

RIDGEWAY COMMUNITY SCHOOL
CSD# 4083
Houston, Minnesota

AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

PAMELA RISTAU
Certified Public Accountant
209 St. Anthony Street South
Preston, MN 55965
(507) 765-2180

BASIC FINANCIAL STATEMENTS

**RIDGEWAY COMMUNITY SCHOOL
HOUSTON, MINNESOTA
STATEMENT OF NET POSITION
June 30, 2014**

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and Investments	\$ 341,537	\$ 211,905
Accounts Receivable		
Other Governments	81,480	155,097
Other	2,126	6,496
Due from Other MN Districts	8,092	6,095
Prepaid Expenditures	11,166	14,768
Bond issuance Costs, Net	16,194	17,093
Capital Assets:		
Land	48,000	48,000
Other Capital Assets, Net of Accumulated Depreciation	1,703,380	1,767,501
TOTAL ASSETS	\$ 2,211,975	\$ 2,226,955
<u>LIABILITIES</u>		
Salaries and Payroll Liabilities	\$ 48,774	\$ 38,802
Accounts Payable	37,695	28,644
Payroll Taxes Payable	469	642
Accrued Interest Payable		-
Deferred Revenue-Local Sources	29,858	16,895
Long Term Liabilities:		
Due within One Year	30,699	28,239
Due in More Than One Year	979,747	999,985
TOTAL LIABILITIES	1,127,242	1,113,207
<u>NET POSITION</u>		
Invested in Capital Assets, Net of Related Debt	783,587	787,277
Restricted General Fund Balance	7,130	2,660
Restricted for Food Service	-	1,991
Restricted for Community Service	11,709	7,588
Unrestricted	282,307	314,232
TOTAL NET POSITION	\$ 1,084,733	\$ 1,113,748

See accompanying notes to financial statements.

**RIDGEWAY COMMUNITY SCHOOL
HOUSTON, MINNESOTA
STATEMENT OF ACTIVITIES**
For the Fiscal Year Ended June 30, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	2014 Governmental Activities	2013 Governmental Activities
Governmental Activities						
Administration	\$ 74,266	\$ -	\$ -	\$ -	\$ (74,266)	\$ (70,372)
School Support Services	120,871	-	-	-	(120,871)	(68,899)
Regular Instruction	371,838	-	12,801	-	(359,037)	(296,915)
Special Education Instructions	150,943	-	143,799	-	(7,144)	3,422
Instructional Support Services	19,644	-	-	-	(19,644)	(14,903)
Pupil Support Services	27,316	-	-	-	(27,316)	(33,213)
Site, Buildings, and Equipment	95,349	-	-	20,353	(74,996)	(83,711)
Fiscal and Other Fixed Cost	7,913	-	-	-	(7,913)	(6,124)
<u>Programs</u>						
Food Service	49,558	31,092	16,357	-	(2,109)	(758)
Community Service	55,606	59,727	-	-	4,121	(3,086)
Interest and Other Fiscal						
Charges on Long-Term Debt	68,286	-	116,489	-	48,203	51,815
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,041,590	\$ 90,819	\$ 289,446	\$ 20,353	(640,972)	(522,744)
General Revenues:						
State Aid - Not Restricted					575,823	530,308
Other General Revenues					35,706	22,666
Investment Earnings					428	406
TOTAL GENERAL REVENUES					611,957	553,380
CHANGE IN NET POSITION					(29,015)	30,636
NET POSITION - BEGINNING OF YEAR					1,113,748	1,083,112
NET POSITION - END OF YEAR					\$ 1,084,733	\$ 1,113,748

See accompanying notes to financial statements.

**RIDGEWAY COMMUNITY SCHOOL
HOUSTON, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014
(With Comparative Data as of June 30, 2013)**

	General Fund	Food Service Fund	Community Service Fund	Building Corporation	2014 Total	2013 Total
ASSETS						
Cash and Cash Equivalents	\$ 278,473	\$ 720	\$ 10,019	\$ 52,325	\$ 341,537	\$ 211,905
Accounts Receivable				-		
Due from MN Dept of Education	78,801	-	-	-	78,801	143,961
Due from Federal through - MN Dept of Education	2,679	-	-	-	2,679	5,373
Due from Federal Direct	-	-	-	-	-	5,763
Other Receivables	2,126	-	-	-	2,126	6,496
Due from Other MN Districts	6,235	-	1,857	-	8,092	6,095
Prepaid Expenditures	10,966	200	-	-	11,166	14,768
	<u>\$ 379,280</u>	<u>\$ 920</u>	<u>\$ 11,876</u>	<u>\$ 52,325</u>	<u>\$ 444,401</u>	<u>\$ 394,361</u>
LIABILITIES & FUND BALANCES						
<u>Liabilities</u>						
Salaries Payable	\$ 48,774	\$ -	\$ -	\$ -	\$ 48,774	\$ 38,802
Account Payable	36,728	920	47	-	37,695	28,644
Payroll Taxes Payable	469	-	-	-	469	642
Deferred Revenue- Local Sources	29,738	-	120	-	29,858	16,895
TOTAL LIABILITIES	<u>115,709</u>	<u>920</u>	<u>167</u>	<u>-</u>	<u>116,796</u>	<u>84,983</u>
<u>Fund Balances</u>						
Nonspendable	10,966	200	-	-	11,166	14,768
Restricted	7,130	-	11,709	-	18,839	12,239
Unassigned:						
General Fund	245,475	-	-	-	245,475	259,316
Special Revenue Funds	-	(200)	-	52,325	52,125	23,055
TOTAL FUND BALANCES	<u>263,571</u>	<u>-</u>	<u>11,709</u>	<u>52,325</u>	<u>327,605</u>	<u>309,378</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 379,280</u>	<u>\$ 920</u>	<u>\$ 11,876</u>	<u>\$ 52,325</u>	<u>\$ 444,401</u>	<u>\$ 394,361</u>

See accompanying notes to financial statements.

**RIDGEWAY COMMUNITY SCHOOL
HOUSTON, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2014**

	<u>2014</u>	<u>2013</u>
TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 327,605	\$ 309,378
Amounts reported for the governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Land	48,000	48,000
Buildings and Improvements, Net of Accumulated Depreciation	1,562,041	1,629,603
Equipment, Net of Accumulated Depreciation	141,339	137,898
Bond issuance costs are reported as expenditures in the governmental funds.		
	16,194	17,093
Long Term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long Term liabilities at year-end consist of:		
Building Loan Payable	(967,794)	(992,456)
Compensated Absences Payable	(42,652)	(35,768)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ <u>1,084,733</u>	\$ <u>1,113,748</u>

See accompanying notes to financial statements.

RIDGEWAY COMMUNITY SCHOOL
HOUSTON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended June 30, 2014
(With Comparative Data as of June 30, 2013)

REVENUE	General Fund	Food Service Fund	Community Service Fund	Building Corporation	2014 Total	2013 Total
Local Sources						
Earnings on Investments	\$ 424	\$ -	\$ -	\$ 4	\$ 428	\$ 406
Other Local and County Revenues	35,706	31,092	59,727	128,762	255,287	233,593
Revenue from State Sources	828,892	1,877	-	-	830,769	871,223
Revenue from Federal Sources	40,373	14,480	-	-	54,853	62,546
TOTAL REVENUES	905,395	47,449	59,727	128,766	1,141,337	1,167,768
EXPENDITURES						
Administration	71,226	-	-	2,979	74,205	70,372
District Support Services	67,610	-	-	-	67,610	68,776
Regular Instruction	371,838	-	-	-	371,838	346,669
Special Education Instruction	150,943	-	-	-	150,943	152,042
Instructional Support Services	19,425	-	-	-	19,425	14,684
Pupil Support Services	23,704	-	-	-	23,704	28,352
Site, Buildings, and Equipment	196,550	-	-	-	196,550	199,816
Fiscal and Other Fixed Cost	7,913	-	-	-	7,913	6,124
Food Service	-	49,558	-	-	49,558	50,508
Community Service	-	-	55,606	-	55,606	43,136
Capital Outlay	7,014	2,227	-	3,568	12,809	4,458
Debt Service						
Principal	-	-	-	24,663	24,663	39,878
Interest and Fiscal Charges	-	-	-	68,286	68,286	71,112
TOTAL EXPENDITURES	916,223	51,785	55,606	99,496	1,123,110	1,095,927
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,828)	(4,336)	4,121	29,270	18,227	71,841
OTHER FINANCING SOURCES (USES)						
Promissory Notes	-	-	-	-	-	(30,000)
Transfers In	-	2,345	-	-	2,345	-
Transfers Out	(2,345)	-	-	-	(2,345)	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,345)	2,345	-	-	-	(30,000)
NET CHANGE IN FUND BALANCES	(13,173)	(1,991)	4,121	29,270	18,227	41,841
FUND BALANCE - JULY 1, 2013	276,744	1,991	7,588	23,055	309,378	267,537
FUND BALANCE - JUNE 30, 2014	<u>\$ 263,571</u>	<u>\$ -</u>	<u>\$ 11,709</u>	<u>\$ 52,325</u>	<u>\$ 327,605</u>	<u>\$ 309,378</u>

See accompanying Notes to Basic Financial Statements.

**RIDGEWAY COMMUNITY SCHOOL
HOUSTON, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS**

June 30, 2014

	2014	2013
TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 18,227	\$ 41,841

Amounts reported for the governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.

Capital Outlays	12,809	4,458
Depreciation Expense	(76,930)	(77,773)
Loss on Disposed Fixed Assets	-	(1,774)

Some capital asset additions are financed through notes payable and capital leases. In governmental funds, a loan payable or capital lease is considered a source of financing, but in the statement of net position, the loan payable and capital lease are reported as liabilities.

Repayment of loan principal and the principal paid on capital lease are expenditures in the governmental funds, but the repayment reduces the loan payable and capital lease payable in the statement of net position.

Promissory Notes	-	30,000
Repayment of Loan Principal	-	16,868
Repayment of Building Loan	24,663	23,010
Amortization of Bond Issuance Costs	(899)	(899)

Change in Deferred Revenues	-	-
-----------------------------	---	---

In the statement of activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount actually paid).

(6,885)	(5,095)
---------	---------

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$ (29,015)	\$ 30,636
--	-------------	-----------

See accompanying notes to financial statements.

**RIDGEWAY COMMUNITY SCHOOL
HOUSTON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
GENERAL FUND**

For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		2014	2014	2013
	Original	Final	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES					
Local Sources					
Earnings on Investments	\$ -	\$ -	\$ 424	\$ 424	\$ 402
Other Local and County Revenues	25,930	35,967	35,706	(261)	21,558
Revenue from State Sources	873,389	834,171	828,892	(5,279)	869,204
Revenue from Federal Sources	44,282	40,079	40,373	294	46,884
TOTAL REVENUES	943,601	910,217	905,395	(4,822)	938,048
EXPENDITURES					
Administration	71,240	71,581	71,226	355	68,913
District Support Services	63,729	66,778	67,610	(832)	68,776
Regular Instruction	374,334	368,109	371,838	(3,729)	346,669
Special Education Instruction	159,679	156,348	150,943	5,405	152,042
Instructional Support Services	23,873	24,203	19,425	4,778	14,684
Pupil Support Services	30,930	27,430	23,704	3,726	28,352
Site, Buildings, and Equipment	203,814	203,541	196,550	6,991	199,816
Fiscal and Other Fixed Cost	6,447	7,913	7,913	-	23,401
Capital Outlay	-	-	7,014	(7,014)	4,458
TOTAL EXPENDITURES	934,046	925,901	916,223	9,678	907,111
Excess of Revenues Over (Under) Expenditures	9,555	(15,684)	(10,828)	4,856	30,937
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(2,345)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(2,345)	-	-
NET CHANGE IN FUND BALANCES	9,555	(15,684)	(13,173)	4,856	30,937
FUND BALANCE - JULY 1, 2013	276,744	276,744	276,744	4,856	245,807
FUND BALANCE - JUNE 30, 2014	\$ 286,299	\$ 261,060	\$ 263,571	\$ 9,711	\$ 276,744

See accompanying notes to financial statements.

**RIDGEWAY COMMUNITY SCHOOL
HOUSTON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOOD SERVICE FUND**

For the Fiscal Year Ended June 30, 2014
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		2014	2014	2013
	Original	Final	Actual	Variance Favorable (Unfavorable)	Actual
REVENUE					
Local Sources					
Primarily Meal Sales	\$ 34,145	\$ 36,862	\$ 31,092	\$ (5,770)	\$ 32,069
Revenue from State Sources	2,050	1,925	1,877	(48)	2,019
Revenue from Federal Sources	15,950	13,600	14,480	880	15,662
TOTAL REVENUES	<u>52,145</u>	<u>52,387</u>	<u>47,449</u>	<u>(4,938)</u>	<u>49,750</u>
EXPENDITURES					
Food Service	<u>54,038</u>	<u>54,484</u>	<u>51,785</u>	<u>2,699</u>	<u>50,508</u>
TOTAL EXPENDITURES	<u>54,038</u>	<u>54,484</u>	<u>51,785</u>	<u>2,699</u>	<u>50,508</u>
Excess of Revenues Over (Under) Expenditures	(1,893)	(2,097)	(4,336)	(2,239)	(758)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	2,345	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>2,345</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ <u>(1,893)</u>	\$ <u>(2,097)</u>	(1,991)	\$ <u>(2,239)</u>	\$ (758)
FUND BALANCE - JULY 1, 2013			1,991		2,749
FUND BALANCE - JUNE 30, 2014			\$ <u>0</u>		\$ <u>1,991</u>

See accompanying notes to financial statements.

**RIDGEWAY COMMUNITY SCHOOL
HOUSTON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
COMMUNITY SERVICE FUND**

For the Fiscal Year Ended June 30, 2014

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		2014	2014	2013
	Original	Final	Actual	Variance Favorable (Unfavorable)	Actual
REVENUE					
Local Sources					
Primarily Tuition and Fees	\$ 30,648	\$ 47,956	\$ 59,727	\$ 11,771	\$ 40,050
TOTAL REVENUES	<u>30,648</u>	<u>47,956</u>	<u>59,727</u>	<u>11,771</u>	<u>40,050</u>
EXPENDITURES					
Community Service	<u>33,456</u>	<u>47,247</u>	<u>55,606</u>	<u>(8,359)</u>	<u>43,136</u>
TOTAL EXPENDITURES	<u>33,456</u>	<u>47,247</u>	<u>55,606</u>	<u>(8,359)</u>	<u>43,136</u>
Excess of Revenues Over (Under) Expenditures	(2,807)	709	4,121	3,412	(3,086)
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ <u>(2,807)</u>	\$ <u>709</u>	\$ 4,121	\$ <u>3,412</u>	\$ (3,086)
FUND BALANCE - JULY 1, 2013			7,588		10,674
FUND BALANCE - JUNE 30, 2014			\$ <u>11,709</u>		\$ <u>7,588</u>

See accompanying notes to financial statements.