

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY
REPORT ON FINANCIAL STATEMENTS
JUNE 30, 2013



Dave Yost • Auditor of State

Board of Education
Riverdale Local School District
20613 State Route 37
Mount Blanchard, Ohio 45867

We have reviewed the *Independent Auditors' Report* of the Riverdale Local School District, Hancock County, prepared by Holbrook & Manter, for the audit period July 1, 2012 through June 30, 2013. 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 Riverdale Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

June 13, 2014

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INDEPENDENT AUDITORS' REPORT

Riverdale Local School District
Hancock County
20613 SR 37
Mt. Blanchard, Ohio 45867

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverdale Local School District, Hancock County, Ohio (the "District"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Government's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Government's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

Ohio Administrative Code 117-2-03 (B) requires the District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes follow the cash basis of accounting. This is a comprehensive accounting basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Riverdale Local School District, Hancock County, Ohio, as of June 30, 2013, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund, the Food Service Fund and the Classroom Facilities and Maintenance Fund for the year then ended in conformity with the basis of accounting described in Note 2.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2013, the District adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis, required budgetary comparison schedules*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

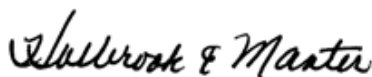
Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Schedule of Federal Award Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

This schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2014 on our consideration of the Riverdale Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants

January 29, 2014

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013
UNAUDITED**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the Riverdale Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2013 are as follows:

- In total, net position increased 360,556.
- General revenues accounted for \$9,761,877, or 86 percent of all revenues. Program specific revenues in the form of operating grants and contributions accounted for \$1,596,736, or 14 percent of total revenues of \$11,358,613.
- The District's major funds included the General Fund, the Bond Retirement, the Food Service Fund, and the Classroom Facilities & Maintenance Fund. The General Fund had \$9,902,243 in revenues and other financing sources and \$9,602,653 in expenditures and other financing uses. The General Fund's balance increased \$299,590 from the prior fiscal year. The Bond Retirement Fund had \$482,999 in revenues and other financing sources and \$471,789 in expenditures. The Bond Retirement Fund's balance increased \$11,210 from the prior fiscal year. The Food Service Fund had \$414,600 in revenues and \$374,459 in expenditures. The Food Service Fund balance increased \$40,141 from the prior fiscal year. The Classroom Facilities & Maintenance Fund had \$77,012 in revenues and \$46,899 in expenditures. The Classroom Facilities & Maintenance Fund balance increased \$30,113 from the prior fiscal year.
- The revenue generated from the Bond Retirement Fund is used to pay for the current portion of bonded debt.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a financial whole, or as an entire operating entity. The statement of net position and the statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds, with all other non-major funds presented in total in a single column. For the District, the General Fund is by far the most significant fund. The General Fund, the Bond Retirement Fund, the Food Service Fund, and Classroom Facilities & Maintenance Fund are the four major funds.

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities - The statement of net position and the statement of activities, both reported on the cash basis, reflect how the District did financially during fiscal year 2013. These statements are reported on the cash basis of accounting, which reflects receipts and disbursements when cash is received or paid.

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013
UNAUDITED

REPORTING THE DISTRICT AS A WHOLE (continued)

These statements report the District's net position and changes in those assets. This change in net position is important because it tells the reader whether the financial position of the District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the cash basis statement of net position and the statement of activities, the District discloses a single type of activity:

- **Governmental Activities** – All of the District's programs and services are reported here including instruction, support services, non-instructional services, and extracurricular activities. These services are primarily funded by property tax revenues and from intergovernmental revenues, including federal and state grants and other shared revenues.

REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds. While the District uses many funds to account for its multitude of financial transactions, the fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund, the Bond Retirement Fund, the Food Service Fund, and the Classroom Facilities & Maintenance Fund. While the District uses many funds to account for its financial transactions, these funds are the most significant.

Governmental Funds - Most of the District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using the cash basis of accounting. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the District's programs. These funds use the cash basis of accounting.

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013
UNAUDITED**

THE DISTRICT AS A WHOLE

Table 1 provides a summary of the District's net position for fiscal year 2013 compared to fiscal year 2012.

**Table 1
Net Position**

	Governmental Activities	
	2013	2012
Assets:-		
Current and other assets	\$ 1,752,468	\$ 1,391,912
Net position:-		
Restricted	\$ 1,083,025	\$ 1,044,407
Unrestricted	669,443	347,505
Total	\$ 1,752,468	\$ 1,391,912

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013
UNAUDITED**

THE DISTRICT AS A WHOLE (continued)

Table 2 reflects the changes in net position for fiscal year 2013 compared to fiscal year 2012.

**Table 2
Change in Net Position**

	Governmental Activities	
	2013	2012
Revenues		
Program:-		
Charges for services and sales	\$ 883,130	\$ 832,130
Operating grants, contributions and interest	713,606	511,009
Total program revenues	<u>1,596,736</u>	<u>1,343,139</u>
General revenues:-		
Property taxes	2,495,891	2,413,103
Income taxes	1,179,447	1,178,397
Grants and entitlements	5,949,464	6,040,718
Interest	5,212	2,959
Gifts and donations	100	100
Loan proceeds	0	3,439,998
Miscellaneous	123,153	47,070
Proceeds from capital assets	1,567	0
Insurance recoveries	6,123	0
Refund of prior year expenditures	920	50
Total general revenues	<u>9,761,877</u>	<u>13,122,395</u>
Total revenues	<u>11,358,613</u>	<u>14,465,534</u>
Expenses		
Instructions	6,233,104	5,991,315
Support services:-		
Pupils	216,910	228,556
Instructional staff	318,518	281,197
Board of Education	58,495	110,609
Administration	740,506	722,457
Fiscal	285,975	277,180
Business	35,026	34,974
Operation and maintenance of plant	1,076,143	1,003,778
Pupil transportation	729,103	727,423
Central	61,277	58,701
Non-instructional	375,459	354,172
Extracurricular activities	406,641	399,769
Capital outlay	0	5,000
Principal	174,879	3,801,526
Interest and fiscal charges	286,021	135,522
Refund of prior year receipts	0	17,092
Total expenses	<u>10,998,057</u>	<u>14,149,271</u>
Increase in net position	<u>\$ 360,556</u>	<u>\$ 316,263</u>

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013
UNAUDITED**

THE DISTRICT AS A WHOLE (continued)

Governmental Activities

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted state entitlements.

	Total and Net Cost of Program Services Governmental Activities			
	2013		2012	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 6,233,104	\$ 5,288,363	\$ 5,991,315	\$ 5,301,004
Support services;-				
Pupils	216,910	209,710	228,556	211,356
Instructional staff	318,518	279,887	281,197	247,914
Board of education	58,495	58,495	110,609	110,609
Administration	740,506	740,506	722,457	722,457
Fiscal	285,975	285,975	277,180	277,180
Business	35,026	35,026	34,974	34,974
Operation and maintenance of plant	1,076,143	1,043,567	1,003,778	971,202
Pupil transportation	729,103	729,103	727,423	727,423
Central	61,277	61,277	58,701	58,701
Non-instructional	375,459	(41,182)	354,172	(58,981)
Extracurricular activities	406,641	249,694	399,769	243,153
Capital outlay	0	0	5,000	5,000
Principal	174,879	174,879	3,801,526	361,528
Interest and fiscal charges	286,021	286,021	135,522	135,522
Refund of prior year receipts	0	0	17,092	17,092
Total expenses	\$ 10,998,057	\$ 9,401,321	\$ 14,149,271	\$ 9,366,134

The dependence upon tax revenues and unrestricted state entitlements for governmental activities is apparent. Over 84 percent of instruction activities are supported through taxes and other general revenues. For all governmental activities, support from general revenues is 85 percent. The remaining 15 percent is derived from tuition and fees, specific grants, and donations.

The District's Funds

The District's governmental funds are accounted for using the cash basis of accounting. The District's major governmental funds are the General Fund, the Bond Retirement Fund, the Food Service Fund, and the Classroom Facilities & Maintenance Fund. Total governmental funds had revenues and other financing sources of \$11,389,602 and expenditures and other financing uses of \$11,029,046. The net positive change of \$360,556 in fund balance for the year indicates that the District was able to meet current costs.

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013
UNAUDITED**

THE DISTRICT AS A WHOLE (continued)

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2013, the District amended its General Fund budget as needed.

Final expenditures were budgeted at \$10,138,521, while actual expenditures were \$9,630,564. The \$507,957 difference is primarily due to not budgeting for the gross up of loan proceeds. The District under-appropriated expenditures during this fiscal year.

Debt Administration

Under the cash basis of accounting, the School District does not report bonds or capital leases in the accompanying cash basis financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information about bonds and other debt. At June 30, 2013, the School District had \$3,422,991 in outstanding debt.

**Table 4
Outstanding Debt, at Year End**

	Governmental Activities	
	2013	2012
2011 Refunded bonds		
General obligation bonds	\$ 199,999	\$ 199,999
Capital appreciation bonds	3,105,000	3,155,000
2001 Capital appreciation bonds	89,768	187,998
Bus loan	28,224	\$ 54,873
Total	\$ 3,422,991	\$ 3,597,870

For further information regarding the District's debt, see the notes to the basic financial statements.

Current Issues

The District is holding its own in the state of a declining economy and uncertainty in State funding. The District's territory encompasses the villages of Mt Blanchard, Forest, Patterson and Wharton, and Delaware and Richland Townships, 98% of Jackson Township and smaller portions of 10 other townships in Northwest Ohio. It has a number of small businesses with agriculture being a major source of employment and income in the District.

The District is currently operating in the second year of the state biennium budget. 41% of District revenue sources are from local funds and 59% is from state and federal funds. The total expenditure per pupil was calculated at \$9,173.

Over the past several years, the District has remained in a good financial position. In November 2009, the District passed a five-year renewal levy of 6.9 mills to generate \$559,650 annually. In May 2010, the District renewed a three-year 1% school district income tax levy to generate \$840,555 annually. These levies provide a source of funds for the financial operations and stability of the District. However, future finances are not without challenges as our community changes and state funding is revised. Some of these challenges are in the future of state funding for schools in light of the DeRolph court case and the long term effects of public utility deregulation, as well as the reduction of personal property for business inventory.

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013
UNAUDITED**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Joeline Ribley, Treasurer, Riverdale Local School District, 20613 SR 37, Mt. Blanchard, Ohio 45867.

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2013

	<u>Governmental Activities</u>
ASSETS:-	
Equity in pooled cash and cash equivalents	\$ <u>1,752,468</u>
Total assets	\$ <u><u>1,752,468</u></u>
NET POSITION:-	
Restricted for debt service	\$ 618,427
Restricted for capital outlay	142
Restricted for other purposes	464,456
Unrestricted	<u>669,443</u>
Total net position	\$ <u><u>1,752,468</u></u>

See Accompanying Notes to the Basic Financial Statements

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2013

	Program Revenues			Net(Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES:-				
Instruction:-				
Regular	\$ 4,123,192	\$ 528,274	\$ 27,872	\$ (3,567,046)
Special	1,225,790	0	312,710	(913,080)
Vocational	143,303	0	75,885	(67,418)
Student Intervention Services	7,793	0	0	(7,793)
Other	733,026	0	0	(733,026)
Support services:-				
Pupils	216,910	0	7,200	(209,710)
Instructional staff	318,518	0	38,631	(279,887)
Board of education	58,495	0	0	(58,495)
Administration	740,506	0	0	(740,506)
Fiscal	285,975	0	0	(285,975)
Business	35,026	0	0	(35,026)
Operation and maintenance of plant	1,076,143	0	32,576	(1,043,567)
Pupil transportation	729,103	0	0	(729,103)
Central	61,277	0	0	(61,277)
Operation of non-instructional services	375,459	197,909	218,732	41,182
Extracurricular activities	406,641	156,947	0	(249,694)
Capital outlay	0	0	0	0
Debt service:-				
Principal	174,879	0	0	(174,879)
Interest and fiscal charges	286,021	0	0	(286,021)
Refund of prior year receipts	0	0	0	0
Total governmental activities	\$ 10,998,057	\$ 883,130	\$ 713,606	(9,401,321)

GENERAL REVENUES:-

Property taxes levied for:-	
General purposes	2,063,831
Debt service	394,393
Other purposes	37,667
Income taxes	1,179,447
Grants and entitlements not restricted to specific programs	5,949,464
Gifts and donations	100
Investment earnings	5,212
Proceeds from refunding of bonds	0
Miscellaneous	123,153
Proceeds from sale of capital assets	1,567
Insurance recoveries	6,123
Refund of prior year expenditures	920
Total general revenues	9,761,877
Change in net position	360,556
Net position at beginning of year	1,391,912
Net position end of year	\$ 1,752,468

See Accompanying Notes to the Basic Financial Statements

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Bond Retirement Fund	Food Service Fund	Classroom Facilities & Maintenance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:-						
Current assets:-						
Equity in pooled cash and cash equivalents	\$ 669,443	\$ 0	\$ 0	\$ 0	\$ 142	\$ 669,585
Restricted assets:-						
Equity in pooled cash and cash equivalents	<u>0</u>	<u>618,427</u>	<u>186,689</u>	<u>215,976</u>	<u>61,791</u>	<u>1,082,883</u>
Total assets	<u>\$ 669,443</u>	<u>\$ 618,427</u>	<u>\$ 186,689</u>	<u>\$ 215,976</u>	<u>\$ 61,933</u>	<u>\$ 1,752,468</u>
Fund Balances:-						
Restricted	\$ 0	\$ 618,427	\$ 186,689	\$ 215,976	\$ 61,791	\$ 1,082,883
Assigned	147,652	0	0	0	142	147,794
Unassigned	<u>521,791</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>521,791</u>
Total fund balances	<u>\$ 669,443</u>	<u>\$ 618,427</u>	<u>\$ 186,689</u>	<u>\$ 215,976</u>	<u>\$ 61,933</u>	<u>\$ 1,752,468</u>

See Accompanying Notes to the Basic Financial Statements

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Bond Retirement Fund</u>	<u>Food Service Fund</u>	<u>Classroom Facilities & Maintenance Fund</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:-						
Property and other local taxes	\$ 2,063,831	\$ 394,393	\$ 0	\$ 37,667	\$ 0	\$ 2,495,891
Income tax	1,179,447	0	0	0	0	1,179,447
Intergovernmental	5,958,332	60,252	218,732	39,345	386,409	6,663,070
Interest	4,777	0	392	0	43	5,212
Tuition and fees	495,089	0	0	0	0	495,089
Rent	33,185	0	0	0	0	33,185
Extracurricular activities	35,719	0	0	0	121,228	156,947
Gifts and donations	100	0	0	0	0	100
Customer sales and services	0	0	195,476	0	2,433	197,909
Miscellaneous	123,153	0	0	0	0	123,153
Total revenues	<u>9,893,633</u>	<u>454,645</u>	<u>414,600</u>	<u>77,012</u>	<u>510,113</u>	<u>11,350,003</u>
EXPENDITURES:-						
Current:-						
Instruction:-						
Regular	4,093,705	0	0	0	29,487	4,123,192
Special	913,462	0	0	0	312,328	1,225,790
Vocational	143,303	0	0	0	0	143,303
Student intervention services	7,793	0	0	0	0	7,793
Other	733,026	0	0	0	0	733,026
Support services:-						
Pupils	209,640	0	0	0	7,270	216,910
Instructional staff	262,946	0	0	0	55,572	318,518
Board of education	58,495	0	0	0	0	58,495
Administration	735,372	0	0	0	5,134	740,506
Fiscal	274,050	10,889	0	1,036	0	285,975
Business	35,026	0	0	0	0	35,026
Operation and maintenance of plant	1,029,901	0	0	45,863	379	1,076,143
Pupil transportation	729,103	0	0	0	0	729,103
Central	61,277	0	0	0	0	61,277
Operation of non-instructional services	0	0	374,459	0	1,000	375,459
Extracurricular activities	284,565	0	0	0	122,076	406,641
Capital outlay	0	0	0	0	0	0
Debt service:-						
Principal	0	174,879	0	0	0	174,879
Interest	0	286,021	0	0	0	286,021
Total expenditures	<u>9,571,664</u>	<u>471,789</u>	<u>374,459</u>	<u>46,899</u>	<u>533,246</u>	<u>10,998,057</u>
Excess of revenues over (under) expenditures	<u>321,969</u>	<u>(17,144)</u>	<u>40,141</u>	<u>30,113</u>	<u>(23,133)</u>	<u>351,946</u>
OTHER FINANCING SOURCES (USES):-						
Proceeds of refunding of bonds	0	0	0	0	0	0
Transfers in	0	28,354	0	0	0	28,354
Advances in	0	0	0	0	2,635	2,635
Proceeds from sale of capital assets	1,567	0	0	0	0	1,567
Insurance recoveries	6,123	0	0	0	0	6,123
Refund of prior year expenditures	920	0	0	0	0	920
Transfers out	(28,354)	0	0	0	0	(28,354)
Advances out	(2,635)	0	0	0	0	(2,635)
Refund of prior year receipts	0	0	0	0	0	0
Total other financing sources and uses	<u>(22,379)</u>	<u>28,354</u>	<u>0</u>	<u>0</u>	<u>2,635</u>	<u>8,610</u>
Net change in fund balances	299,590	11,210	40,141	30,113	(20,498)	360,556
Fund balance at beginning of year	369,853	607,217	146,548	185,863	82,431	1,391,912
Fund balance at end of year	<u>\$ 669,443</u>	<u>\$ 618,427</u>	<u>\$ 186,689</u>	<u>\$ 215,976</u>	<u>\$ 61,933</u>	<u>\$ 1,752,468</u>

See Accompanying Notes to the Basic Financial Statements

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL- BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:-				
Property and other local taxes	\$ 1,981,221	\$ 2,063,831	\$ 2,063,831	\$ 0
Income tax	1,178,397	1,179,447	1,179,447	0
Intergovernmental	6,037,540	5,958,332	5,958,332	0
Interest	2,441	4,777	4,777	0
Tuition and fees	418,165	460,743	460,743	0
Rent	10,635	33,185	33,185	0
Extracurricular activities	0	0	0	0
Gifts and donations	0	0	0	0
Miscellaneous	20,112	95,904	95,904	0
Total revenues	<u>9,648,511</u>	<u>9,796,219</u>	<u>9,796,219</u>	<u>0</u>
EXPENDITURES:-				
Current:-				
Instruction:-				
Regular	4,119,952	4,095,280	4,038,295	56,985
Special	652,570	966,983	940,591	26,392
Vocational	171,010	146,998	143,303	3,695
Student intervention services	12,675	16,675	7,793	8,882
Other	747,000	734,261	733,026	1,235
Support services:-				
Pupils	216,326	234,422	209,640	24,782
Instructional staff	269,666	271,666	262,946	8,720
Board of education	78,481	97,654	58,735	38,919
Administration	754,718	791,007	738,260	52,747
Fiscal	291,070	308,997	284,418	24,579
Business	37,200	39,405	35,026	4,379
Operation and maintenance of plant	1,051,132	1,230,253	1,084,377	145,876
Pupil transportation	693,621	806,252	736,184	70,068
Central	64,351	66,851	61,277	5,574
Extracurricular activities	294,155	262,160	244,128	18,032
Total expenditures	<u>9,453,927</u>	<u>10,068,864</u>	<u>9,577,999</u>	<u>490,865</u>
Excess of revenues over (under) expenditures	<u>194,584</u>	<u>(272,645)</u>	<u>218,220</u>	<u>490,865</u>
Other Financing Sources and Uses:-				
Proceeds from sale of capital assets	0	1,567	1,567	0
Insurance recoveries	0	6,123	6,123	0
Advances in	0	0	0	0
Refund of prior year expenditures	50	920	920	0
Transfers out	(33,354)	(49,756)	(49,756)	0
Advances out	0	(2,809)	(2,809)	0
Refund of prior year receipts	(17,092)	(17,092)	0	17,092
Total other financing sources and (uses)	<u>(50,396)</u>	<u>(61,047)</u>	<u>(43,955)</u>	<u>17,092</u>
Net change in fund balances	144,188	(333,692)	174,265	507,957
Fund balance at beginning of year	334,799	334,799	334,799	0
Prior year encumbrances appropriated	<u>35,050</u>	<u>35,050</u>	<u>35,050</u>	<u>0</u>
Fund balance at end of year	<u>\$ 514,037</u>	<u>\$ 36,157</u>	<u>\$ 544,114</u>	<u>\$ 507,957</u>

See Accompanying Notes to the Basic Financial Statements

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL- BUDGET BASIS
FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:-				
Intergovernmental	\$ 180,468	\$ 218,732	\$ 218,732	\$ 0
Interest	186	392	392	0
Customer sales and services	<u>210,056</u>	<u>195,476</u>	<u>195,476</u>	<u>0</u>
Total revenues	<u>390,710</u>	<u>414,600</u>	<u>414,600</u>	<u>0</u>
EXPENDITURES:-				
Current;-				
Instruction;-				
Operation of non-instructional services	<u>355,091</u>	<u>437,998</u>	<u>421,416</u>	<u>16,582</u>
Total expenditures	<u>355,091</u>	<u>437,998</u>	<u>421,416</u>	<u>16,582</u>
Net change in fund balances	35,619	(23,398)	(6,816)	16,582
Fund balance at beginning of year	146,548	146,548	146,548	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u>\$ 182,167</u>	<u>\$ 123,150</u>	<u>\$ 139,732</u>	<u>\$ 16,582</u>

See Accompanying Notes to the Basic Financial Statements

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS
CLASSROOM FACILITIES & MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:-				
Property and other local taxes	\$ 0	\$ 37,667	\$ 37,667	\$ 0
Intergovernmental	<u>0</u>	<u>39,345</u>	<u>39,345</u>	<u>0</u>
Total revenues	<u>0</u>	<u>77,012</u>	<u>77,012</u>	<u>0</u>
EXPENDITURES:-				
Current:-				
Support services:-				
Fiscal	1,100	1,100	1,036	64
Operation and maintenance of plant	<u>0</u>	<u>141,928</u>	<u>96,465</u>	<u>45,463</u>
Total expenditures	<u>1,100</u>	<u>143,028</u>	<u>97,501</u>	<u>45,527</u>
Excess of revenues over (under) expenditures	<u>(1,100)</u>	<u>(66,016)</u>	<u>(20,489)</u>	<u>45,527</u>
Net change in fund balances	(1,100)	(66,016)	(20,489)	45,527
Fund balance at beginning of year	185,863	185,863	185,863	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance at end of year	<u>\$ 184,763</u>	<u>\$ 119,847</u>	<u>\$ 165,374</u>	<u>\$ 45,527</u>

See Accompanying Notes to the Basic Financial Statements

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Private Purpose Trust</u>	<u>Agency Fund</u>
ASSETS:-		
Current assets:-		
Equity in pooled cash and cash equivalents	\$ 0	\$ 89,581
Investments	<u>20,000</u>	<u>0</u>
Total assets	<u>20,000</u>	<u>89,581</u>
LIABILITIES:-		
Current liabilities:-		
Undistributed monies	<u>0</u>	<u>89,581</u>
Total liabilities	<u>0</u>	<u>89,581</u>
NET POSITION:-		
Held in trust for scholarships	<u>20,000</u>	<u>0</u>
Total net position	<u>\$ 20,000</u>	<u>\$ 0</u>

See Accompanying Notes to the Basic Financial Statements

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Private Purpose Trust
ADDITIONS:-	
Interest	\$ <u>500</u>
Total additions	<u>500</u>
DEDUCTIONS:-	
Payments in accordance with trust agreements	<u>500</u>
Total deductions	<u>500</u>
Change in net position	0
Net position beginning of year	20,000
Net position end of year	\$ <u><u>20,000</u></u>

See Accompanying Notes to the Basic Financial Statements

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:-

Riverdale Local School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Riverdale Local School District is a city school district as defined by §3311.22 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The Board oversees the operations of the District's seven instructional/support facilities staffed by 41 non-certified and 77 certified full-time teaching personnel who provide services to 1,003 students and other community members.

A. The Reporting Entity

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District does not have any component units.

The School District participates in two jointly governed organizations, two group purchasing pools, and has one related organization. These organizations are the Western Ohio Computer Organization; the Millstream Cooperative Vocational Career Center; the Ohio School Boards Association Workers' Compensation Group Rating Plan; Hancock County School Employees' Health and Welfare Benefit Plan and Trust; and the Forest-Jackson Public Library. These organizations are presented in Notes 14, 15, and 16 to the financial statements

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

These financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

Following are the more significant of the District's accounting policies.

A. Basis of Accounting

Although required by Ohio Administrative Code Sections 117-2-03(B) to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP), the School District chooses to prepare its financial statements and notes in accordance with the cash basis of accounting. The school district recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

B. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net position presents the financial condition of the governmental activities of the District at fiscal year end. The statement of activities presents a comparison between direct cash disbursements and program cash receipts for each program or function of the District's governmental activities. Direct cash disbursements are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program cash receipts include charges paid by the recipient of the goods or services offered by the program and grants, contributions, and interest that are restricted to meeting the operational or capital requirements of a particular program. Cash receipts, which are not classified as program cash receipts, are presented as general cash receipts of the District, with certain limited exceptions. The comparison of direct cash disbursements with program cash receipts identifies the extent to which each governmental function is self-financing or draws from the general cash receipts of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental and fiduciary.

Major Funds

A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- A. Total assets, receipts, or disbursements of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

- B. Total assets, receipts, or disbursements of that individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The funds of the financial reporting entity are described below:

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

Bond Retirement Fund - The Bond Retirement Fund is used to account for property tax revenues to pay the principal and related interest on the school improvement bonds.

Food Service Fund - The Bond Retirement Fund is used to account for property tax revenues to pay the principal and related interest on the school improvement bonds.

Classroom Facilities & Maintenance Fund - The Classroom Facilities & Maintenance Fund is used to account for revenues and expenditures related to facility improvements and maintenance.

The other governmental funds of the District account for grants and other resources, and capital projects of the District whose uses are restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust funds are two private purpose trusts, which account for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Monies are due to students for activities they have participated in.

C. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The primary level of budgetary control is at the object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

D. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Interest in the pool is presented as “equity in pooled cash and cash equivalents” on the financial statements.

As authorized by Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. During fiscal year 2013, interest revenue credited to the General Fund was \$4,777 and \$435 to various other funds.

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

E. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributor’s grantors, or laws of other government or imposed by enabling legislation.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

G. Compensated-Absences

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the modified cash basis of accounting used by the District.

H. Long-Term Obligations

These cash basis financial statements do not report liabilities for bonds and other long-term obligations. These statements report proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

I. Interfund Transactions

Transfers within governmental activities are eliminated on the government-wide financial statements.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

J. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

K. Net Position

Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service operations, music and athletic programs, and federal and state grants restricted to cash disbursement for specified purposes.

The District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net position is available.

L. Fund Balance

Fund Balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon use of the resources in governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:- (continued)

Assigned - Amounts in the assigned classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

NOTE 3 - COMPLIANCE:-

Ohio Administrative Code, Section 117-2-03 (B), requires the District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the District prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The District can be fined and various other administrative remedies may be taken against the District.

NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLE:-

For 2013, the District implemented Governmental Accounting Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the District's 2013 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING:-

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis).

The encumbrances outstanding at year end (budgetary basis) amounted to \$121,869.

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 6 - DEPOSITS AND INVESTMENTS:-

Monies held by the District are classified by State statute into three categories.

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

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

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

Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, 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 obligation or security 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 agreement be at least two percent and to 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 or Ohio local governments;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made 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 and 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 certain circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 6 - 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. Investments may only be made through specified dealers and institutions. Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer, or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits - Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of District cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At fiscal year end, the carrying amount of the District's deposits was \$1,862,049 and the bank balance was \$1,894,288. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,644,288 was uninsured. Although the securities serving as collateral were held by the pledging financial institution's trust department in the District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the Federal District Insurance Corporation.

Investments - During the fiscal year, the District had no investments.

NOTE 7 - PROPERTY TAXES:-

Tangible personal property tax revenues received in calendar year 2012 (other than public utility property) represent the collection of calendar year 2013 taxes levied against local and inter-exchange telephone companies.

Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures in not longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2012 were levied after October 1, 2012, on the value as of December 31, 2011. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone, and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar year 2006-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 7 - PROPERTY TAXES:- (continued)

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

The District receives property taxes from Hardin, Wyandot, and Hancock Counties. The County Auditors periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The assessed values upon which the fiscal year 2013 taxes were collected are:

	2012 Second		2013 First	
	Half Collections		Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 107,561,300	97%	\$ 107,985,520	97%
Public utility personal	<u>3,703,970</u>	<u>3%</u>	<u>3,865,720</u>	<u>3%</u>
Total assessed value	<u>\$ 111,265,270</u>	<u>100.00%</u>	<u>\$ 111,851,240</u>	<u>100.00%</u>

NOTE 8 - INCOME TAX:-

The District levies a voted tax of 1.0 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2005, and will continue for three years. This tax was subsequently renewed by voters in November 2008 for an additional three years. 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 District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

NOTE 9 - RISK MANAGEMENT:-

Hardin County School Employees' Health and Welfare Benefit Plan and Trust

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

Phelan Insurance Agency, Inc. Ohio Casualty Insurance

The 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 2013, the District contracted for the following insurance coverages:

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 9 - RISK MANAGEMENT:- (continued)

Coverage's provided by Phelan Insurance Agency, Inc. are as follows:

<u>Type of Coverage</u>	<u>Deductible</u>	<u>Liability Limit</u>
Building and contents- replacement cost	\$ 2,500	\$ 48,573,092
Inland marine:		
Computer equipment	500	1,021,507
Musical instruments	500	134,237
Uniforms	500	3,416
Scheduled equipment	500	124,514
Crime:		
Public employee dishonesty	500	50,000
Theft, disappearance and destruction	500	10,000
Automobile:		
Liability	500	1,000,000
Uninsured mortorists	500	1,000,000
General liability:		
Per occurrence		1,000,000
Aggregate		2,000,000
Excess liability:		
Per occurrence		5,000,000
Aggregate		5,000,000
Employee benefits liability:		
Per occurrence		1,000,000
Aggregate		1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years.

Ohio School Boards Association Workers' Compensation Group Rating Program

For fiscal year 2013, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 15). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will 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 school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 10 - DEFINED PENSION BENEFIT PLANS:-

School Employee Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, by calling (800) 878-5853, or by visiting the SERS website at www.ohsers.org, under Forms and Publications.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2012, 11.81 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$199,064, \$192,644, and \$192,607, respectively; 52 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

State Teachers Retirement System

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 10 - DEFINED PENSION BENEFIT PLANS:- (continued)

Funding Policy - For the fiscal year ended June 30, 2013, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2012, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011 were \$577,567, \$605,918, and \$579,334, respectively; 84 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

NOTE 11 - POSTEMPLOYMENT BENEFITS:-

School Employee Retirement System

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

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2013, .16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2013, this amount was \$20,525.

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

The District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$2,275, \$19,677, and \$6,933, respectively; 52 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2013, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$10,528, \$10,458, and \$11,454, respectively; 52 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 11 - POSTEMPLOYMENT BENEFITS:- (continued)

State Teachers Retirement System

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

Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$43,280, \$41,255, and \$44,564, respectively; 84 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

NOTE 12 - COMPENSATED ABSENCES:-

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators 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. Sick leave may be accumulated up to a maximum of 215 days for all personnel. Upon retirement, payment is made for 30 percent of accrued, but unused sick leave credit to a maximum of 65 days for classified employees and 65 days for certified employees. If an employee retires at their earliest legal opportunity, an additional 10 days will be added to their maximum days of severance pay.

NOTE 13 - LONG-TERM OBLIGATIONS:-

During the year ended June 30, 2013, the following changes occurred in obligations reported in the Government-Wide Financial Statements:

	Restated Balance Outstanding 06/30/12	Additions	Reductions	Balance Outstanding 6/30/13	Amounts Due in One Year
2011 Refunding bonds					
Current interest bonds	\$ 3,155,000	\$ 0	\$ 50,000	\$ 3,105,000	\$ 0
Capital appreciation bonds	199,999	0	0	199,999	25,014
2001 Capital appreciation bond	187,998	0	98,230	89,768	89,768
School bus commercial loan	54,873	0	26,649	28,224	28,224
	<u>\$ 3,597,870</u>	<u>\$ 0</u>	<u>\$ 174,879</u>	<u>\$ 3,422,991</u>	<u>\$ 143,006</u>

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 13 - LONG-TERM OBLIGATIONS:- (continued)

June 30, 2012 outstanding balances were restated above to properly breakout and report the 2011 refunding bonds and the 2011 capital appreciation bonds.

General Obligation Bonds - On June 1, 2002, Riverdale Local School District issued \$5,952,998 in voted general obligation bonds for school improvements. The bonds were issued for a twenty-three year period with final maturity at December 1, 2024 with an interest rate of 4.9525 percent. The bonds will be retired from the Bond Retirement Debt Service Fund.

During 2001, the District issued \$5,952,998 in voted general obligation bonds for school improvements. The bonds were issued for a twenty three year period with final maturity at December 1, 2024. The bonds consisted of \$2,325,000 in current interest serial bonds, \$3,440,000 in current interest term bonds, and \$187,998 in capital appreciation bonds. The capital appreciation bonds will mature in 2012 and 2013. The bonds will be retired from the Bond Retirement Debt Service Fund.

The capital appreciation bonds, issued at \$187,998, are not subject to prior redemption. The maturity amount of the capital appreciation bonds is \$550,000.

On March 23, 2011, the District issued refunding bonds to retire building bonds issued in 2001 with the exception of the capital appreciation bonds. The refunding bonds consisted of \$3,240,000 in current interest bonds and \$199,999 in capital appreciation bonds. The interest bonds were issued for a thirteen year period with a final maturity in December 2022. The capital appreciation bonds will mature in 2013, 2014, and 2015. The bonds will be retired from the Bond Retirement Debt Service Fund.

The capital appreciation bonds, issued at \$199,999, are not subject to prior redemption. The maturity amount of the capital appreciation binds is \$540,000.

School Bus Commercial Loan - On June 8, 2011, Riverdale Local School District issued \$80,628 in voted loan obligations for the purchase of a 2012 Model 84 passenger school bus from Cardinal Bus. The loan was issued for a thirty-six month period with final maturity at June 8, 2014 with an interest rate of 3.500 percent. The loan will be retired from the General Debt Service Fund.

Principal and interest requirements to retire general obligation debt, including notes outstanding at June 30, 2013, are as follows:

Year Ending June 30,	Current Interest Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 0	\$ 107,046	\$ 114,782	\$ 210,218
2015	0	107,046	125,671	199,329
2016	165,000	104,984	49,314	115,686
2017	330,000	98,384	0	0
2018	340,000	88,746	0	0
2019-2023	1,870,000	260,563	0	0
2024-2028	400,000	8,000	0	0
Totals	\$ 3,105,000	\$ 774,769	\$ 289,767	\$ 525,233

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 13 - LONG-TERM OBLIGATIONS:- (continued)

Principal and interest requirements to retire commercial loan debt, outstanding at June 30, 2013, are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 28,224	\$ 531	\$ 28,755

NOTE 14 - SET-ASIDE CALCULATIONS AND FUND RESERVES:-

The District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set-aside amounts for capital acquisition. Disclosure of this information is required by State statute.

	Capital Acquisition
Set-aside cash balance as of June 30, 2012	\$ 0
Current year set-aside requirement	168,223
Current year receipts	(77,011)
Qualifying disbursements	(157,277)
Set -aside balance carried forward to future fiscal years	\$ (66,065)
Cash balance carried forward to FY 2014	\$ 0

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS:-

Western Ohio Computer Organization - The District is a participant in the Western Ohio Computer Organization (WOCO), which is a computer consortium. WOCO is an association of various public school districts within the boundaries of Auglaize, Champaign, Hancock, Logan, Shelby, and Miami 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 WOCO is governed by a board of directors consisting of the superintendents of the member school districts and the degree of control is limited to the representation on the board. Financial information can be obtained from Sharon Waldsmith, who serves as the Fiscal Agent, at 129 East Court Street, 4th Floor, Sidney, Ohio 45365.

Millstream Cooperative Vocational Career Center - The Millstream Cooperative Vocational Career Center (the Career Center) is a distinct political subdivision of the State of Ohio established under Section 3313.90 of the Ohio Revised Code. The Career Center provides vocational instruction to students. The Career Center operates under the direction of an Advisory Council consisting of the superintendent of each participating school district and one additional representative appointed by the Findlay City School District. The Treasurers from Hancock and Putnam County Educational Service Centers serve as an ex-officio capacity for all meetings. Financial information can be obtained from Findlay City School District, Pam Barber, who serves as Treasurer, at 227 South West Street, Findlay, Ohio 45840-3377.

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 16 - GROUP PURCHASING POOLS:-

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

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers'

compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will 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 school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

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, Ohio Bank, concerning aspects 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 services as Director, at 220 East Columbus Street, P.O. Box 735, Kenton, Ohio 44326.

NOTE 17 - RELATED ORGANIZATIONS:-

Forest-Jackson Public Library - The Forest-Jackson 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 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 District for operational subsidies. Although the 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 Forest-Jackson Public Library, Karen Moore, Clerk/Treasurer, at 122 East Lima Street, Forest, Ohio 45843.

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

NOTE 18 - CONTINGENCIES:-

Grants - The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the 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 District at June 30, 2013.

Litigation - There are currently no matters in litigation with the District as defendant.

School/Community School Contingency - The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2013, if applicable, cannot be determined at this time.

NOTE 19 - INTERFUND TRANSFERS AND ADVANCES:-

During fiscal year 2013, the following transfers and advances were made:

Fund	Transfers Out	Transfers In
General Fund	\$ 49,756	\$ 0
Bond Retirement Fund	0	28,354
Uniform School Supplies	0	21,402
Total	\$ 49,756	\$ 49,756
	Advances Out	Advances In
Student Managed Activity Fund	\$ 0	\$ 174
DM Student Activity Fund	0	2,635
General Fund	2,809	0
Total	\$ 2,809	\$ 2,809

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 20 - FUND BALANCE:-

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<u>Fund Balance</u>	<u>General</u>	<u>Bond Retirement</u>	<u>Food Service Operations</u>	<u>Classroom Maintenance</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
Restricted for:						
Textbooks and capital improvements	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,933	\$ 28,933
Regular instruction	0	0	0	0	10,352	10,352
Special instruction	0	0	0	0	22,506	22,506
Athletics	0	0	0	0	0	0
Food service operations	0	0	186,689	0	0	186,689
Facilities maintenance	0	0	0	215,976	0	215,976
Debt retirement	0	618,427	0	0	0	618,427
Building construction	0	0	0	0	0	0
Total restricted	0	618,427	186,689	215,976	61,791	1,082,883
Assigned for:						
Permanent improvement	0	0	0	0	142	142
Educational activities	25,783	0	0	0	0	25,783
Unpaid obligations (encumbrances)	121,869	0	0	0	0	121,869
Total assigned	147,652	0	0	0	142	147,794
Unassigned	521,791	0	0	0	0	521,791
Total fund balance	\$ 669,443	\$ 618,427	\$ 186,689	\$ 215,976	\$ 61,933	\$ 1,752,468

NOTE 21 - SUBSEQUENT EVENTS:-

Management has evaluated subsequent events as of January 29, 2014, the date of the auditor's report.

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2013

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS THROUGH GRANT NUMBER</u>	<u>RECEIPTS</u>	<u>DISBURSE- MENTS</u>
<u>U.S. DEPARTMENT OF AGRICULTURE:-</u>				
Pass-Through Ohio Department of Education				
Child Nutrition Cluster:				
National School Lunch Program	10.555	N/A	214,564	214,564
Total Child Nutrition Cluster			214,564	214,564
Total U.S. Department of Agriculture			214,564	214,564
<u>U.S. DEPARTMENT OF EDUCATION:-</u>				
Pass-Through Ohio Department of Education				
Title I Cluster				
Title I Grants to Local Education Agencies	84.010	2011	0	516
Title I Grants to Local Education Agencies	84.010	2012	0	6,530
Title I Grants to Local Education Agencies	84.010	2013	131,307	127,644
Total Title I Grants to Local Educational Agencies			131,307	134,690
IDEA Part B	84.027	2013	181,403	181,403
Total IDEA Part B			181,403	181,403
Safe and Drug-Free Schools and Communities_State Grants	84.186	2012	0	60
Total Safe and Drug-Free Schools and Communities_State Grants			0	60
Improving Teacher Quality State Grants	84.367	2012	0	12,739
Improving Teacher Quality State Grants	84.367	2013	38,631	34,937
Total Improving Teacher Quality State Grants			38,631	47,676
Race to the Top Funds	84.395	2011	0	230
Race to the Top Funds	84.395	2012	0	4,316
Race to the Top Funds	84.395	2013	27,872	24,941
Total Race to the Top Funds			27,872	29,487
<u>U.S. DEPARTMENT OF EDUCATION:-</u>				
ED Jobs Fund	84.410	2011	0	7,893
Total Ed Jobs Fund			0	7,893
Total U.S. Department of Education			379,213	401,209
Total Federal Assistance			\$ 593,777	\$ 615,773

See accompanying notes to schedule of federal awards.

RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES:-

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") summarizes the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - FOOD DONATION PROGRAM:-

The district reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program(s) that benefitted from the use of those donated food commodities.



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

Riverdale Local School District
Hancock, County
20613 SR 37
Mt Blanchard, Ohio 45867

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States; *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverdale Local School District, Hancock County, Ohio, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 29, 2014, wherein we noted the District implemented Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position* and wherein we also noted the School District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

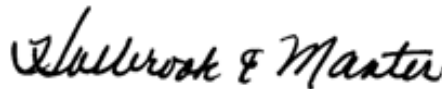
As part reasonably assuring whether Riverdale Local School District's financial statements are free of material misstatement, we tested of its compliance with certain provisions of laws, regulation, contracts and grant agreements, noncompliance with which could directly and materially affect the determination 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 an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-001.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated January 29, 2014.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Government's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Shullbrook & Mantel". The signature is written in a cursive, flowing style. It is positioned above a horizontal yellow line.

Certified Public Accountants

January 29, 2014



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Riverdale Local School District
Hancock, County
20613 State Route 37
Mt. Blanchard, Ohio 45867

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Riverdale Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could directly and materially affect the District's major federal programs for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Riverdale Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2013.

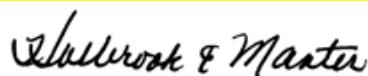
Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants

January 29, 2014

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any reported noncompliance at the financial statement level (GAGAS)?	Yes
Were there any material internal control weakness conditions reported for major federal programs?	No
Type of Major Programs' Compliance Opinion	Unqualified
Are there any reportable findings under §.510	No
Major Programs (list):	Title I CFDA# 84.010 IDEA Part B CFDA# 84.027
Dollar Threshold: Type A\B Programs	Type A> \$300,000 Type B: all others
Low Risk Auditee?	No

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Finding Number	2013-001
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Material Non-Compliance - GAAP Reporting

Ohio Rev. Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The auditor of state may prescribe forms by rule or may issue guidelines, or both, for such reports. If the auditor of state has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative code Section 117-2-03 further clarifies the requirements of Ohio Rev. Code Section 117.38.

Ohio Administrative Code Section 11-2-03(B) requires the District to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP). For fiscal year 2013, the District prepared financial statements that, although formatted similar to financial statements prescribed by Governmental Accounting standards Board Statement No. 34, report on the basis of cash receipts and cash disbursements, rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, fund equities, and disclosures, that while material, cannot be determined at this time. Pursuant to Ohio Rev. Code Section 117.38 the District may be fined and subject to various other administrative remedies for its failure to file the required financial report. Failure to report on a GAAP basis compromises the District's ability to evaluate and monitor the overall financial condition of the District.

We recommend the District prepare its financial statements on the GAAP basis of accounting.

Officials' Response

The School District acknowledges this requirement but will continue to report on the cash basis in order to save financial resources for the District.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.

**RIVERDALE LOCAL SCHOOL DISTRICT
HANCOCK COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2012-001	Material Non-Compliance- GAAP Reporting	No	Repeated as finding 2013-001.
2012-002	Noncompliance Citation - Expenditures Exceeding Appropriations	Yes	Finding No Longer Valid.



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURE

Riverdale Local School District
Hancock, County
20613 State Route 37
Mt. Blanchard, Ohio 45867

To the Board of Education:

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

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

1. We noted the Board amended its anti-harassment policy at its meeting on **November 12, 2012** to include prohibiting harassment, intimidation, or bullying of any student “on a school bus” or by an “electronic act”;

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

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

Holbrook & Manter

Certified Public Accountants

January 29, 2014

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Dave Yost • Auditor of State

RIVERDALE LOCAL SCHOOL DISTRICT

HANCOCK 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
JUNE 26, 2014**