4,065</u>

Note D - Deposits and Investments

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

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

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current 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 by savings or deposit accounts including, but not limited to, passbook accounts.

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

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note D - Deposits and Investments (continued)

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality; including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in 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 (STAR Ohio);
7. Certain bankers' acceptances 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 moneys available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note D - Deposits and Investments (continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

During fiscal year 2002, the School District's investments were limited to STAR Ohio.

At the fiscal year end, the School District had \$75 in undeposited cash on hand which is included on the balance sheets of the School District as part of "Equity in Pooled Cash and Cash Equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reserve Repurchase Agreements".

Deposits - At fiscal year end, the carrying amount of the School District's deposits was \$57,406 and the bank balance was \$164,122. Of the bank balance \$100,000 was covered by federal depository insurance and \$64,122 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments - The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name.

STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note D - Deposits and Investments (continued)

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Government Entities That Use Proprietary Fund Accounting." A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/ Deposits</u>	<u>Investments</u>
GASB Statement 9	\$ 1,939,494	\$ -
Cash on Hand	(75)	-
Investments:		
STAR Ohio	<u>(1,882,013)</u>	<u>1,882,013</u>
GASB Statement 3	<u>\$ 57,406</u>	<u>\$ 1,882,013</u>

Note E – Property/Income Taxes

Income Tax

The School District levies a voted tax of 1 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991, and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note E – Property/Income Taxes (continued)

Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value lists as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be re-valued every six years. Public utility property taxes are assessed on tangible personal property 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value. The assessed values upon which the fiscal year 2001 and 2000 taxes were collected are as follows:

	2001 Second - Half Valuation		2002 First - Half Valuation	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 38,384,950	82.96 %	\$ 39,574,300	85.18 %
Industrial/Commercial	1,126,290	2.43	1,186,930	2.55
Public Utility Personal	5,588,310	12.08	4,487,290	9.66
Tangible Personal Property	1,169,321	2.53	1,211,923	2.61
Total Assessed Value	\$ 46,268,871	100.00 %	\$ 46,460,443	100.00 %
Effective Tax Rate Per \$1,000 of Assessed Valuation	\$34.60		\$34.50	

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note E – Property/Income Taxes (continued)

Real property taxes are payable annually or semi-annually. If paid annually; payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Hardin and Logan Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002 is available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2002. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30th 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, 2002 was \$180,549 in the General Fund and \$31,293 in the Bond Retirement debt service fund.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note F - Receivables

Receivables at June 30, 2002, consisted of both property and income taxes, accounts (rent, billings for user charged services, and student fees), and interfund receivables. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

Note G - Fixed Assets

A summary of the Enterprise Fund's fixed assets at June 30, 2002, is as follows:

Furniture and Equipment	\$ 101,037
Less: Accumulated Depreciation	<u>(65,647)</u>
Net Fixed Assets	\$ <u>35,390</u>

A summary of the changes in general fixed assets during fiscal year 2002 follows:

<u>Asset Category</u>	<u>Balance 6-30-01</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6-30-02</u>
Land and Improvements	\$ 94,115	\$ 345,598	\$ -	\$ 439,713
Buildings and Improvements	5,204,704	14,802	-	5,219,506
Furniture, Fixtures, and Equipment	619,909	63,870	-	683,779
Books	282,187	-	-	282,187
Vehicles	<u>393,542</u>	<u>54,990</u>	<u>-</u>	<u>448,532</u>
Total	<u>\$ 6,594,457</u>	<u>\$ 479,260</u>	<u>\$ -</u>	<u>\$ 7,073,717</u>

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note H - Employee Benefits

Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Administrative and classified employees earn ten to twenty days of vacation per year depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. For administrators, teachers, and classified employees, such days shall accumulate equal to a maximum of 175 days, and for classified employees, up to a maximum of 183 days. Upon retirement, payment is made at the rate of one fourth of the accumulated sick leave limited to a maximum of 45 paid days.

Health Care Benefits

The School District offered insurance benefits, including medical, dental, and life insurance to all employees through the Hardin County School Employees' Health and Welfare Benefit Plan and Trust. Depending upon the plan chosen, the employees share the cost of the monthly premium with the Board. The premium varies with the employee depending on the terms of the union contract.

Note I - Long-Term Obligations

The changes in the School District's long-term obligations during fiscal year 2002 was as follows:

	Principal Outstanding 6-30-01	Additions	Deletions	Principal Outstanding 6-30-02
<u>General Obligation Bonds</u>				
School Building Advance Refunding Bonds 1999, 3.75 - 5.20%	\$ 1,494,995	\$ -	\$ 150,000	\$ 1,344,995
 <u>Other Long-Term Obligations</u>				
Compensated Absences Payable	175,662	-	5,542	170,120
Intergovernmental Payable	23,981	3,028	-	27,009
Total Other Long-Term Obligations	199,643	3,028	5,542	197,129
Total General Long-Term Obligations	\$ 1,694,638	\$ 3,028	\$ 155,542	\$ 1,542,124

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note I - Long-Term Obligations (continued)

School Building General Obligation Bonds – On March 15, 1992, the Ridgemont Local School District issued \$2,150,000 in voted general obligation bonds for the purpose of constructing and improving existing school buildings. The bonds were issued for a twenty-three year period, with final maturity in 2015. On July 8, 1998, the School District issued \$1,929,995 in general obligation advance refunding bonds for sixteen years with interest rates ranging from 3.75 percent to 5.20 percent to advance refund \$1,930,000 in 1992 school building improvement general obligation bonds. The bonds will be retired from the Bond Retirement debt service fund.

Compensated absences and intergovernmental payables will be paid from the fund from which the employees' salaries are paid. Compensated absences and intergovernmental payables additions and deletions have been netted because the calculation is an estimate making it impractical to determine.

The School District's voted legal debt margin was \$4,182,172 with an unvoted debt margin of \$46,269 at June 30, 2002.

Principal and interest requirements to retire general obligation debt, including notes outstanding at June 30, 2002, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2003	\$ 150,000	\$ 32,050	\$ 182,050
2004	150,000	25,863	175,863
2005	175,000	19,031	194,031
2006	175,000	11,506	186,506
2007	175,000	3,850	178,850
Thereafter	519,995	963,878	1,483,873
Total	\$ 1,344,995	\$ 1,056,178	\$ 2,401,173

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note J – Interfund Activity

As of June 30, 2002, receivable and payable that resulted from various interfund transactions were as follows:

Fund Type/Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 19,684	\$ -
Special Revenue Funds:		
Title VI Fund	-	1,814
Title VI-R Fund	-	2,870
Enterprise Fund:		
Uniform School Supply	-	15,000
Total All Funds	\$ 19,684	\$ 19,684

Note K - Defined Benefit Pension Plans

School Employee Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll.; 5.46 percent was the portion used to fund pension obligations for fiscal year 2002. For fiscal year 2001, 4.2 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ending June 30, 2002, 2001 and 2000 were \$77,293, \$69,550 and \$66,330, respectively. For fiscal year 2002, 41.45 percent has been contributed and 100 percent for the fiscal years 2001 and 2000. \$45,252 representing the unpaid contribution for fiscal year 2002 is recorded as a liability within the respective funds and the general long-term obligations account group.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note K - Defined Benefit Pension Plans (continued)

State Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the Ridgemont Local School District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$259,508, \$253,709, and \$243,503, respectively. For fiscal year 2002, 83.67 percent has been contributed and 100 percent for the fiscal years 2001 and 2000. \$42,368 representing the unpaid contribution for fiscal year 2001 is recorded as a liability within the respective funds and the general long-term obligations account group.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. The Board's liability is 6.2 percent of wages paid.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note L - Post Employment Benefits

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

The State Teachers Retirement Board has statutory 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. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund for the year ended June 30, 2002. For the School District, this amount equaled \$83,413 during fiscal 2002.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3.256 million at June 30, 2001 (latest information available). For the year ended June 30, 2001, net health care costs paid by STRS were \$369,354,000 and STRS had 102,132 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 8.54 percent of covered payroll for 2002, a decrease of 1.26 percent from fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$57,242 during the 2002 fiscal year.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2001 (latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001 (latest information available) SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note M - Segment Information for Enterprise Funds

The School District maintains two Enterprise funds to account for the operations of food service and uniform school supplies. The following table summarizes the more significant financial data relating to the Enterprise Funds of the Ridgemont Local School District for the fiscal year ended June 30, 2002.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$ 159,366	\$ 10,665	\$ 170,031
Operating Expenses Less Depreciation	221,482	6,104	227,586
Depreciation Expense	4,246	-	4,246
Operating Income (Loss)	(66,362)	4,561	(61,801)
Donated Commodities	16,789	-	16,789
Operating Grants	27,523	-	27,523
Interest	51	-	51
Operating Transfers In/(Out)	9,000	-	9,000
Net Income (Loss)	(12,999)	4,561	(8,438)
Net Working Capital	(20,319)	-	(20,319)
Property, Plant And Equipment Additions/(Deletions)	835	-	835
Total Assets	40,839	16,568	57,407
Total Equity	15,071	-	15,071
Encumbrances Outstanding at June 30, 2002	-	11,153	11,153

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note N - Joint Venture

Western Ohio Computer Organization (WOCO) - The School District is a participant in WOCO which is a computer consortium. WOCO is an association of public school districts within the boundaries of Auglaize, Champaign, Hardin, Logan, and Shelby Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of WOCO consists of two representatives from each county elected by majority vote of all charter member schools districts within each county plus one representative of the fiscal agent. Financial information can be obtained from Sonny Ivey, who serves as Director, at 129 E. Court Street, Sidney, Ohio 45365.

Ohio Hi-Point Joint Vocational School - The Ohio Hi-Point Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the eleven participating school districts' Board of Education, which possesses its own budgeting and taxing authority. To obtain financial information write to the Ohio Hi-Point Joint Vocational School, Eric Adelsberger, Treasurer, 2280 State Route 540, Bellefontaine, Ohio 43311.

Note O - Insurance Pool

Hardin County School Employees' Health and Welfare Benefit Plan and Trust - The Hardin County School Employees' Health and Welfare Benefit Plan and Trust (the Trust) is a public entity shared risk pool consisting of six school districts and the Hardin County Educational Service Center. The Trust is organized as a Voluntary Employee Benefit association under Section 501(c)(9) of the Internal Revenue Code and provides sick, accident and other benefits to the employees of the participating school districts. Each participating school district's superintendent is appointed to an Administrative Committee which advises the Trustee, The Sky Bank, concerning aspects of the administration of the Trust.

Each school district decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Rick Combs, who serves as Director, at P. O. Box 98, Dola, Ohio 45835-0098.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note P - Related Organization

Ridgemont Public Library - The Ridgemont Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Ridgemont School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Ridgemont Public Library, April Ealy, Clerk/Treasurer, at 124 East Taylor Street, Mt. Victory, Ohio 43340.

Note Q - Contingencies

Grants - The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2002.

Litigation – There are currently no matters in litigation with the School District as a defendant.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note R- Risk Management

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2002, the School District contracted with Commercial Insurers for property and fleet insurance, liability insurance, and inland marine coverage. Coverages provided by those insurers are as follows at June 30, 2002:

Building and Contents - \$8,575,520
Automobile Liability \$1,000,000
Uninsured Motorists \$1,000,000
Medical Payments (per person) \$5,000
General Liability -
 Per occurrence \$2,000,000
 Aggregate \$5,000,000
Commercial Crime-
 Employee Dishonesty \$10,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from last year.

For fiscal year 2002, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchased pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants 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 of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

The School District participates in the Hardin County School Employees' Health and Welfare Benefit Plan and Trust (the Trust), a public entity shared risk pool consisting of six local school districts and the Hardin County Educational Service Center. The School District pays monthly premiums to the Trust for employee medical, dental, and life insurance benefits. The Trust is responsible for the management and operations of the program. Upon withdrawal from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note S – Accountability and Compliance

At June 30, 2002, the Management Information Systems Fund, Title I, Title VI, and Title VI-R, Special Revenue Funds, had deficit fund balances of \$845, \$2,718, \$1,814, and \$2,888, respectively. In addition, the food service, enterprise fund, had a negative retained earnings balance of \$4,526 at June 30, 2002. The deficit fund balances/retained earnings were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note T - State School Funding Decision

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with this order.

The State of Ohio, in a motion filed September 17, 2001, asked the court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Note U – Restatement of Financial Statement Presentation

Restatement #1

The SchoolNet Praise Grant Fund was previously classified as a Special Revenue Fund and should have been classified as a Capital Project Fund, which had the following effect on the fund balances as was previously reported as of June 30, 2001.

Restatement #2

In June of 1999, Ridgemont LSD received \$70,000 from Pepsi to sign an agreement to allow Pepsi to be the exclusive beverage (excluding milk) provider for the District for the next 10 years. This \$70,000 was recognized as income in FY' 99 when it should have been recognized as \$7,000 per year over the next 10 years. To account for this error, the Special Revenue Fund Balance was restated as of June 30, 2001 by \$49,000 along with recording a deferred revenue of this amount.

	<u>Special Revenue</u>	<u>Capital Projects</u>
Fund Balance As Previously Reported	\$ 243,856	\$ 1,854
Restatement - #1	(5,000)	5,000
Restatement - #2	(49,000)	-
Fund Balance/Restated July 1 ,2001	\$ 189,856	\$ 6,854

Note V – Reservations of Fund Balance

As stated in House Bill 412, revised in House Bill 345, school districts are required to maintain two reserves; one for capital acquisition and maintenance, and one for textbooks and other instruction material. A reserve represents resources whose use is limited because of contractual or statutory restrictions.

The following cash basis information identifies the changes in the fund balance reserves for textbooks and capital maintenance during fiscal year 2002.

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Total</u>
Balance, 7/1/2001	\$ -	\$ -	\$ -
Required Set-Aside	75,467	75,467	150,934
Qualifying Expenditures	(135,425)	(136,529)	(271,954)
Balance, 6/30/2002	\$ (59,958)	\$ (61,062)	\$ (121,020)

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

SCHEDULE OF FEDERAL AWARDS EXPENDITURES - CASH BASIS

For the Year Ended June 30, 2002

Federal Grantor/ Pass-Through Grantor/ <u>Program Titles</u>	Pass Through Entity <u>Number</u>	Federal CFDA <u>Number</u>
<u>U.S. Department of Education</u>		
(Passed-Through Ohio Department of Education)		
Education Consolidation and Improvement Act of 1981 Title I	047506-C1-S1-2000-C 047506-C1-S1-2001 047506-C1-S1-2001-C 047506-C1-S1-2002	84.010 84.010 84.010 84.010
Innovative Education Program Strategy	047506-C2-S1-2001 047506-C2-S1-2002	84.298 84.298
Drug Free School Grant	047506-DR-S1-2002 047506-DR-S1-2001	84.186 84.186
Eisenhower Professional Development	047506-MS-S1-2000 047506-MS-S1-2001 047506-MS-S1-2002	84.281 84.281 84.281
Continuous Improvement Grant	047506-G2-S1-2002 047506-G2-S1-2001	84.276 84.276
Title VI-R Class Size Reduction	047506-CR-S1-2001 047506-CR-S1-2002	84.340 84.340
Total U.S. Department of Education		
<u>U.S. Department of Agriculture</u>		
(Passed-Through Ohio Department of Education)		
Child Nutrition Cluster:		
National School Lunch Program	047506-LLP4-2001 047506-LLP4-2002	10.555 10.555
Food Distribution Program (at Fair Market Value)		10.550
Total Child Nutrition Cluster		
Total U. S. Department of Agriculture		
Total Federal Financial Assistance		

Note A - Significant Accounting Policies

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

Note B - Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had \$1,493 of food commodities in inventory.

<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
-	-	29,577	-
3,793	-	22,009	-
28,653	-	18,877	-
186,855	-	168,648	-
<u>219,301</u>	<u>-</u>	<u>239,111</u>	<u>-</u>
-	-	48	-
925	-	2,739	-
<u>925</u>	<u>-</u>	<u>2,787</u>	<u>-</u>
2,419	-	1,090	-
-	-	1,714	-
<u>2,419</u>	<u>-</u>	<u>2,804</u>	<u>-</u>
-	-	1,198	-
-	-	1,854	-
4,181	-	60	-
<u>4,181</u>	<u>-</u>	<u>3,112</u>	<u>-</u>
-	-	3,990	-
-	-	2,191	-
<u>-</u>	<u>-</u>	<u>6,181</u>	<u>-</u>
7,052	-	7,892	-
24,637	-	26,507	-
31,689	-	34,399	-
<u>258,515</u>	<u>-</u>	<u>288,394</u>	<u>-</u>
3,582	-	3,582	-
23,198	-	23,198	-
-	17,231	-	16,789
<u>26,780</u>	<u>17,231</u>	<u>26,780</u>	<u>16,789</u>
26,780	17,231	26,780	16,789
<u>\$ 285,295</u>	<u>\$ 17,231</u>	<u>\$ 315,174</u>	<u>\$ 16,789</u>

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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

March 11, 2003

**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
Ridgemont Local School District
Hardin County, Ohio

and

Auditor of State of Ohio
Columbus, Ohio

We have audited the general purpose financial statements of Ridgemont Local School District as of and for the year ended June 30, 2002, and have issued our report thereon dated March 11, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Ridgemont Local School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 an instance of noncompliance that is required to be reported under Government Auditing Standards which is described on the accompanying schedule of findings as item 2002-8675-001. We also noted certain immaterial instances of noncompliance, which we have reported to management of Ridgemont Local School District in a separate letter dated March 11, 2003.

Board of Education
Ridgemont Local School District
Auditor of State of Ohio
March 11, 2003
Page 2

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ridgemont Local 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 the internal control over financial reporting, which we have reported to management of Ridgemont Local School District in a separate letter dated March 11, 2003.

This report is intended for the information of the management, Board of Education, Auditor of State of Ohio 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.





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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

March 11, 2003

**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
Ridgemont Local School District
Hardin County, Ohio

and

Auditor of State of Ohio
Columbus, Ohio

Compliance

We have audited the compliance of Ridgemont Local School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2002. Ridgemont Local School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Ridgemont Local School District's management. Our responsibility is to express an opinion on Ridgemont Local School District's compliance based on our audit.

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

In our opinion, Ridgemont Local 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, 2002.

Internal Control Over Compliance

The management of Ridgemont Local School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Ridgemont Local School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended for the information of the management, Board of Education, Auditor of State of Ohio 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.



RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

SCHEDULE OF FINDINGS

June 30, 2002

A. Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under .510?	No
(d)(1)(vii)	Major Programs (list): Title I	CFDA#84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

SCHEDULE OF FINDINGS

June 30, 2002

B. Findings Related To The Financial Statements Required
To Be Reported In Accordance With GAGAS

Finding #2002-8675-001 (Non-Compliance)

Ohio Revised Code Section 117.38 states that GAAP-basis entities must file annual reports with the Auditor of State within 150 days of the fiscal year-end. Any public office which does not file the report by the required date shall pay a penalty of twenty-five dollars for each day the report remains unfiled, not to exceed seven hundred fifty dollars. Ridgemont LSD's GAAP report for the fiscal year ending June 30, 2002 was due by November 30, 2002. The Treasurer completed the report and filed it on February 28, 2003. We recommend that the report be timely completed and filed to eliminate any potential fines against the School District.

C. Findings and Questioned Costs for Federal Awards

None

RIDGEMONT LOCAL SCHOOL DISTRICT
HARDIN COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2002

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
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None



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Betty Montgomery**

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RIDGEMONT LOCAL SCHOOL DISTRICT

HARDIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 8, 2003**