



**Mary Taylor, CPA**  
Auditor of State



**RIVER VIEW LOCAL SCHOOL DISTRICT  
COSHOCTON COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets.....	11
Statement of Activities.....	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	13
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds.....	15
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual General Fund.....	17
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual Food Service Fund.....	18
Statement of Fund Net Assets – Proprietary Fund.....	19
Statement of Revenues, Expenditures and Changes in Net Assets Proprietary Fund.....	20
Statement of Cash Flows – Proprietary Fund.....	21
Statement of Fiduciary Net Assets – Fiduciary Funds.....	22
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	23
Notes to the Basic Financial Statements.....	25
Federal Awards Receipts and Expenditures Schedule.....	53
Notes to the Federal Awards Receipts and Expenditures Schedule.....	54
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	55
Independent Accountants' Report on Compliance with Requirements Applicable to Its Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.....	57
Schedule of Findings.....	59
Independent Accountant's Report on Applying Agreed-Upon Procedures.....	61

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

River View Local School District  
Coshocton County  
26496 State Route 60 N  
Warsaw, Ohio 43844

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the River View Local School District, Coshocton County, Ohio, (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the River View Local School District, Coshocton County, Ohio, as of June 30, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparisons for the General Fund and the Food Service Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2010, on our consideration of the 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The Federal Awards Receipts and Expenditures Schedule is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. We subjected the Federal Awards Receipts and Expenditures Schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

January 4, 2010

**River View Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*(Unaudited)*

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The discussion and analysis of the River View Local School District's ("the School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

***Financial Highlights***

Key financial highlights for 2009 are as follows:

- In total, net assets of governmental activities increased \$118,373.
- Revenues for governmental activities totaled \$21,550,109. Of this total, \$17,380,572 or approximately 81 percent consisted of general revenues while program revenues accounted for the balance of \$4,169,537 or approximately 19 percent.
- The assets of governmental activities decreased by \$188,988.
- The School District had \$21,431,736 in expenses related to governmental activities; only \$4,169,537 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and school foundation) of \$17,380,572 were adequate to provide for these programs.
- Program expenses totaled \$21,431,736. Instructional expenses made up \$12,205,587 or 57 percent of this total while support services accounted for \$7,673,660 or 36 percent. Other expenses, \$1,552,489 rounded out the remaining 7 percent.

***Using this Annual Financial Report***

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 River View Local School District as a whole entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets and Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next 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 School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of River View Local School District, the general fund is by far the most significant fund.

**River View Local School District**  
*Management's Discussion and Analysis (Continued)*  
*For the Fiscal Year Ended June 30, 2009*  
*(Unaudited)*

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***Reporting the School District as a Whole***

*Statement of Net Assets and the Statement of Activities*

While this document contains all the funds used by the School District to provide programs and activities, the views of the School District as a whole considers all financial transactions and asks the questions, "Are we in better financial position this year than last?" and "Why?" or "Why not?"

The *Statement of Net Assets* and the *Statement of Activities* answer these questions. These statements include *all assets* and *liabilities* using the *accrual basis of accounting*, similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets states to the readers whether or not the School District's financial situation has improved or declined. The causes of these changes may be the result of many factors, some financial, some not. A few of those variables may include the School District's property tax base, current property tax laws in Ohio which restricting revenue growth, facility conditions, required educational programs, and other factors.

In the *Statement of Net Assets* and the *Statement of Activities*, all of the School District's programs and services are reported as governmental activities including instruction, support services, operation of non-instructional services, operation of food service, extracurricular activities and interest and fiscal charges.

***Reporting the School District's Most Significant Funds***

*Fund Financial Statements*

The analysis of the School District's major funds begins on page 7. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, permanent improvement fund, and the food service fund.

**Governmental Funds** - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Proprietary Funds** - Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.



**River View Local School District**  
*Management's Discussion and Analysis (Continued)*  
*For the Fiscal Year Ended June 30, 2009*  
*(Unaudited)*

**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2009 compared to 2008:

**Table 1**  
**Net Assets**  
**Governmental Activities**

	2009	2008
<b>Assets</b>		
Current and Other Assets	\$ 16,729,532	\$ 17,097,030
Capital Assets	6,193,758	6,015,248
<i>Total Assets</i>	22,923,290	23,112,278
<b>Liabilities</b>		
Other Liabilities	10,232,396	10,439,334
Long-Term Liabilities		
Due Within One Year	151,437	178,474
Due in More Than One Year	2,296,107	2,369,493
<i>Total Liabilities</i>	12,679,940	12,987,301
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	4,666,354	4,318,059
Restricted For:		
Capital Outlay	2,414,619	2,237,295
Other Purposes	123,533	273,610
Unrestricted	3,038,844	3,296,013
<i>Total Net Assets</i>	\$ 10,243,350	\$ 10,124,977

Total assets decreased by \$188,988. The majority of this decrease can be attributed to a decrease in cash and investments due to expenditures exceeding revenues and a decrease in taxes receivable during the year.

Total liabilities decreased by \$307,361. The majority of the decrease was the result of a decrease in deferred revenue resulting from the phase out of tangible personal property.

Table 2 shows the changes in net assets for fiscal years 2009 and 2008. This table presents two fiscal years in side-by-side comparisons. This will enable the reader to draw further conclusion about the School District's financial status and possibly project future problems.

**River View Local School District**  
*Management's Discussion and Analysis (Continued)*  
*For the Fiscal Year Ended June 30, 2009*  
*(Unaudited)*

**Table 2**  
**Change in Net Assets**  
**Governmental Activities**

	2009	2008
<b>Revenues</b>		
<i>Program Revenues</i>		
Charges for Services	\$ 1,317,856	\$ 1,295,728
Operating Grants	2,553,875	2,997,965
Capital Grants	297,806	333,927
<i>Total Program Revenues</i>	<u>4,169,537</u>	<u>4,627,620</u>
<i>General Revenues</i>		
Property Taxes	7,783,125	8,220,504
Grants and Entitlements	9,327,054	9,564,056
Investment Earnings	142,834	274,909
Miscellaneous	127,559	238,299
<i>Total General Revenues</i>	<u>17,380,572</u>	<u>18,297,768</u>
<i>Total Revenues</i>	<u>21,550,109</u>	<u>22,925,388</u>
<b>Program Expenses</b>		
Instruction:		
Regular	9,458,704	9,019,188
Special	2,372,543	2,349,078
Vocational	374,340	367,480
Support Services:		
Pupils	830,421	798,275
Instructional Staff	1,000,991	1,018,933
Board of Education	63,619	47,337
Administration	1,566,086	1,408,223
Fiscal	580,780	603,781
Operation and Maintenance of Plant	1,721,056	1,919,816
Pupil Transportation	1,568,543	1,601,499
Central	342,164	372,754
Operation of Non-Instructional Services:		
Food Service Operations	1,027,585	999,251
Community Services	16,479	0
Extracurricular Activities	434,296	403,447
Interest and Fiscal Charges	74,129	102,423
<i>Total Program Expenses</i>	<u>21,431,736</u>	<u>21,011,485</u>
<i>Change in Net Assets</i>	118,373	1,913,903
<i>Net Assets Beginning of Year</i>	<u>10,124,977</u>	<u>8,211,074</u>
<i>Net Assets End of Year</i>	<u>\$ 10,243,350</u>	<u>\$ 10,124,977</u>

**River View Local School District**  
*Management's Discussion and Analysis (Continued)*  
*For the Fiscal Year Ended June 30, 2009*  
*(Unaudited)*

***Governmental Activities***

The School District has carefully planned its financial existence by forecasting its revenues and expenses over the next five years. Property taxes made up 36 percent of revenues for governmental activities for the School District in fiscal year 2009. Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating costs.

Instruction comprises 57 percent of governmental program expenses. Additional supporting services for pupils, staff and business operations encompassed an additional 36 percent. The remaining 7 percent of program expenses is used for other obligations of the School District such as non-instructional services, extracurricular activities and interest and fiscal charges.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Comparisons of 2009 to 2008 have been made in Table 3.

**Table 3**  
**Total and Net Cost of Program Services**  
**Governmental Activities**

	Total Cost of Service 2009	Total Cost of Service 2008	Net Cost of Service 2009	Net Cost of Service 2008
<b>Program Expenses</b>				
Instruction:				
Regular	\$ 9,458,704	\$ 9,019,188	\$ (8,607,398)	\$ (8,274,442)
Special	2,372,543	2,349,078	(1,309,709)	(1,059,680)
Vocational	374,340	367,480	(293,395)	(284,501)
Other	0	0	21,528	0
Support Services:				
Pupils	830,421	798,275	(733,531)	(634,980)
Instructional Staff	1,000,991	1,018,933	(523,823)	(517,453)
Board of Education	63,619	47,337	(63,619)	(47,337)
Administration	1,566,086	1,408,223	(1,514,525)	(1,224,967)
Fiscal	580,780	603,781	(580,780)	(603,781)
Operation and Maintenance of Plant	1,721,056	1,919,816	(1,500,931)	(1,670,507)
Pupil Transportation	1,568,543	1,601,499	(1,445,321)	(1,497,918)
Central	342,164	372,754	(272,653)	(303,978)
Operation of Non-Instructional Services:				
Food Service Operations	1,027,585	999,251	(114,557)	4,008
Community Services	16,479	0	(16,479)	0
Extracurricular Activities	434,296	403,447	(232,877)	(165,906)
Interest and Fiscal Charges	74,129	102,423	(74,129)	(102,423)
<b>Total</b>	<b>\$ 21,431,736</b>	<b>\$ 21,011,485</b>	<b>\$ (17,262,199)</b>	<b>\$ (16,383,865)</b>

**River View Local School District**  
*Management's Discussion and Analysis (Continued)*  
*For the Fiscal Year Ended June 30, 2009*  
*(Unaudited)*

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***Governmental Activities (Continued)***

The dependence upon tax revenue for governmental activities is apparent. 36 percent of expenses are directly supported by local property taxes. Program revenues only account for 19 percent of all governmental expenses. Program revenues include charges for services, grants and contributions that are program specific. The community is the second largest area of support for the River View Local School District students.

***The School District's Funds***

Information about the School District's major funds starts on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues, including other financing sources, of \$21,765,931 and expenditures, including other financing uses, of \$21,784,086. The net change in fund balance for the year was a decrease of \$18,155. The general fund balance decreased \$125,187. The food service fund balance decreased by \$59,659. The permanent improvement fund balance increased \$178,675 due to expenditures exceeding revenues for the year. The School District understands that it needs to continue to monitor expenditures to ensure that the School District's obligations will continue to be met.

***General Fund Budgeting Highlights***

The School 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 main operating fund of the School District, the general fund.

During the course of fiscal year 2009, the School District amended the general fund budget monthly. For the general fund, final budget basis revenue including other financing sources was \$18,522,978 representing a \$343,396 increase from the original budget estimates of \$18,179,582. Most of the difference is due to an underestimation of property tax revenue. Actual budget basis revenue of \$18,431,217 was \$91,761 less than final budget amounts of \$18,522,978, primarily due to property tax revenues being less than anticipated. The School District's general fund unencumbered cash balance at the end of the fiscal year was \$3,777,503.

Final appropriations of \$19,718,080 were \$1,713,320 over the original estimate of \$18,004,760. Actual budget basis expenditures of \$18,888,041 were \$830,039 less than final appropriations of \$19,718,080, as cost savings were recognized for all functions throughout the year.

For the other non-significant budget amendments, the School District uses a site-based style of budgeting and has in place systems that are designed to tightly control total site budgets but provide flexibility for site management.

***Capital Assets and Debt Administration***

**Capital Assets**

At the end of fiscal year 2009, the School District had \$6,193,759 invested in land, buildings and improvements, furniture and equipment and vehicles. Table 4 reflects fiscal year 2009 balances compared to 2008. See Note 8 for further detail on capital assets.

**River View Local School District**  
*Management's Discussion and Analysis (Continued)*  
*For the Fiscal Year Ended June 30, 2009*  
*(Unaudited)*

**Table 4**  
**Capital Assets at June 30**  
**Governmental Activities**

	2009	2008
Land	\$ 478,659	\$ 478,659
Buildings and Improvements	4,624,590	4,281,718
Furniture and Equipment	688,504	738,520
Vehicles	402,005	516,351
<i>Totals</i>	\$ 6,193,758	\$ 6,015,248

All capital assets, except land, are reported net of depreciation. The \$178,510 increase in capital assets was a result of capital asset additions exceeding annual depreciation.

Senate Bill 345 requires the School District to set aside \$166.65 per pupil of certain general fund revenues in each of two areas, one for the purchase of textbooks and materials related to instruction and the other for capital outlay. For fiscal year 2009, this amounted to \$372,245 for each set aside for River View Local School District. The School District has qualifying disbursements or offsets exceeding these requirements for capital improvements and textbooks. See Note 18 for further details on Set Asides.

**Debt**

At June 30, 2009, the School District had \$1,513,563 in bonds outstanding with \$137,597 due within one year. See note 14 for additional details. Table 5 summarizes bonds outstanding.

**Table 5**  
**Outstanding Debt, at June 30**  
**Governmental Activities**

	2009	2008
School Energy Conservation Improvement Bonds	\$ 1,513,563	\$ 1,651,160

***Current Financial Related Activities***

River View Local School District remains strong financially at June 30, 2009; however, the five-year forecast projects deficit spending by fiscal year 2011. As the preceding information shows, the School District relies heavily on its local property taxpayers. The last operating levy renewed by the residents of the district was in 2005.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a levy will not increase solely as a result of inflation due to Ohio House Bill 920 (passed in 1976). As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

**River View Local School District**  
*Management's Discussion and Analysis (Continued)*  
*For the Fiscal Year Ended June 30, 2009*  
*(Unaudited)*

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River View Local School District has been reduced to the minimum amount of millage required by the State of Ohio for funding. Therefore, the School District does realize some gain from reappraisals.

Property taxes made up 36 percent of revenues for governmental activities for the River View Local School District in fiscal year 2009.

The School District has also been affected by changes in the personal property tax structure (House Bill 66) and commercial business/property uncertainties. Managing and monitoring the finances of the School District has become increasingly more difficult with House Bill 66, mandates in gifted education, rising utility costs, increased special education services required for our students, unpredictable fuel prices, and increases in health insurance and property/liability/fleet insurance.

From a State funding perspective, the State of Ohio was found by the Ohio Supreme Court in March, 1997 to be operating an unconstitutional education system, one that was neither "adequate" nor "equitable". On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school funding is unconstitutional. The Federal Supreme Court relinquished jurisdiction over the case and directed "the Ohio General Assembly to enact a school funding scheme that is "thorough and efficient." The School District is currently unable to determine what effect, if any, this decision will have on its future state funding and its financial operations.

The River View Local School District does not anticipate any meaningful growth in State revenue. The concern is that, to meet the requirements of the Court and the requirements of No Child Left Behind Act, the Federal and State mandates may require redistribution of state funding based upon each district's property wealth. This could have a significant impact on the School District. How the legislature plans to fund education programs during a weakened economy remains a concern.

All scenarios require management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In addition, the School District's systems of budgeting and internal controls are well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

***Contacting the School District's Financial Management***

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Lee Jane Williamson, Treasurer at River View Local School District, 26496 SR 60 North, Warsaw, Ohio 43844 or [lee@omeresa.net](mailto:lee@omeresa.net).

**River View Local School District**

*Statement of Net Assets*

*June 30, 2009*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 6,836,469
Cash and Investments in Segregated Accounts	1,257,703
Cash and Investments with Fiscal Agents	146
Receivables:	
Taxes	7,647,948
Accounts	30,849
Intergovernmental	448,819
Prepaid Items	299,985
Inventory Held For Resale	19,786
Materials and Supplies Inventory	187,827
Nondepreciable Capital Assets	478,659
Depreciable Capital Assets (Net)	<u>5,715,099</u>
<i>Total Assets</i>	<u>22,923,290</u>
<b>Liabilities</b>	
Accounts Payable	220,966
Contracts Payable	40,423
Accrued Wages and Benefits	1,500,913
Matured Compensated Absences Payable	29,370
Accrued Vacation Payable	58,540
Early Retirement Incentive Payable	10,000
Intergovernmental Payable	539,873
Deferred Revenue	7,414,142
Accrued Interest Payable	16,169
Claims Payable	402,000
Long Term Liabilities:	
Due Within One Year	151,437
Due Within More Than One Year	<u>2,296,107</u>
<i>Total Liabilities</i>	<u>12,679,940</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	4,666,354
Restricted for:	
Capital Outlay	2,414,619
Other Purposes	123,533
Unrestricted	<u>3,038,844</u>
<i>Total Net Assets</i>	<u>\$ 10,243,350</u>

See accompanying notes and accountant's compilation report.

**River View Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2009

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instruction:					
Regular	\$ 9,458,704	\$ 641,386	\$ 209,920	\$ 0	\$ (8,607,398)
Special	2,372,543	0	1,062,834	0	(1,309,709)
Vocational	374,340	0	80,945	0	(293,395)
Other	0	0	21,528	0	21,528
Support Services:					
Pupils	830,421	7,249	89,641	0	(733,531)
Instructional Staff	1,000,991	0	477,168	0	(523,823)
Board of Education	63,619	0	0	0	(63,619)
Administration	1,566,086	0	51,561	0	(1,514,525)
Fiscal	580,780	0	0	0	(580,780)
Operation and Maintenance of Plant	1,721,056	0	0	220,125	(1,500,931)
Pupil Transportation	1,568,543	0	82,727	40,495	(1,445,321)
Central	342,164	0	32,325	37,186	(272,653)
Operation of Non-Instructional Services:					
Food Service Operations	1,027,585	471,906	441,122	0	(114,557)
Community Services	16,479	0	0	0	(16,479)
Extracurricular Activities	434,296	197,315	4,104	0	(232,877)
Interest and Fiscal Charges	74,129	0	0	0	(74,129)
<i>Total Governmental Activities</i>	<u>\$ 21,431,736</u>	<u>\$ 1,317,856</u>	<u>\$ 2,553,875</u>	<u>\$ 297,806</u>	<u>(17,262,199)</u>
 <b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					7,356,650
Capital Outlay					426,475
Grants and Entitlements not Restricted to Specific Programs					9,327,054
Investment Earnings					142,834
Miscellaneous					127,559
<i>Total General Revenues</i>					<u>17,380,572</u>
Change in Net Assets					118,373
<i>Net Assets Beginning of Year</i>					<u>10,124,977</u>
<i>Net Assets End of Year</i>					<u>\$ 10,243,350</u>

See accompanying notes and accountant's compilation report.



**River View Local School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2009*

	General	Permanent Improvement	Food Service	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Investments	\$ 4,280,587	\$ 2,432,167	\$ 49,222	\$ 74,493	\$ 6,836,469
Receivables:					
Taxes	7,229,238	418,710	0	0	7,647,948
Accounts	30,698	0	0	151	30,849
Interfund	148,291	0	0	0	148,291
Intergovernmental	70,382	0	488	377,949	448,819
Prepaid Items	260,630	0	14,544	22,835	298,009
Inventory Held For Resale	0	0	0	19,786	19,786
Materials and Supplies Inventory	187,827	0	0	0	187,827
<i>Total Assets</i>	<u>\$ 12,207,653</u>	<u>\$ 2,850,877</u>	<u>\$ 64,254</u>	<u>\$ 495,214</u>	<u>\$ 15,617,998</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 206,352	\$ 4,920	\$ 0	\$ 9,694	\$ 220,966
Contracts Payable	0	40,423	0	0	40,423
Accrued Wages and Benefits	1,312,074	0	50,417	138,422	1,500,913
Matured Compensated Absences Payable	29,370	0	0	0	29,370
Early Retirement Incentive Payable	10,000	0	0	0	10,000
Interfund Payable	0	0	0	148,291	148,291
Intergovernmental Payable	476,730	0	23,450	39,693	539,873
Deferred Revenue	7,179,811	413,898	0	112,414	7,706,123
<i>Total Liabilities</i>	<u>9,214,337</u>	<u>459,241</u>	<u>73,867</u>	<u>448,514</u>	<u>10,195,959</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	302,532	15,716	3,594	40,185	362,027
Reserved for Property Taxes	83,076	4,812	0	0	87,888
Unreserved:					
Designated for Budget Stabilization	80,351	0	0	0	80,351
Undesignated, Reported in:					
General Fund	2,527,357	0	0	0	2,527,357
Special Revenue Funds	0	0	(13,207)	6,111	(7,096)
Capital Projects Funds	0	2,371,108	0	404	2,371,512
<i>Total Fund Balances</i>	<u>2,993,316</u>	<u>2,391,636</u>	<u>(9,613)</u>	<u>46,700</u>	<u>5,422,039</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 12,207,653</u>	<u>\$ 2,850,877</u>	<u>\$ 64,254</u>	<u>\$ 495,214</u>	<u>\$ 15,617,998</u>

See accompanying notes and accountant's compilation report.

**River View Local School District**  
*Reconciliation of Total Fund Balances to*  
*Net Assets of Governmental Activities*  
*June 30, 2009*

Total Governmental Fund Balances	\$	5,422,039
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		6,193,758
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Grants	\$ 112,414	
Charges for Services	33,649	
Delinquent Property Taxes	412,283	558,346
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		591,460
In the statement of activities, interest is accrued on outstanding debt, whereas in the governmental funds, an interest expenditure is reported when due.		(16,169)
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(1,513,563)	
Accrued Vacation Payable	(58,540)	
Compensated Absences	(920,140)	
Capital Leases Payable	(13,841)	(2,506,084)
Net Assets of Governmental Activities	\$	10,243,350

See accompanying notes and accountant's compilation report.

**River View Local School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2009*

	General	Permanent Improvement	Food Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$ 7,378,415	\$ 427,826	\$ 0	\$ 0	\$ 7,806,241
Intergovernmental	9,888,467	252,882	441,611	1,677,834	12,260,794
Investment Income	135,919	0	108	11	136,038
Tuition and Fees	583,163	0	0	11,581	594,744
Extracurricular Activities	91,710	0	0	113,354	205,064
Rentals	2,554	0	0	0	2,554
Charges for Services	9,647	0	471,419	0	481,066
Contributions and Donations	5,318	4,430	0	32,496	42,244
Miscellaneous	136,215	0	0	18,486	154,701
<i>Total Revenues</i>	<u>18,231,408</u>	<u>685,138</u>	<u>913,138</u>	<u>1,853,762</u>	<u>21,683,446</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	9,134,308	25,111	0	268,775	9,428,194
Special	1,796,666	0	0	574,939	2,371,605
Vocational	359,383	0	0	8,827	368,210
Support Services:					
Pupils	622,705	0	0	183,825	806,530
Instructional Staff	567,164	4,537	0	426,484	998,185
Board of Education	63,619	0	0	0	63,619
Administration	1,334,065	1,466	0	167,594	1,503,125
Fiscal	566,671	12,440	0	0	579,111
Operation and Maintenance of Plant	1,716,597	399,438	238	399	2,116,672
Pupil Transportation	1,366,440	0	0	56,453	1,422,893
Central	259,816	63,471	0	26,437	349,724
Operation of Non-Instructional Services:					
Food Service Operations	0	0	1,022,559	0	1,022,559
Community Services	0	0	0	16,479	16,479
Extracurricular Activities	285,424	0	0	145,953	431,377
Debt Service:					
Principal Retirement	169,785	0	0	0	169,785
Interest and Fiscal Charges	75,599	0	0	0	75,599
<i>Total Expenditures</i>	<u>18,318,242</u>	<u>506,463</u>	<u>1,022,797</u>	<u>1,876,165</u>	<u>21,723,667</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(86,834)</u>	<u>178,675</u>	<u>(109,659)</u>	<u>(22,403)</u>	<u>(40,221)</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from Sale of Capital Assets	22,066	0	0	0	22,066
Transfers In	0	0	50,000	10,419	60,419
Transfers Out	(60,419)	0	0	0	(60,419)
<i>Total Financing Sources and (Uses)</i>	<u>(38,353)</u>	<u>0</u>	<u>50,000</u>	<u>10,419</u>	<u>22,066</u>
<i>Net Change in Fund Balance</i>	(125,187)	178,675	(59,659)	(11,984)	(18,155)
<i>Fund Balance Beginning of Year</i>	<u>3,118,503</u>	<u>2,212,961</u>	<u>50,046</u>	<u>58,684</u>	<u>5,440,194</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,993,316</u>	<u>\$ 2,391,636</u>	<u>\$ (9,613)</u>	<u>\$ 46,700</u>	<u>\$ 5,422,039</u>

See accompanying notes and accountant's compilation report.

**River View Local School District**  
*Reconciliation of the Changes*  
*in Fund Balances of Governmental Funds to the Statement of Activities*  
*For the Fiscal Year Ended June 30, 2009*

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Net Change in Fund Balances - Total Governmental Funds	\$	(18,155)
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***Amounts reported for governmental activities in the statement of activities are different because:***

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Asset Additions	\$ 723,388	
Current Year Depreciation	(518,101)	205,287

Net effect of transactions involving sale of capital assets are not reflected in the funds		(26,777)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Grants	(56,514)	
Charges for Services	(60,505)	
Delinquent Property Taxes	(23,115)	(140,134)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Bond Principal	137,597	
Capital Leases	32,188	169,785

In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due.		1,470
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Vacation Payable	(1,297)	
Compensated Absences	(69,362)	(70,659)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. The net revenue (expense) of internal service funds is reported with governmental activities.

(2,444)

Change in Net Assets of Governmental Activities	\$	<u>118,373</u>
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See accompanying notes and accountant's compilation report.

**River View Local School District**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual  
 General Fund  
 For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 7,356,853	\$ 7,642,077	\$ 7,527,307	\$ (114,770)
Intergovernmental	10,071,500	9,887,639	9,883,270	(4,369)
Investment Income	157,000	131,703	124,437	(7,266)
Tuition and Fees	506,762	574,823	552,190	(22,633)
Extracurricular Activities	63,000	91,811	91,710	(101)
Rentals	1,980	3,788	2,554	(1,234)
Charges for Services	6,000	13,461	13,461	0
Contributions and Donations	245	5,442	5,318	(124)
Miscellaneous	3,165	26,625	38,794	12,169
<i>Total Revenues</i>	<u>18,166,505</u>	<u>18,377,369</u>	<u>18,239,041</u>	<u>(138,328)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	8,760,012	9,303,978	9,090,565	213,413
Special	1,790,769	1,951,861	1,858,342	93,519
Vocational	362,915	442,253	376,609	65,644
Support Services				
Pupils	564,795	659,433	586,107	73,326
Instructional Staff	552,491	633,886	573,339	60,547
Board of Education	72,034	82,102	74,752	7,350
Administration	1,331,114	1,405,569	1,381,343	24,226
Fiscal	562,737	622,631	583,971	38,660
Operation and Maintenance of Plant	1,838,706	1,963,695	1,908,088	55,607
Pupil Transportation	1,380,852	1,580,021	1,432,958	147,063
Central	263,617	282,758	273,564	9,194
Extracurricular Activities	277,121	293,935	287,578	6,357
Debt Service:				
Principal Retirement	137,597	137,597	137,597	0
Interest and Fiscal Charges	110,000	256,957	74,195	182,762
<i>Total Expenditures</i>	<u>18,004,760</u>	<u>19,616,676</u>	<u>18,639,008</u>	<u>977,668</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>161,745</u>	<u>(1,239,307)</u>	<u>(399,967)</u>	<u>839,340</u>
<b>Other Financing Sources (Uses)</b>				
Insurance Recoveries	3,077	6,577	6,506	(71)
Proceeds from Sale of Assets	0	22,066	22,066	0
Refund of Prior Year Expenditures	10,000	116,966	116,821	(145)
Refund of Prior Year Receipts	0	(44,635)	(44,489)	146
Advances In	0	0	46,783	46,783
Advances Out	0	0	(148,291)	(148,291)
Transfers Out	0	(56,769)	(56,253)	516
<i>Total Other Financing Sources (Uses)</i>	<u>13,077</u>	<u>44,205</u>	<u>(56,857)</u>	<u>(101,062)</u>
<i>Net Change in Fund Balance</i>	<u>174,822</u>	<u>(1,195,102)</u>	<u>(456,824)</u>	<u>738,278</u>
<i>Fund Balance Beginning of Year</i>	<u>3,772,319</u>	<u>3,772,319</u>	<u>3,772,319</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>462,008</u>	<u>462,008</u>	<u>462,008</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$ 4,409,149</u>	<u>\$ 3,039,225</u>	<u>\$ 3,777,503</u>	<u>\$ 738,278</u>

See accompanying notes and accountant's compilation report.

**River View Local School District**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (Non-GAAP Basis) and Actual*  
**Food Service Fund**  
*For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 428,363	\$ 439,583	\$ 416,597	\$ (22,986)
Investment Income	0	300	108	(192)
Charges for Services	477,896	524,939	471,480	(53,459)
<i>Total Revenues</i>	<u>906,259</u>	<u>964,822</u>	<u>888,185</u>	<u>(76,637)</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Operation and Maintenance of Plant	50	244	238	6
Operation of Non-Instructional Services:				
Food Service Operations	943,605	1,041,924	999,796	42,128
<i>Total Expenditures</i>	<u>943,655</u>	<u>1,042,168</u>	<u>1,000,034</u>	<u>42,134</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(37,396)</u>	<u>(77,346)</u>	<u>(111,849)</u>	<u>(34,503)</u>
<b>Other Financing Sources</b>				
Refund of Prior Year Expenditures	0	10,129	10,129	0
Transfers In	0	0	50,000	50,000
<i>Total Other Financing Sources</i>	<u>0</u>	<u>10,129</u>	<u>60,129</u>	<u>50,000</u>
<i>Net Change in Fund Balance</i>	(37,396)	(67,217)	(51,720)	15,497
<i>Fund Balance Beginning of Year</i>	72,818	72,818	72,818	0
Prior Year Encumbrances Appropriated	24,529	24,529	24,529	0
<i>Fund Balance End of Year</i>	<u>\$ 59,951</u>	<u>\$ 30,130</u>	<u>\$ 45,627</u>	<u>\$ 15,497</u>

See accompanying notes and accountant's compilation report.

**River View Local School District**

*Statement of Fund Net Assets*

*Proprietary Fund*

*June 30, 2009*

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	Governmental Activities - Internal Service Fund
	<u>                    </u>
<b>Assets</b>	
Cash and Investments in Segregated Accounts	\$ 1,257,703
Cash and Investments with Fiscal Agents	146
Prepaid Items	<u>1,976</u>
<i>Total Assets</i>	<u>1,259,825</u>
<b>Liabilities</b>	
Deferred Revenue	266,365
Claims Payable	<u>402,000</u>
<i>Total Liabilities</i>	<u>668,365</u>
<b>Net Assets</b>	
Unrestricted	<u><u>\$ 591,460</u></u>

See accompanying notes and accountant's compilation report.

**River View Local School District**  
*Statement of Revenues, Expenses, and Changes in Fund Net Assets*  
*Proprietary Fund*  
*For the Fiscal Year Ended June 30, 2009*

	<u>Governmental Activities - Internal Service Fund</u>
<b>Operating Revenues</b>	
Charges for Services	<u>\$ 3,192,171</u>
<b>Operating Expenses</b>	
Purchased Services	316,671
Claims	<u>2,884,741</u>
<i>Total Operating Expenses</i>	<u>3,201,412</u>
<i>Operating Loss</i>	<u>(9,241)</u>
<b>Non-Operating Revenue</b>	
Interest	<u>6,797</u>
<i>Change in Net Assets</i>	(2,444)
<i>Net Assets Beginning of Year</i>	<u>593,904</u>
<i>Net Assets End of Year</i>	<u><u>\$ 591,460</u></u>

See accompanying notes and accountant's compilation report.



**River View Local School District**  
*Statement of Cash Flows*  
*Proprietary Fund*  
For the Fiscal Year Ended June 30, 2009

	<u>Governmental Activities - Internal Service Fund</u>
<b>Cash Flows From Operating Activities</b>	
Cash Received from Customers	\$ 3,224,236
Cash Paid for Goods and Services	(318,647)
Cash Paid for Claims	<u>(3,022,741)</u>
<i>Net Cash Used for Operating Activities</i>	<u>(117,152)</u>
<b>Cash Flows From Investing Activities</b>	
Interest on Investments	<u>6,797</u>
<i>Net Decrease in Cash and Investments</i>	(110,355)
<i>Cash and Investments Beginning of Year</i>	<u>1,368,204</u>
<i>Cash and Investments End of Year</i>	<u><u>\$ 1,257,849</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>	
Operating Loss	\$ (9,241)
Adjustments:	
Increase in Prepaid Items	(1,976)
Increase in Deferred Revenue	32,065
Decrease in Claims Payable	<u>(138,000)</u>
<i>Total Adjustments</i>	<u>(107,911)</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>\$ (117,152)</u></u>

See accompanying notes and accountant's compilation report.

**River View Local School District**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2009*

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Investments	\$ 30,780	\$ 99,669
Accounts Receivable	0	1,281
<i>Total Assets</i>	30,780	\$ 100,950
<b>Liabilities</b>		
Accounts Payable	200	\$ 1,128
Due to Students	0	99,822
<i>Total Liabilities</i>	200	\$ 100,950
<b>Net Assets</b>		
Held in Trust for Scholarships	\$ 30,580	

See accompanying notes and accountant's compilation report.

**River View Local School District**  
*Statement of Changes in Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2009*

	Private Purpose Trust
	Scholarship
<b>Additions</b>	
Interest	\$ 1,164
<i>Total Additions</i>	1,164
<b>Deductions</b>	
Payments in Accordance with Trust Agreements	300
<i>Change in Net Assets</i>	864
<i>Net Assets Beginning of Year</i>	29,716
<i>Net Assets End of Year</i>	\$ 30,580

See accompanying notes and accountant's compilation report.

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**River View Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 1 - NATURE OF BASIC OPERATIONS AND DESCRIPTION OF THE ENTITY**

The River View Local School District (the "School District") was formed on January 8, 1962, with the consolidation of the Three Rivers Local, Union Local, and Warsaw Local School Districts. The combined high school, River View Local High School, was built in 1965, with the first class graduating in 1966.

The River View Local School District operates under a locally-elected five member board form of government and provides educational services as authorized and mandated by State and Federal agencies. The Board controls the School District's seven instructional/support facilities staffed by 119 non-certificated, 161 certificated teaching personnel, who provide services to community members and 2,345 students.

***Reporting Entity***

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

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

The School District is involved with the Ohio Mid-Eastern Regional Educational Service Agency, the Metropolitan Educational Council, the Coshocton County Career Center and the Ohio School Plan, which are defined as jointly governed organizations and an insurance purchasing pool. Additional information concerning these organizations is presented in Notes 16 and 17 to the basic financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***A. Basis of Presentation***

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

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Government-wide Financial Statements*** - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses.

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental activity is self-financing or draws from the general revenues of the School District.

***Fund Financial Statements*** - During the year, the School District segregates transactions related to certain School 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 School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

***B. Fund Accounting***

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The funds of the School District are divided into three categories: governmental, proprietary, and fiduciary.

***Governmental Funds*** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balances. The following are the School District’s major governmental funds:

***General Fund*** – The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

***Permanent Improvement Fund*** – The permanent improvement fund receives property taxes for acquisition, construction or improvement of capital facilities.

***Food Service Fund*** – The food service fund accounts for purchase and sales transactions related to the food service operations of the School District.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

**Proprietary Funds** - Proprietary funds focus on the determination of changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The School District's only proprietary fund is an internal service fund.

**Internal Service Fund** – The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund is a self insurance fund that accounts for prescription drug, dental and medical claims of School District employees.

**Fiduciary Funds** - Fiduciary fund reporting focuses on net assets and changes in net assets. 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 fund is a private purpose trust which accounts for college scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only agency fund accounts for student activities.

**C. Measurement Focus**

**Government-wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases, (i.e. revenues) and decreases (i.e. expenses) in total net assets.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of revenues, expenses and changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund.

The private purpose trust fund is accounted for on a flow of economic resources measurement focus.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the basic financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

***Revenues – Exchange and Non-Exchange Transactions*** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6.) Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees, and rentals.

***Deferred Revenue*** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.



**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Expenses/Expenditures*** - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

***E. Budgetary Process***

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, 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 amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Budgetary modifications at this level require resolution of the Board of Education. The treasurer has been given authority to allocate Board appropriations to the function and object levels within each fund.

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

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

***F. Cash and Investments***

To improve cash management, cash received by the School District is pooled. Monies for all funds, including the internal service fund, are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "equity in pooled cash and investments" on the financial statements.

During fiscal year 2009, investments were limited to Federal Home Loan Bank Notes, Federal Farm Credit Bank, certificates of deposit, money market and STAROhio.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2009.

The School District has a segregated bank account for monies held separate from the School District's central bank account. This interest bearing depository account is presented as "cash and investments in segregated accounts" since they are not required to be deposited into the School District's treasury.

Following Ohio statues, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2009 amounted to \$135,919 which includes \$50,210 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the basic financial statements as "equity in pooled cash and investments". Investments with an original maturity of more than three months that are not made from the pool are reported as "investments".

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***H. Inventory***

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method, which means that the costs of inventory items are recorded as expenditures in the governmental funds when consumed.

Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

***I. Capital Assets***

The School District's only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date donated. The School District maintains a capitalization threshold of \$2,500. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the assets or materially extend an asset's life are not.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	40 Years
Furniture and Equipment	5-20 Years
Vehicles	4 Years

***J. Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” Long-term interfund loans (advances) are classified as “advances from other funds” and “advances to other funds”. These amounts are eliminated in the governmental activities column of the statement of net assets.

***K. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the School District’s termination policy. The School District records a liability for accumulated unused sick leave for employees after ten years of service based on historical trends.

The entire compensated absence liability is reported on the government-wide financial statements.

On the governmental fund statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the funds from which the employee will be paid.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***L. Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables and accrued liabilities from internal service funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds are recognized as a liability on the governmental fund financial statements when due.

***M. Interfund Activity***

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods 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. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***N. Fund Balance Reserves and Designations***

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. The School District records designations for portions of fund equity which the School District Board of Education has segregated for specific future use. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and property taxes.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles, but not available for appropriation under State statute.

***O. Net Assets***

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At June 30, 2009, none of the School District's net assets were restricted by enabling legislation. Net assets restricted for other purposes include instructional activities and grants.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***P. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

***Q. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2009.

***R. Estimates***

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

***S. Changes in Accounting Principles***

For the year ended June 30, 2009, the School District has implemented GASB Statement No. 52, "*Land and Other Real Estate Held as Investments by Endowments*", GASB Statement No. 55, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*", and GASB Statement No. 56, "*Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*".

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature.

GASB Statement No. 56 incorporates into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards.

Implementation of these GASB Statements did not affect the presentation of the financial statements of the School District.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 3 – FUND DEFICITS**

Fund balances at June 30, 2009 included the following individual fund deficits:

	<u>Deficit</u>
<i>Major Fund:</i>	
Food Service	\$ 9,613
<i>Non-Major Special Revenue Funds:</i>	
Public School Preschool	2,981
Title VI-B	25,230
Fiscal Stabilization	1,146
Title I	13,326
Title VI	54
Title VI-R	1,046
Misc. Fed. Grant	17215

These deficits in funds resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual, is presented on the budgetary basis for the general fund and food service fund. The major differences between the budget basis and GAAP basis are:

- 1) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- 2) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- 3) Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
- 4) Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and food service fund.

**Net Change in Fund Balance**

	<u>General</u>	<u>Food Service</u>
GAAP Basis	\$ (125,187)	\$ (59,659)
Net Adjustment for Revenue Accruals	130,960	(14,824)
Advances In	46,783	0
Net Adjustment for Expenditure Accruals	141,990	26,357
Advances Out	(148,291)	0
Adjustment for Encumbrances	<u>(503,079)</u>	<u>(3,594)</u>
Budget Basis	<u>\$ (456,824)</u>	<u>\$ (51,720)</u>

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

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

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)**

Interim monies to be deposited or invested in the following securities:

- 1) United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
- 2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- 3) Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;
- 4) Bonds and any other obligations of the State of Ohio;
- 5) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
- 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 from the purchase date in any amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
- 8) Under limited circumstances, corporate debt interests noted in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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



**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
For the Fiscal Year Ended June 30, 2009

**NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)**

According to state law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of uninsured public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the government securities are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the School District's name. During 2009, the School District and public depositories complied with the provisions of these statutes.

***Deposits with Financial Institutions***

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the uninsured deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School District.

At fiscal year end, the carrying amount of the School District's deposits was \$7,733,008. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of June 30, 2009, \$0 of the School District's bank balance of \$7,760,013 was exposed to custodial risk as discussed above, while \$7,760,013 was covered by Federal Deposit Insurance Corporation.

***Investments***

As of June 30, 2009, the School District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities				
		6 Months or Less	7 to 12 Months	13 to 18 Months	19 to 24 Months	Over 24 Months
STAROhio	\$ 89,914	\$ 89,914	\$ 0	\$ 0	\$ 0	\$ 0
Money Market	4,731	4,731	0	0	0	0
FFCB	99,875	0	0	0	0	99,875
FHLB	297,093	0	0	0	0	297,093
<b>Total</b>	<b>\$ 491,613</b>	<b>\$ 94,645</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 396,968</b>

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
For the Fiscal Year Ended June 30, 2009

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**NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)**

**Interest Rate Risk.** As a means of limiting its exposure to fair value losses arising from rising interest rates, and according to state law, the School District's investment policy limits investment portfolio maturities to five years or less.

**Credit Risk.** The School District's investments in FFCB, FHLB were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. STAROhio has been given an AAA rating by Standard & Poor's. The Money Market is unrated.

**Custodial Credit Risk.** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

**Concentration of Credit Risk.** The School District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage to total of each investment type held by the School District at June 30, 2009:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total</u>
STAROhio	\$ 89,914	18%
Money Market	4,731	1%
FHLB	297,093	61%
FFCB	99,875	20%
	<u>\$ 491,613</u>	<u>100%</u>

***Funds Held by Fiscal Agent***

In prior years, the School District participated in the Ohio Mid-Eastern Regional Education Service Agency School Employees Insurance Consortium for employee benefits. The amount held at fiscal year end for the employee benefit self-insurance fund was \$146. All benefit deposits are made to the consortium's depository account. Collateral is held by a qualified third-party trustee in the name of the consortium.

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 6 - PROPERTY TAXES (Continued)**

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2009 represents collections of calendar 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed value listed as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State Law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2009 represents collections of calendar year 2008 taxes. Public utility real and tangible taxes received in calendar year 2009 became a lien December 31, 2007, were levied after April 1, 2008 and are collected in 2009 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2009 (other than public utility property) represents the collection of 2009 taxes. Tangible personal property taxes received in calendar year 2009 were levied after April 1, 2009, on the value as of December 31, 2008. For 2008, tangible personal property was assessed at 12.5 percent for property including inventory. This percentage will be reduced to 6.25 percent for 2009 and zero for 2009. Payments 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 semi-annually, 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 School 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 replaced the revenue lost by the School District due to the phasing out of the tax. In calendar years 2006-2010, the School District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The School District receives property taxes from Coshocton, Muskingum and Licking Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2009 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed personal property tax and the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
For the Fiscal Year Ended June 30, 2009

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**NOTE 6 - PROPERTY TAXES (Continued)**

At June 30, 2009, \$83,076 was available as an advance to the general fund and \$4,812 was available as an advance to the permanent improvement fund. At June 30, 2008, \$231,968 was available as an advance to the general fund and \$13,487 was available as an advance to the permanent improvement fund.

On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second-Half Collections		2009 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 248,184,460	70%	\$ 256,770,210	75%
Public Utility Personal	79,447,020	23%	84,674,560	25%
Tangible Personal Property	25,620,548	7%	350	0%
<b>Total Assessed Value</b>	<b>\$ 353,252,028</b>	<b>100%</b>	<b>\$ 341,445,120</b>	<b>100%</b>
 Tax rate per \$1,000 of assessed value	 \$ 31.30		 \$ 31.30	

**NOTE 7 – RECEIVABLES**

Receivables at June 30, 2009, consisted of taxes, accounts (rent, student fees and tuition), interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of the state programs, and the current fiscal year guarantee of federal funds.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
For the Fiscal Year Ended June 30, 2009

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	Balance 06/30/2008	Additions	Deletions	Balance 06/30/2009
<b>Governmental Activities</b>				
<i>Capital Assets Not Being Depreciated</i>				
Land	\$ 478,659	\$ 0	\$ 0	\$ 478,659
<i>Capital Assets Being Depreciated</i>				
Building and Improvements	11,604,285	640,422	0	12,244,707
Furniture and Equipment	2,694,278	52,595	(8,097)	2,738,776
Vehicles	2,488,782	30,371	(259,668)	2,259,485
<i>Total Capital Assets, Being Depreciated</i>	16,787,345	723,388	(267,765)	17,242,968
<i>Less: Accumulated Depreciation</i>				
Building and Improvements	(7,322,567)	(297,550)	0	(7,620,117)
Furniture and Equipment	(1,955,758)	(101,801)	7,287	(2,050,272)
Vehicles	(1,972,431)	(118,750)	233,701	(1,857,480)
<i>Total Accumulated Depreciation</i>	(11,250,756)	(518,101) *	240,988	(11,527,869)
<i>Total Capital Assets Being Depreciated, Net</i>	5,536,589	205,287	(26,777)	5,715,099
<i>Governmental Activities Capital Assets, Net</i>	\$ 6,015,248	\$ 205,287	\$ (26,777)	\$ 6,193,758

\*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 7,825
Special	771
Vocational	2,051
Support Services:	
Pupils	14,660
Instructional Staff	435
Administration	33,212
Fiscal	591
Operation and Maintenance of Plant	282,352
Pupil Transportation	155,777
Central	11,490
Operation of Non-Instructional Services:	
Food Service Operations	2,294
Extracurricular Activities	6,643
<b>Total Depreciation Expense</b>	<b>\$ 518,101</b>

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
For the Fiscal Year Ended June 30, 2009

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**NOTE 9 – INTERFUND ACTIVITY**

***A. Interfund Balance***

Interfund balances at June 30, 2009, consist of the following:

	Interfund Receivable	Interfund Payable
General	\$ 148,291	\$ 0
Uniform School Supplies	0	0
Other Grants	0	13,579
Public School Preschool	0	5,787
Miscellaneous State Grants	0	7,200
IDEA	0	45,118
Title I	0	43,841
Title V	0	219
Drug Free	0	2,182
IDEA Preschool	0	451
Improving Teacher Quality	0	9,984
Miscellaneous Federal Grants	0	19,930
Total	\$ 148,291	\$ 148,291

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances are expected to be repaid once the anticipated revenues are received.

***B. Interfund Transfers***

During fiscal year 2009, the general fund transferred \$1,251, \$50,000 and \$5,002 to the uniform school supply fund, the food service fund and district managed student activity respectively, to cover operating expenses.

The balance of the interfund transfers in and transfers out reported on the statement of revenues, expenditures and changes in fund balance represent the reclassification of advances. In prior years, the general fund advanced \$4,166 to the uniform school supply fund. In fiscal year 2009, it was determined these advances would not be repaid, and they were converted to transfers.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 10 – RISK MANAGEMENT**

***A. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2009, the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based upon the types of coverage, limits of coverage and deductibles that it selects. The School District contracted with the Ohio School Plan for commercial and business insurance coverage.

Commercial property liability insurance carries a blanket limit of \$65,250,716 with a \$1,000 deductible. Business auto coverage provides a \$3,000,000 combined single limit liability for collision and comprehensive.

Professional and general liability is covered through OSP with a \$3,000,000 per occurrence limit, a \$5,000,000 per year aggregate.

Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

***B. Other Employee Benefits***

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The School District has elected to provide dental, medical, and prescription drug coverage benefits through a self-insurance program. The School District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a dental plan with a \$72.28 family and \$29.16 single premium, a medical plan with a \$1,060.45 family and \$467,857 single premium, and a three-tier prescription plan with a \$5 generic premium, \$20 formulary, or 25% of the cost with a maximum of \$50 for the non-formulary premium. The monthly premium coverage for this prescription plan is \$206.27 family and \$85.27 single premium. The School District has negotiated with its employees to pay a portion of their medical insurance premiums. The School District is responsible for payment of all medical, prescription and dental claim amounts in excess of the employee payment percentages established in the Plan document.

The School District is a member of the Direct Care of America network through AultCare with Cardinal Administrative Services as the third party administrator.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
For the Fiscal Year Ended June 30, 2009

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**NOTE 10 – RISK MANAGEMENT (Continued)**

The claims liability of \$402,000 reported in the internal service fund at June 30, 2009 is based on the requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund’s claims liability amount for 2008 and 2009 were:

	<u>Balance at Beginning of Year</u>	<u>Claims</u>	<u>Payments</u>	<u>Balance at End of Year</u>
2008	\$ <u>542,000</u>	\$ <u>2,761,679</u>	\$ <u>2,763,679</u>	\$ <u>540,000</u>
2009	\$ <u>540,000</u>	\$ <u>2,884,741</u>	\$ <u>3,022,741</u>	\$ <u>402,000</u>

**NOTE 11 – EMPLOYEE BENEFITS**

***A. Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators who are contracted to work 260 days per year earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who work less than 260 days per year 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 210 days. Upon retirement, payment is made for one-fourth of the total unused sick leave based on the number of credited service years. The maximum are as follows:

- Ten years of State service – a maximum of 173 days sick leave accumulation
- Ten years of service with River View – a maximum of 181 days sick leave accumulation
- Fifteen years of service with River View – a maximum of 200 days sick leave accumulation

***B. Life Insurance***

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Medical Life Insurance Company in the amount of \$25,000 for certificated employees and \$20,000 for classified employees.



**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 11 – EMPLOYEE BENEFITS (Continued)**

***C. Retirement Incentive***

In addition to severance benefits and STRS pension benefits, certified employees are offered a one-time retirement incentive of \$10,000 during the first year of eligibility for retirement. The employee has only one opportunity to accept or reject the bonus incentive opportunity. The certified employee must be able to retire by August 22 of the year of the request for benefit. If rejected in the initial year of opportunity, the employee does not have a second chance to select the bonus option. The benefit is paid in the next calendar year following the year of retirement.

**NOTE 12 – DEFINED BENEFIT PENSION PLANS**

***A. School Employees Retirement System***

Plan Description - The School District contributes to the School Employees Retirement System of Ohio (“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 or by calling toll free (800) 878-5853. It is also posted on SERS’ website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.09 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 School District’s required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$355,726, \$355,872 and \$331,548, respectively; 39 percent has been contributed for fiscal year 2009 and 100 percent for the fiscal years 2008 and 2007.

***B. State Teachers Retirement System***

Plan Description - The School 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](http://www.strsoh.org).

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)**

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.

Funding Policy - For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2008, 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 School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008 and 2007 were \$1,229,042, \$1,179,012 and \$1,216,320, respectively; 83 percent has been contributed for fiscal year 2009 and 100 percent for the fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$16,709 made by the School District and \$27,452 made by the plan members.

***C. Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2009, all members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 13 - POSTEMPLOYMENT BENEFITS**

***A. School Employees Retirement System***

Plan Description – The School 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.

Funding Policy – 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 2009, 4.16 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 2009, this amount was \$35,800.

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 School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$105,701, \$121,644 and \$116,265, respectively; 39 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$19,057, \$33,511 and \$16,429, respectively; 39 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

***B. State Teachers Retirement System***

Plan Description – The School 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](http://www.strsoh.org) or by calling (888) 227-7877.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
For the Fiscal Year Ended June 30, 2009

**NOTE 13 - POSTEMPLOYMENT BENEFITS (Continued)**

Funding Policy – 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 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District’s contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$87,789, \$84,215 and \$86,880, respectively; 83 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

**NOTE 14 - LONG-TERM OBLIGATIONS**

The changes in the School District’s long-term obligations during the fiscal year 2009 were as follows:

	Outstanding 06/30/2008	Additions	Reductions	Outstanding 06/30/2009	Due Within One Year
<b>Governmental Activities</b>					
<b>General Obligation Bonds</b>					
School Energy Conservation					
Improvement Bonds	\$ 1,651,160	\$ 0	\$ (137,597)	\$ 1,513,563	\$ 137,597
Compensated Absences	850,778	113,810	(44,448)	920,140	0
Capital Leases	46,029	0	(32,188)	13,841	13,840
<i>Total Governmental Activities</i>					
<i>Long-Term Obligations</i>	<u>\$ 2,547,967</u>	<u>\$ 113,810</u>	<u>\$ (214,233)</u>	<u>\$ 2,447,544</u>	<u>\$ 151,437</u>

On June 15, 2006, the School District issued \$1,926,354 in School Energy Conservation Improvement Bonds with an interest rate of 4.69 percent. The bonds were issued for a thirteen-year period, with final maturity at January 8, 2020. The outstanding School Energy Conservation Improvement Bonds are a direct obligation of the School District for which full faith, credit, and resources are pledged and are payable from taxes levied on all taxable property of the School District. The School Energy Conservation Improvement Bond will be paid with tax revenue from the general fund.

The compensated absences will be paid from the general and food service funds. Capital leases payable will be paid from the general fund.

The following is a summary of the School District’s annual debt service principal and interest payments regarding the outstanding general obligation debt.

		School Energy Conservation Improvement Bonds		
		Principal	Interest	Total
Year Ending June 30,	2010	\$ 137,597	\$ 69,373	\$ 206,970
	2011	137,597	62,920	200,517
	2012	137,597	56,466	194,063
	2013	137,597	50,013	187,610
	2014-2019	825,578	164,559	990,137
	2020	137,597	4,840	142,437
		<u>\$ 1,513,563</u>	<u>\$ 408,171</u>	<u>\$ 1,921,734</u>

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 15 – CAPITAL LEASES**

In prior years, the School District entered into leases for the acquisition of a tractor and copiers. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, “Accounting for Leases,” which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

The assets acquired by the leases have been capitalized in the amount of \$150,550, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2009:

		Capital Leases
Fiscal Year Ending June 30,	2010	\$ 13,996
Less: Amount Representing Interest		(155)
Present Value of Minimum Lease Payments		\$ 13,841

**NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS**

***A. Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA)***

The Ohio Mid Eastern Regional Educational Service Agency (OME-RESA) is jointly governed organization created as a regional council of governments pursuant to State statues. OME-RESA provides financial accounting services, and educational management information system, cooperative purchased services and legal services to member districts. OME-RESA has eleven participating counties consisting of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Noble, and Tuscarawas Counties. OME-RESA operates under the direction of a Board consisting of one representative from each of the participating school districts. The Jefferson County Educational Service Center office serves as the fiscal agent and receives funding from the State Department of Education. The continued existence of OME-RESA is not dependent on the School District’s continued participation and no equity interest exists. OME-RESA has no outstanding debt. The River View Local School District paid \$41,300 to OME-RESA during fiscal year 2009 for services. To obtain financial information write to the Ohio Mid-Eastern Regional Educational Service Agency, Steubenville, OH 43952.

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
*For the Fiscal Year Ended June 30, 2009*

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**NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

***B. Coshocton County Career Center***

Coshocton County Career Center is a jointly governed organization providing vocational services to its three member school districts. The Career Center is governed by a five-member board of education of which two members are appointed by the River View Local School District, two members are appointed by the Coshocton City School District and one member is appointed by the Ridgewood Local School District. The board controls the financial activity of the Career Center. The Career Center receives no direct funding from the member school districts. The continued existence of the Career Center is not dependent on the River View Local School District's continued participation and no equity interest exists.

***C. Metropolitan Educational Council***

The School District participates in the Metropolitan Educational Council (MEC), a jointly governed organization. The organization is composed of over 100 members, which includes school districts, joint vocational schools, educational service centers, and libraries covering 24 counties in Central Ohio. The MEC helps its members purchase services, insurances, supplies, and other items at a discounted rate. The governing board of MEC is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County (18 school districts) and one representative from each county. Each year, the participating school districts pay a membership fee to MEC to cover the costs of administering the program. The School District paid \$926 to MEC during fiscal year 2009. Financial information may be obtained from the Metropolitan Educational Council, Denise Music, who serves as fiscal officer, at 6100 Channingway Boulevard, Suite 604, Columbus, OH 43232.

**NOTE 17 – INSURANCE PURCHASING POOL**

The District participates in the Ohio School Plan (OSP). The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of Directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

**NOTE 18 – SET ASIDES**

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

**River View Local School District**  
*Notes to the Basic Financial Statements (Continued)*  
For the Fiscal Year Ended June 30, 2009

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**NOTE 18 – SET ASIDES (Continued)**

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

	Capital Improvements	Textbooks
Set-aside Reserve Balance as of June 30, 2008	\$ 0	\$ (207,313)
Current Year Set-aside Requirement	372,245	372,245
Qualifying Disbursements	(157,599)	(206,653)
Offset Permanent Improvement Levy	(436,501)	0
Totals	\$ (221,855)	\$ (41,721)
Set-aside Balance Carried Forward to Future Fiscal Years	\$ 0	\$ (41,721)

The School District had qualifying disbursements during the fiscal year that reduced the capital acquisition and textbook set aside amounts below zero. The negative set-aside balance for the textbooks may be used to reduce the set-aside requirement of future years.

**NOTE 19 – CONTINGENCIES**

***A. Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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 School District at June 30, 2009.

***B. Litigation***

The School District is not party to any legal proceedings.

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**RIVER VIEW LOCAL SCHOOL DISTRICT  
COSHOCKTON COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
(Passed Through Ohio Department of Education)						
Title I Grants to Local Educational Agencies	C1-S1-08	84.010	\$64,825		\$64,579	
	C1-S1-09		487,726		531,567	
<i>Total Title I Grants to Local Educational Agencies</i>			<u>552,551</u>		<u>596,146</u>	
Special Education Cluster:						
Special Education - Grants to States (IDEA Part B)	6B-SF-08P	84.027	51,561		52,442	
	6B-SF-09P		485,551		530,669	
<i>Total Special Education - Grants to States (IDEA Part B)</i>			<u>537,112</u>		<u>583,111</u>	
Special Education - Preschool Grants	PG-S1-08P	84.173	5,781		5,917	
	PG-S1-09P		15,099		15,551	
<i>Total Special Education - Preschool Grants</i>			<u>20,880</u>		<u>21,468</u>	
<i>Total Special Education Cluster</i>			<u>557,992</u>		<u>604,579</u>	
Safe and Drug Free Schools and Communities State Grants	DR-S1-2008	84.186	2,493		2,500	
	DR-S1-2009		1,072		3,254	
<i>Total Safe and Drug Free Schools and Communities State Grants</i>			<u>3,565</u>		<u>5,754</u>	
Innovative Education Program Strategies	C2-S1-08	84.298	2,427		2,432	
	C2-S1-09		1,687		1,906	
<i>Total Innovative Education Program Strategies</i>			<u>4,114</u>		<u>4,338</u>	
Technology Literacy Challenge Fund Grants	TJ-S1-09	84.318	912		5,661	
Improving Teacher Quality State Grants	CR-S1-08	84.367	7,262		8,506	
	CR-S1-09		119,949		129,933	
<i>Total Improving Teacher Quality State Grants</i>			<u>127,211</u>		<u>138,439</u>	
21st Century Community Grant	T1-S1-08	84.287	38,407		21,534	
	T1-S1-09		107,023		122,205	
<i>Total 21st Century Community Grant</i>			<u>145,430</u>		<u>143,739</u>	
Total U.S. Department of Education			<u>1,391,775</u>		<u>1,498,656</u>	
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
(Passed Through Ohio Department of Education)						
Child Nutrition Cluster:						
Non Cash Assistance (Food Distribution):						
National School Lunch Program	N/A	10.555		\$11,852		\$13,430
Cash Assistance:						
School Breakfast Program	N/A	10.553	97,091		97,091	
National School Lunch Program	N/A	10.555	307,354		307,354	
Total U.S. Department of Agriculture - Child Nutrition Cluster			<u>404,445</u>	<u>11,852</u>	<u>404,445</u>	<u>13,430</u>
Total			<u>\$1,796,220</u>	<u>\$11,852</u>	<u>\$1,903,101</u>	<u>\$13,430</u>

The notes to the Federal Awards Receipts and Expenditures Schedule are an integral part of this statement.

**RIVER VIEW LOCAL SCHOOL DISTRICT  
COSHOCTON COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
JUNE 30, 2009**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the River View Local School District's (the District's) federal award programs' receipts and expenditures. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE C - FOOD DONATION DISTRIBUTION**

Program regulations do not require the District to maintain separate inventory records for purchased food versus food commodities it receives from the U.S. Department of Agriculture. The District reports commodities consumed on the Schedule at the entitlement value.



# Mary Taylor, CPA

Auditor of State

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

River View Local School District  
Coshocton County  
26496 State Route 60 N  
Warsaw, Ohio 43844

To the Board of Education:

We have audited the financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the River View Local School District, Coshocton County, Ohio, (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 4, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, the Board of Education, federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

January 4, 2010



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

River View Local School District  
Coshocton County  
26496 State Route 60 N  
Warsaw, Ohio 43844

To the Board of Education:

### Compliance

We have audited the compliance of the River View Local School District, Coshocton County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2009. The summary of auditor's results section of the accompanying Schedule of Findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the River View Local School District, Coshocton County, Ohio, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2009.

### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

January 4, 2010

**RIVER VIEW LOCAL SCHOOL DISTRICT  
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2009**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

River View Local School District  
Coshocton County  
26496 State Route 60 N  
Warsaw, Ohio 43844

To the Board Members:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district 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 a community school."

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

1. We noted the Board adopted an anti-harassment policy at its meeting on December 10, 2007.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
  - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
  - (2) A definition of harassment, intimidation, or bullying that shall include the definition in division (A) of Ohio Rev. Code Section 3313.666;
  - (3) A procedure for reporting prohibited incidents;
  - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;

- (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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.



**Mary Taylor, CPA**  
Auditor of State

January 4, 2010



Mary Taylor, CPA  
Auditor of State

RIVER VIEW LOCAL SCHOOL DISTRICT  
COSHOCOTON COUNTY

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
FEBRUARY 11, 2010