



**NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT
CLERMONT COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2012



Dave Yost • Auditor of State

**NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT
CLERMONT COUNTY**

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CLERMONT COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

New Richmond Exempted Village School District
Clermont County
212 Market Street
New Richmond, Ohio 45157

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business type activities, the major fund, and the aggregate remaining fund information of New Richmond Exempted Village School District, Clermont County, Ohio (the District), as of and for the year ended June 30, 2012, 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, the business type activities, the major fund, and the aggregate remaining fund information of New Richmond Exempted Village School District, Clermont County, Ohio, as of June 30, 2012, and the respective changes in financial position thereof 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 31, 2013, 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.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The federal awards expenditure schedule provides additional information 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. The federal awards receipts and expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This statement was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

January 31, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This discussion and analysis provides key information from management highlighting the overall financial performance of the New Richmond Exempted Village School District ("the School District") for the year ended June 30, 2012. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the School District's financial statements.

Financial Highlights

Major financial highlights for fiscal year 2012 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by approximately \$38.7 million. Of this amount, \$18.5 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets increased by approximately \$24,000.
- ✓ The School District had \$26.5 million in expenses related to governmental activities; \$3 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of approximately \$23.6 million made up primarily of property taxes and State Foundation payments was used to provide for these programs.
- ✓ The General Fund balance increased by approximately \$68,000 to \$18.9 million at June 30, 2012.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g. uncollected taxes and earned but unused vacation leave).

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2012

Unaudited

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The business-type activities of the School District include food services and other enterprise operations.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between government funds and governmental activities.

The School District accounts for its activities using many individual funds. The most significant funds are reported in separate columns in the governmental fund financial statements. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the School District as a whole. Some funds are required to be established by State law. In addition, the School District may also establish funds to show that it is meeting legal requirements for using grants or other money.

Proprietary funds. The School District utilizes enterprise funds, which report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

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Year Ended June 30, 2012

Unaudited

Notes to the basic financial statements. The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information for the budget of the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A. Net assets at year-end

The following table presents a condensed summary of the School District's overall financial position at June 30, 2012 and 2011:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY2012</u>	<i>Restated</i> <u>FY2011</u>	<u>FY2012</u>	<u>FY2011</u>	<u>FY2012</u>	<i>Restated</i> <u>FY2011</u>
Current and other assets	\$ 35,824,428	34,353,691	347,035	347,462	36,171,463	34,701,153
Capital assets	19,952,666	20,077,542	77,791	95,881	20,030,457	20,173,423
Total assets	<u>55,777,094</u>	<u>54,431,233</u>	<u>424,826</u>	<u>443,343</u>	<u>56,201,920</u>	<u>54,874,576</u>
Long-term liabilities	2,939,029	2,770,374	37,454	16,956	2,976,483	2,787,330
Other liabilities	14,482,842	13,368,792	58,358	58,098	14,541,200	13,426,890
Total liabilities	<u>17,421,871</u>	<u>16,139,166</u>	<u>95,812</u>	<u>75,054</u>	<u>17,517,683</u>	<u>16,214,220</u>
Net assets:						
Invested in capital assets	19,952,666	20,077,542	77,791	95,881	20,030,457	20,173,423
Restricted:						
Other purposes	147,142	264,506	-	-	147,142	264,506
Unrestricted	18,255,415	17,950,019	251,223	272,408	18,506,638	18,222,427
Total net assets	\$ <u>38,355,223</u>	<u>38,292,067</u>	<u>329,014</u>	<u>368,289</u>	<u>38,684,237</u>	<u>38,660,356</u>

Total assets increased by approximately \$1.3 million, or 2%. The significant increase took place in cash and investments, which increased by approximately \$2.8 million due to cost containment measures. This increase was mostly offset by approximately \$1.3 million decrease in receivables as the School District completed its stimulus-funded grant programs at the end of fiscal year 2011, received its final payment on a property valuation settlement in fiscal year 2011, and reductions in property tax receivables due to decreases in unpaid delinquent taxes and lower assessed valuations.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2012

Unaudited

Total liabilities increased about \$1.3 million, or 8%. The majority of that increase occurred in other liabilities, which increased by approximately \$1.4 million. Accounts payable increased by \$270,000 due to timing of payments for purchased services. Additionally, unearned revenue increased by approximately \$1.1 million. The amount of property taxes available to advance to the School District at fiscal year-end decreased from the prior year, reducing the amount of revenue to recognize and conversely increasing unearned revenue.

B. Governmental and Business-type Activities

The following table presents a condensed summary of the School District's activities for the years ended June 30, 2012 and 2011:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY2012</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2011</u>
Revenues:						
Program revenues:						
Charges for services and sales	\$ 1,451,097	1,391,501	404,254	418,295	1,855,351	1,809,796
Operating grants and contributions	<u>1,526,257</u>	<u>2,435,290</u>	<u>638,515</u>	<u>663,162</u>	<u>2,164,772</u>	<u>3,098,452</u>
Total program revenues	<u>2,977,354</u>	<u>3,826,791</u>	<u>1,042,769</u>	<u>1,081,457</u>	<u>4,020,123</u>	<u>4,908,248</u>
General revenues:						
Property taxes	11,052,984	13,981,720	-	-	11,052,984	13,981,720
Grants and entitlements	12,358,505	12,830,925	-	-	12,358,505	12,830,925
Investment earnings	114,883	95,341	-	-	114,883	95,341
Miscellaneous	<u>101,981</u>	<u>104,128</u>	<u>44,700</u>	<u>5,935</u>	<u>146,681</u>	<u>110,063</u>
Total general revenues	<u>23,628,353</u>	<u>27,012,114</u>	<u>44,700</u>	<u>5,935</u>	<u>23,673,053</u>	<u>27,018,049</u>
Total revenues	<u>26,605,707</u>	<u>30,838,905</u>	<u>1,087,469</u>	<u>1,087,392</u>	<u>27,693,176</u>	<u>31,926,297</u>
Expenses:						
Instruction	16,703,258	17,340,342	-	-	16,703,258	17,340,342
Support services:						
Pupil	1,076,732	1,184,350	-	-	1,076,732	1,184,350
Instructional staff	1,204,156	1,260,768	-	-	1,204,156	1,260,768
Board of Education	83,380	109,405	-	-	83,380	109,405
Administration	1,584,980	1,653,785	-	-	1,584,980	1,653,785
Fiscal	776,474	879,636	-	-	776,474	879,636
Operation and maintenance of plant	2,398,288	2,659,330	-	-	2,398,288	2,659,330
Pupil transportation	1,562,438	1,672,984	-	-	1,562,438	1,672,984
Central	360,536	371,372	-	-	360,536	371,372
Non-instructional services	792,309	807,838	-	-	792,309	807,838
Food services	-	-	1,109,548	1,101,327	1,109,548	1,101,327
Other enterprise	-	-	17,196	27,395	17,196	27,395
Total expenses	<u>26,542,551</u>	<u>27,939,810</u>	<u>1,126,744</u>	<u>1,128,722</u>	<u>27,669,295</u>	<u>29,068,532</u>
Change in net assets	\$ <u>63,156</u>	<u>2,899,095</u>	<u>(39,275)</u>	<u>(41,330)</u>	<u>23,881</u>	<u>2,857,765</u>

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Management's Discussion and Analysis

Year Ended June 30, 2012

Unaudited

Of the total governmental activities revenues of \$26,605,707, \$2,977,354 (11%) is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, 47% (\$11,052,984) comes from property tax levies and 52% (\$12,358,505) is from state funding. The School District's operations are reliant upon its property tax levy and the state's foundation program.

Total revenue decreased by approximately \$4.2 million, or 13%. The majority of the decrease took place in operating grants and contributions and property taxes, which as previously discussed, was due to the reduction in stimulus funding and decreases in assessed property valuations. The School District experienced a decrease in grants and entitlements as the State continued its phase out of the tangible personal property tax reimbursement. The School District was able to reduce expenses by \$1.4 million, or 5%, as it experienced these decreases in revenue sources.

Governmental Activities

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 11% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$16,703,258, but program revenue contributed to fund 16% of those costs. Thus, general revenues of \$13,978,620 were used to support of remainder of the instruction costs. The School District's governmental activities net assets increased by \$63,156 which was considerably less than the prior year increase of \$2,899,095, due to the factors discussed above.

Governmental Activities

		Total Cost of Services	Program Revenue	Revenues as a % of Total Costs	Net Cost of Services
Instruction	\$	16,703,258	2,724,638	16%	13,978,620
Support services		9,046,984	62,853	1%	8,984,131
Non-instructional services		<u>792,309</u>	<u>189,863</u>	24%	<u>602,446</u>
Total	\$	<u>26,542,551</u>	<u>2,977,354</u>	<u>11%</u>	<u>23,565,197</u>

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2012
Unaudited

Business-type Activities

Net assets of the business-type activities decreased by \$39,275 primarily due to normal operations.

The following table presents the total cost of each of the School District's business segments and the net cost after deducting the revenues generated by each segment. Charges and operating grants paid for 93% of the costs of Food Services.

Business-Type Activities					
		Total Cost of Services	Program Revenue	Revenues as a % of Total Costs	Net Cost (Revenue) of Services
Food services	\$	1,109,548	1,030,933	93%	78,615
Other enterprise		<u>17,196</u>	<u>11,836</u>	69%	<u>5,360</u>
Total	\$	<u>1,126,744</u>	<u>1,042,769</u>	<u>93%</u>	<u>83,975</u>

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS

Governmental funds

The School District has one major governmental fund – the General Fund. The assets of this fund were \$33,892,398, or 95%, of the total governmental assets.

General Fund. Fund balance at June 30, 2012 was \$18,943,061, including \$17,321,253 of unassigned balance, which represents 72% of expenditures for fiscal year 2012. The General Fund experienced a slight increase in fund balance of \$68,000, compared to fiscal year 2011's increase of \$3 million. The decrease in the change in fund balance over the prior year was primarily due to the decreases in property taxes and tangible personal property tax reimbursements previously discussed. The General Fund also transferred approximately \$1 million to the Permanent Improvement Fund to fund capital projects, which did not occur in the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The schedule comparing the School District's original and final budgets and actual results are included in the required supplementary information. There were little changes between the final budget and actual revenue amounts. There were increases between the original and final revenue budgeted revenue of approximately \$1.1 million, due to conservative estimates for taxes and intergovernmental revenue. The decrease in original and final budgeted expenditures of \$623,000 and final budgeted and actual expenditures of \$832,000 was due to anticipated reductions in funding and declining enrollment.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT
Management's Discussion and Analysis
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CAPITAL ASSET ADMINISTRATION

Capital assets. At June 30, 2012, the School District had \$20,030,457 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. The decrease in the School District's investment in capital assets for the current fiscal year of \$143,000 was due to depreciation expense exceeding capital additions, which included first-year depreciation expense on several high school renovation projects that were in progress in the prior year. See Note 5 to the financial statements for more detail.

**Capital Asset at Year-End
(Net of Depreciation)**

		<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
		<i>Restated</i>				<i>Restated</i>	
		<u>FY2012</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2011</u>
Land	\$	490,034	490,034	-	-	490,034	490,034
Construction in progress		-	1,303,113	-	-	-	1,303,113
Land improvements		1,113,765	917,609	-	-	1,113,765	917,609
Buildings and improvements		17,135,230	16,129,760	-	-	17,135,230	16,129,760
Furniture and equipment		780,683	680,330	77,791	95,881	858,474	776,211
Vehicles		432,954	556,696	-	-	432,954	556,696
Total	\$	<u>19,952,666</u>	<u>20,077,542</u>	<u>77,791</u>	<u>95,881</u>	<u>20,030,457</u>	<u>20,173,423</u>

ECONOMIC FACTORS

Two bills enacted by the 123rd General Assembly reduced the assessment rate of tangible personal property of electric utilities and gas utilities. The assessment rate for the companies that own and operate Zimmer and Beckjord power stations (Duke Power, Dayton Power and Light, and Columbus Southern) was reduced for all personal property, except transmission and distribution, from 100% and 88% of true value to 25%. All natural gas personal property assessment rates have gone from 88 % to 25%.

Beginning with Tax Year 2001, (payments collectable in calendar year 2002), the School District experienced a significant reduction in the valuation of Personal Property Public Utility. The School District's valuation decreased \$233.2 million from \$393.8 million in Tax Year 2000 to \$160.6 million. Pursuant to Senate Bill #3, to replace the taxes previously received, the State has levied a kilowatt-hour tax. The Ohio Department of Taxation certified an approximate \$8 million payment in tax year 2003 through 2010 payable to the School District to replace the taxes we had once received from the power companies. However, this payment will decrease by approximately \$500,000 for fiscal year 2013 and reevaluated during the next biennial State budget.

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Additionally, the Beckjord power station located within the School District will close January 1, 2015. With this announcement, the School District anticipates losing an additional \$2 million in revenue when the values of the property are removed from the tax rolls.

The School District continues to address these fiscal challenges by budgeting its annual expenditures within anticipated annual resources, while preserving its reserves of approximately \$18 million.

REQUESTS FOR ADDITIONAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and 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 questions about this report or need additional financial information, contact the Treasurer's office at the New Richmond Exempted Village School District, 212 Market Street, New Richmond, Ohio 45157.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Net Assets

June 30, 2012

	Governmental	Business-Type	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and investments	\$ 22,509,893	330,029	22,839,922
Receivables:			
Taxes	13,166,711	-	13,166,711
Accounts	1,209	-	1,209
Intergovernmental	112,471	-	112,471
Interest	34,144	-	34,144
Supplies inventory	-	17,006	17,006
Nondepreciable capital assets	490,034	-	490,034
Depreciable capital assets, net	<u>19,462,632</u>	<u>77,791</u>	<u>19,540,423</u>
Total assets	<u>55,777,094</u>	<u>424,826</u>	<u>56,201,920</u>
Liabilities:			
Accounts payable	351,815	5,241	357,056
Accrued wages	1,810,329	39,485	1,849,814
Intergovernmental payable	313,283	13,632	326,915
Unearned revenue	12,007,415	-	12,007,415
Noncurrent liabilities:			
Due within one year	315,723	3,909	319,632
Due within more than one year	<u>2,623,306</u>	<u>33,545</u>	<u>2,656,851</u>
Total liabilities	<u>17,421,871</u>	<u>95,812</u>	<u>17,517,683</u>
Net Assets:			
Invested in capital assets	19,952,666	77,791	20,030,457
Restricted for:			
Other purposes	147,142	-	147,142
Unrestricted	<u>18,255,415</u>	<u>251,223</u>	<u>18,506,638</u>
Total net assets	<u>\$ 38,355,223</u>	<u>329,014</u>	<u>38,684,237</u>

See accompanying notes to the basic financial statements.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Activities Year Ended June 30, 2012

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 13,443,199	1,266,637	929,877	\$ (11,246,685)	-	(11,246,685)
Special education	3,247,573	-	528,124	(2,719,449)	-	(2,719,449)
Adult/continuing	12,486	-	-	(12,486)	-	(12,486)
Support services:						
Pupil	1,076,732	-	-	(1,076,732)	-	(1,076,732)
Instructional staff	1,204,156	-	52,852	(1,151,304)	-	(1,151,304)
Board of Education	83,380	-	-	(83,380)	-	(83,380)
Administration	1,584,980	-	-	(1,584,980)	-	(1,584,980)
Fiscal	776,474	-	-	(776,474)	-	(776,474)
Business	-	-	-	-	-	-
Operation and maintenance of plant	2,398,288	-	-	(2,398,288)	-	(2,398,288)
Pupil transportation	1,562,438	-	-	(1,562,438)	-	(1,562,438)
Central	360,536	-	10,001	(350,535)	-	(350,535)
Non-instructional services:						
Extracurricular activities	783,894	184,460	-	(599,434)	-	(599,434)
Community service	8,415	-	5,403	(3,012)	-	(3,012)
Total Governmental Activities	<u>26,542,551</u>	<u>1,451,097</u>	<u>1,526,257</u>	<u>(23,565,197)</u>	<u>-</u>	<u>(23,565,197)</u>
Business-Type Activities:						
Food Service	1,109,548	392,418	638,515	-	(78,615)	(78,615)
Uniform School Supplies	10,631	10,645	-	-	14	14
Latchkey	6,565	1,191	-	-	(5,374)	(5,374)
Total Business-Type Activities	<u>1,126,744</u>	<u>404,254</u>	<u>638,515</u>	<u>-</u>	<u>(83,975)</u>	<u>(83,975)</u>
	\$ <u>27,669,295</u>	<u>1,855,351</u>	<u>2,164,772</u>	<u>(23,565,197)</u>	<u>(83,975)</u>	<u>(23,649,172)</u>
General Revenues:						
Property taxes, levied for general purposes				11,052,984	-	11,052,984
Grants and entitlements not restricted to specific programs				12,358,505	-	12,358,505
Investment earnings				114,883	-	114,883
Miscellaneous				101,981	44,700	146,681
Total general revenues				<u>23,628,353</u>	<u>44,700</u>	<u>23,673,053</u>
Change in net assets				63,156	(39,275)	23,881
Net assets beginning of year, restated				<u>38,292,067</u>	<u>368,289</u>	<u>38,660,356</u>
Net assets end of year				\$ <u>38,355,223</u>	<u>329,014</u>	<u>38,684,237</u>

See accompanying notes to the basic financial statements.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2012

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 20,680,868	1,829,025	22,509,893
Receivables:			
Taxes	13,166,711	-	13,166,711
Accounts	1,209	-	1,209
Accrued interest	34,144	-	34,144
Intergovernmental	-	112,471	112,471
Interfund receivable	9,466	-	9,466
Total assets	33,892,398	1,941,496	35,833,894
Liabilities:			
Accounts payable	346,348	5,467	351,815
Accrued wages and benefits	1,733,048	77,281	1,810,329
Intergovernmental payable	313,283	-	313,283
Interfund payable	-	9,466	9,466
Compensated absences payable	108,436	-	108,436
Deferred revenue	12,448,222	-	12,448,222
Total liabilities	14,949,337	92,214	15,041,551
Fund Balances:			
Restricted	-	147,142	147,142
Committed	11,505	-	11,505
Assigned	1,610,303	1,702,140	3,312,443
Unassigned	17,321,253	-	17,321,253
Total fund balances	18,943,061	1,849,282	20,792,343
Total liabilities and fund balances	\$ 33,892,398	1,941,496	35,833,894

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2012

Total Governmental Fund Balances	\$ 20,792,343
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	19,952,666
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.	440,807
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(2,830,593)</u>
Net Assets of Governmental Activities	\$ <u><u>38,355,223</u></u>

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2012

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 11,346,715	-	11,346,715
Tuition and fees	1,266,637	-	1,266,637
Interest	123,106	-	123,106
Intergovernmental	12,435,409	1,533,891	13,969,300
Other local revenues	93,996	193,062	287,058
Total revenues	<u>25,265,863</u>	<u>1,726,953</u>	<u>26,992,816</u>
Expenditures:			
Current:			
Instruction:			
Regular	11,736,282	969,801	12,706,083
Special education	2,720,939	528,124	3,249,063
Adult/continuing	12,486	-	12,486
Support services:			
Pupil	1,076,732	-	1,076,732
Instructional staff	1,142,482	57,073	1,199,555
Board of Education	83,380	-	83,380
Administration	1,493,488	-	1,493,488
Fiscal	786,740	-	786,740
Operation and maintenance of plant	3,048,776	-	3,048,776
Pupil transportation	1,410,178	-	1,410,178
Central	349,446	10,001	359,447
Non-instructional services:			
Extracurricular activities	335,302	175,255	510,557
Community service	2,441	5,974	8,415
Capital outlay	-	305,691	305,691
Total expenditures	<u>24,198,672</u>	<u>2,051,919</u>	<u>26,250,591</u>
Excess of revenues over (under) expenditures	<u>1,067,191</u>	<u>(324,966)</u>	<u>742,225</u>
Other financing sources (uses):			
Transfers in	-	1,013,120	1,013,120
Transfers out	(999,569)	(13,551)	(1,013,120)
Total other financing sources (uses):	<u>(999,569)</u>	<u>999,569</u>	<u>-</u>
Change in fund balance	67,622	674,603	742,225
Fund balance, beginning of year	18,875,439	1,174,679	20,050,118
Fund balance, end of year	\$ <u>18,943,061</u>	<u>1,849,282</u>	<u>20,792,343</u>

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds	\$	742,225
<p>Amounts reported for governmental activities in the statement of activities are different because</p> <p>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.</p>		
Capital outlay		1,230,518
Depreciation expense		(1,354,777)
<p>Some expenses reported in the statement of activities do not require the use current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		(167,701)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(386,492)
<p>In the statement of activities, only the loss on the sale of capital assets is reported, while only proceeds from the sale of assets are reported in the funds.</p>		
		<u>(617)</u>
Change in Net Assets of Governmental Activities	\$	<u>63,156</u>

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Net Assets

Proprietary Funds

June 30, 2012

	Nonmajor Enterprise Funds
Assets:	
Current assets:	
Equity in pooled cash and investments	\$ 330,029
Supplies inventory	17,006
Total current assets	<u>347,035</u>
Noncurrent assets:	
Capital assets, net	77,791
Total assets	<u><u>424,826</u></u>
Liabilities:	
Current liabilities:	
Accounts payable	5,241
Accrued wages	39,485
Intergovernmental payable	13,632
Compensated absences payable	3,909
Total current liabilities	<u>62,267</u>
Noncurrent liabilities:	
Compensated absences payable	33,545
Total liabilities	<u>95,812</u>
Net Assets:	
Invested in capital assets	77,791
Unrestricted	251,223
Total net assets	\$ <u><u>329,014</u></u>

See accompanying notes to the basic financial statements.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

Year Ended June 30, 2012

	Nonmajor Enterprise Funds
Operating revenues:	
Charges for services	\$ 404,254
Other operating revenues	<u>44,700</u>
Total operating revenues	<u>448,954</u>
Operating expenses:	
Salaries and wages	360,351
Fringe benefits	179,502
Contractual services	82,462
Materials and supplies	485,043
Depreciation	18,090
Other expenses	<u>1,296</u>
Total operating expenses	<u>1,126,744</u>
Operating loss	(677,790)
Nonoperating revenues:	
Federal and state grants	638,080
Interest income	<u>435</u>
Total nonoperating revenues	<u>638,515</u>
Change in net assets	(39,275)
Net assets, beginning of year	<u>368,289</u>
Net assets, end of year	\$ <u><u>329,014</u></u>

See accompanying notes to the basic financial statements.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2012

	Nonmajor Enterprise Funds
	<u> </u>
Cash flows from operating activities:	
Cash received from customers	\$ 407,737
Cash received from other operating sources	44,700
Cash payments for personal services	(521,794)
Cash payments for contract services	(83,130)
Cash payments for supplies and materials	(380,073)
Cash payments for other expenses	<u>(1,296)</u>
Net cash used by operating activities	<u>(533,856)</u>
Cash flows from noncapital financing activities:	
Cash received from federal and state grants	<u>561,492</u>
Cash flows from investing activities:	
Investment income	<u>435</u>
Net change in cash and cash equivalents	28,071
Cash and cash equivalents at beginning of year	<u>301,958</u>
Cash and cash equivalents at end of year	\$ <u>330,029</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	(677,790)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	18,090
Donated commodities used	76,588
Changes in assets and liabilities:	
Accounts receivable	3,483
Accounts payable	2,699
Supplies inventory	25,015
Accrued wages and benefits	(10,734)
Intergovernmental payable	8,295
Compensated absences payable	<u>20,498</u>
Net cash used by operating activities	\$ <u>(533,856)</u>

See accompanying notes to the basic financial statements.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Net Assets

Fiduciary Funds

June 30, 2012

		Private Purpose Trusts	Agency Funds
		<u> </u>	<u> </u>
ASSETS			
Equity in pooled cash and investments	\$	<u>60,496</u>	<u>55,092</u>
Total assets		<u><u>60,496</u></u>	<u><u>55,092</u></u>
LIABILITIES			
Due to student groups		<u>-</u>	<u>55,092</u>
Total liabilities		<u>-</u>	<u><u>55,092</u></u>
NET ASSETS			
Held in trust	\$	<u><u>60,496</u></u>	

See accompanying notes to the basic financial statements.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Statement of Changes in Net Assets

Fiduciary Funds

Year Ended June 30, 2012

		<u>Private- Purpose Trusts</u>
Additions:		
Contributions	\$	14,117
Interest		<u>114</u>
Total additions		<u>14,231</u>
Deductions:		
Community gifts, awards and scholarships		<u>16,949</u>
Total deductions		<u>16,949</u>
Change in net assets		(2,718)
Net assets, beginning of year		<u>63,214</u>
Net assets, end of year	\$	<u><u>60,496</u></u>

See accompanying notes to the basic financial statements.

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NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the New Richmond Exempted Village School District (the "School District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

A. Reporting Entity

The School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District operates under a locally elected Board of Education (five members) and is responsible for the education of the residents of the School District.

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

The School District is associated with four organizations, two of which are defined as jointly governed organizations and two as insurance purchasing pools. These organizations include Hamilton/Clermont Cooperative Association, the U.S. Grant Joint Vocational School District, the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan, and the Clermont County Health Trust. These organizations are presented in Notes 12 and 13.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

B. Basis of Presentation

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 statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which the governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the School District and for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of 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 business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements Fund financial statements report detailed information about the School District. The focus of governmental and proprietary financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

All proprietary and private-purpose trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total assets.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Fund Accounting

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are grouped into the categories governmental, proprietary, and fiduciary.

Governmental funds focus 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 balance. The following is the School District's major governmental fund:

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

Proprietary funds are used to account for the School District's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing goods and services to the general public be financed or recovered primarily through user charges. The School District has no major proprietary funds.

Fiduciary Funds report on net assets and changes in net assets. The School District's fiduciary funds consist of private-purpose trust funds and agency funds. The School District's only private-purpose trust fund accounts for scholarship programs for students. These assets are not available for the School District's use. Agency funds, which are used to account for student activities, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Basis of Accounting

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

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenues are recorded when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, interest, tuition, student fees, and grants.

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 except for unmatured principal and interest on general long-term debt which is recognized when due. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Also, proprietary funds and fiduciary funds utilize accrual accounting. Revenues are recognized when earned and expenses are recognized when incurred.

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.

Non-exchange transactions, in which the School District receives value without directly giving 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 were levied. 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.

Deferred Revenue Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2012 which are intended to finance fiscal year 2013 operations have been 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.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled in central bank accounts. Monies for all funds are maintained in these accounts or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements. During fiscal year 2012, the District's investments were limited to US Agency securities and the State Treasury Assets Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2012.

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value be reported in the operating statement. The School District recorded investments held at June 30, 2012 at fair value.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to agency funds, certain trust funds, and those other funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balance.

For purposes of the combined statement of cash flows and for presentation on the balance sheet, the enterprise fund portion of equity in pooled cash and investments is considered to be liquid because the enterprise fund portion of the pool can be accessed without prior notice or penalty.

F. Inventory

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

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

G. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type columns in the government-wide financial statements. The School District defines capital assets as those with an individual cost of more than \$1,500 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair values as of the date received.

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 asset or materially extend an asset's life are not capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements and the proprietary fund statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

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

Buildings	50 years
Land improvements	20 years
Building improvements	20-30 years
Equipment and furniture other than vehicles	5-20 years
Vehicles	8 years

H. Interfund Balances

On fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net assets.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded only for the portion of unpaid compensated absences that has matured, for example, as a result of employee resignations and retirements.

J. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources with the exception of compensated absences as noted above.

K. Fund Balances

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash. The School District did not have any nonspendable fund balances at year end.

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

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

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

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

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

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

L. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consists of capital assets, net of accumulated depreciation. 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.

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

M. 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.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

2. DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the Treasury. Such monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Inactive deposits are public deposits that the School District has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts. Interim deposits are deposits of interim monies. Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies are permitted 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 the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated 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. The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement No. 40 "Deposit and Investment Risk Disclosures":

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. At year-end, \$923,404 of the School District's bank balance of \$3,454,359 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

Investments

The School District's investments at June 30, 2012 are as summarized as follows:

	<u>Fair Value</u>	<u>Average Maturity Years</u>	<u>Concentration of Credit Risk</u>
FNMA	\$ 8,766,514	3.89	44.0%
FHLMC	2,100,716	3.95	11.0%
Star Ohio	9,030,721	n/a	45.0%
	<u>\$ 19,897,951</u>		<u>100.0%</u>

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

Credit Risk

It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The School District's investments in FNMA and FHLMC securities were rated AA+ by Standard & Poor's and Aaa by Moody's. Investments in STAR Ohio were rated AAAM by Standard & Poor's.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a counter party, 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's investment securities are registered in the name of the School District.

Interest Rate Risk

In accordance with the investment policy, the School District manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to five years.

3. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in the subsequent fiscal year and are intended to finance the operations of that year, except monies available to be advanced against such distributions which may be appropriated and used in the current fiscal year. Property taxes include amounts levied against real and public utility property located within the School District.

Real property taxes and public utility taxes are levied after April against the assessed value as of the prior January 1, the lien date. Assessed values are established by State law at 35 percent of appraised value.

Public utility property taxes are assessed on tangible personal property as well as land and improvements. Real property is assessed at 35 percent of true value and tangible personal property is currently assessed at varying percentages of true value. These taxes attached as a lien against local and inter-exchange telephone companies and are levied January 1 of the current year. Tangible personal property tax on business inventory, manufacturing machinery, and equipment is no longer levied and collected.

The School District receives property taxes from Clermont County Auditor, who 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, 2012, are available to finance fiscal year 2012 operations. The amount available for advance can vary based on the date the tax bills are sent.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes that became measurable as of June 30, 2012. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2012, was \$733,400 in the General Fund.

The assessed values upon which fiscal year 2012 taxes were collected are:

	<u>2011 Second- Half Collections</u>		<u>2012 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 376,178,550	66.46%	347,994,070	64.87%
Public Utility	<u>189,817,720</u>	33.54%	<u>188,476,660</u>	35.13%
Total Assessed Value	\$ <u><u>565,996,270</u></u>	100.00%	<u><u>536,470,730</u></u>	100.00%
Tax rate per \$1,000 of assessed valuation		\$32.00		\$32.00

4. INTERFUND TRANSACTIONS

On the fund financial statements, the General Fund has receivables of \$9,466 due from Other Governmental Funds. These interfund loans were made to provide operating capital.

During the year ended June 30, 2012, the General Fund, and with approval of the courts, the nonmajor Debt Service Fund, made transfers of \$1,013,120 to the nonmajor Permanent Improvement Fund as the debt for which the taxes were collected was fully paid. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) maintain debt service.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2012

5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2012 was as follows:

	<i>Restated</i> Balance 7/1/11	Additions	Disposals	Balance 6/30/12
<i>Governmental Activities</i>				
Nondepreciable:				
Land	\$ 490,034	-	-	490,034
Construction in progress	1,303,113	293,815	(1,596,928)	-
Subtotal	<u>1,793,147</u>	<u>293,815</u>	<u>(1,596,928)</u>	<u>490,034</u>
Depreciable:				
Land improvements	3,003,351	397,876	-	3,401,227
Buildings and improvements	34,238,216	1,841,520	-	36,079,736
Vehicles	2,386,175	6,350	(177,508)	2,215,017
Equipment and furniture	2,778,351	287,885	(23,302)	3,042,934
Subtotal	<u>42,406,093</u>	<u>2,533,631</u>	<u>(200,810)</u>	<u>44,738,914</u>
Totals at historical cost	<u>44,199,240</u>	<u>2,827,446</u>	<u>(1,797,738)</u>	<u>45,228,948</u>
Less accumulated depreciation:				
Land improvements	2,085,742	201,720	-	2,287,462
Buildings and improvements	18,108,456	836,050	-	18,944,506
Vehicles	1,829,479	130,092	(177,508)	1,782,063
Equipment and furniture	2,098,021	186,915	(22,685)	2,262,251
Total accumulated depreciation	<u>24,121,698</u>	<u>1,354,777</u>	<u>(200,193)</u>	<u>25,276,282</u>
Capital assets, net	<u>\$ 20,077,542</u>	<u>1,472,669</u>	<u>(1,597,545)</u>	<u>19,952,666</u>

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2012

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	722,956
Special education		1,447
Support services:		
Instructional staff		4,601
Administration		94,864
Fiscal		8,015
Operation and maintenance of plant		87,814
Pupil transportation		160,654
Central		1,089
Extracurricular activities		<u>273,337</u>
Total depreciation expense	\$	<u><u>1,354,777</u></u>

	Balance 7/1/11	Additions	Disposals	Balance 6/30/12
<i>Business-type Activities:</i>				
Furniture and equipment	\$ 504,457	-	(19,639)	484,818
Less accumulated depreciation	<u>408,576</u>	<u>18,090</u>	<u>(19,639)</u>	<u>407,027</u>
Capital assets, net	\$ <u><u>95,881</u></u>	<u><u>(18,090)</u></u>	<u><u>-</u></u>	<u><u>77,791</u></u>

Depreciation expense of \$18,090 was charged to the food services segment.

6. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District maintains comprehensive insurance coverage with private carriers to address these various types of risk. Settled claims have not exceeded commercial coverage in any of the past three years. There has been no significant reduction in the coverage from last year.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

The School District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 13). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

7. PENSION PLANS

School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by, the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For the fiscal year ended June 30, 2012, the allocation to pension and death benefits was 12.70%. The remaining 1.30% of the 14% employer contribution rate was allocated to the Health Care and Medicare B Funds. The School District's required contributions to SERS for the fiscal years ended June 30, 2012, 2011, and 2010 were \$519,000, \$559,000, and \$555,000, respectively, which equaled the required contributions each year.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a state-wide, cost-sharing multiple-employer public employee retirement system for licensed teachers and other faculty members employed by the School District. STRS Ohio provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS Ohio issued a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a bi-weekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan benefits are established under Chapter 3307 of the Ohio Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchase credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service credit over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

DC Plan benefits are established under Sections 3307.80 to 3307.89 of the Ohio Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. 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. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Under the Combined Plan, member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursements of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouse and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage of up to \$2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to members' beneficiaries.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14%. Contribution rates are established by STRS Ohio, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions to STRS Ohio for fiscal years ended June 30, 2012, 2011, and 2010 were approximately \$1,603,000, \$1,733,000, and \$1,698,000, respectively; 80% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010. The unpaid contribution for fiscal year 2012 is recorded as a liability within the respective funds.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. The School District's liability is 6.2% of wages paid.

8. POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by state statute.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for years ended June 30, 2012, 2011, and 2010. The 14% employer contribution rate is the maximum rate established under Ohio law. The School District's contributions to STRS Ohio allocated to post-employment health care for fiscal years ended June 30, 2012, 2011, and 2010 were approximately \$115,000, \$124,000, and \$121,000, respectively; 80% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

SERS administers two postemployment benefit plans:

Medicare Part B Plan - The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2012 was \$99.90 for most participants, but could be as high as \$319.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2012, the actuarially required allocation was 0.75%. The School District contributions for fiscal years ended June 30, 2012, 2011, and 2010 were approximately \$28,000, \$30,000, and \$30,000, respectively, which equaled the required contributions for each year.

Health Care Plan - ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health care plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2012, the health care allocation was 0.55%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2012, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contributions assigned to health care for fiscal years ended June 30, 2012, 2011, and 2010 were approximately \$20,000, \$57,000, and \$93,000, respectively, which equaled the required contributions for each year.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

9. EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to maximum of 260 days for teachers, 250 to 360 days for classified staff and administrators. Upon retirement, payment is made for twenty-five percent of the employee's accumulated sick leave up to a maximum of 50 days for all teachers, 55 to 58 days for classified staff, and 90 days for administrators.

10. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2012 were as follows:

	Principal Outstanding 7/1/11	Additions	Reductions	Principal Outstanding 6/30/12	Amounts Due in One Year
<i>Governmental Activities:</i>					
Compensated absences	\$ 2,770,374	385,768	(217,113)	2,939,029	315,723
<i>Business-type Activities:</i>					
Compensated absences	\$ 16,956	22,953	(2,455)	37,454	3,909

Compensated absences will be paid from the fund from which the employees' salaries are paid.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

11. FUND BALANCES

Fund balance is classified as restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental fund and all other governmental funds are presented below:

Fund Balances	General Fund	Other Governmental Funds	Total Governmental Funds
<i>Restricted for</i>			
Athletics	\$ -	117,187	117,187
Public School Preschool	-	12,824	12,824
Disadvantaged Children	-	15,098	15,098
Teacher Quality	-	2,033	2,033
<i>Total Restricted</i>	<u>-</u>	<u>147,142</u>	<u>147,142</u>
<i>Committed to</i>			
Underground Storage Tanks	<u>11,505</u>	<u>-</u>	<u>11,505</u>
<i>Assigned to</i>			
Capital Improvements	-	1,702,140	1,702,140
Encumbrances	863,318	-	863,318
Future Appropriations	675,003	-	675,003
Other Purposes	71,982	-	71,982
<i>Total Assigned</i>	<u>1,610,303</u>	<u>1,702,140</u>	<u>3,312,443</u>
<i>Unassigned (Deficit)</i>	<u>17,321,253</u>	<u>-</u>	<u>17,321,253</u>
<i>Total Fund Balance</i>	<u>\$ 18,943,061</u>	<u>1,849,282</u>	<u>20,792,343</u>

12. JOINTLY GOVERNED ORGANIZATIONS

The Hamilton/Clermont Cooperative Association

The School District is a participant in a consortium of school districts to operate The Hamilton/Clermont Cooperative Association (H/CCA). H/CCA is an association of public districts in a geographic area determined by the Ohio Department of Education formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The Board of H/CCA consists of one representative from each of the participating members. Complete financial statements can be obtained for H/CCA at 7615 Harrison Avenue, Cincinnati 45231.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

U.S. Grant Joint Vocational School

The U.S. Grant Joint Vocational School, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school district's elected board. The Board possesses its own budgeting and taxing authority. The Vocational School provides academic preparation and job training which leads to employment and/or further education upon graduation from high school. The School District has no ongoing financial interest in or responsibility for the Vocational School. To obtain financial information, write to U.S. Grant at 3046 State Route 125, Bethel, Ohio 45106.

13. INSURANCE PURCHASING POOLS

The Clermont County Health Trust

The Clermont County Health Trust (the Trust), an insurance purchasing pool, is a health trust formed to provide affordable and desirable dental, life, medical, and other disability group insurance for member's employees, eligible dependents and designated beneficiaries of such employees. The Board of Directors consists of one representative from each of the participating members and is elected by the vote of a majority of the member school districts. The School District pays premiums to a third party administrator, which in turns buys the insurance policies from various insurance companies. Upon termination, the School District shall be responsible for prompt payment of all plan liabilities accruing as a result of such termination and maintain no right to any assets of the Trust. The School District may terminate participation in the Trust for the benefit of its employees upon written notice to the Trustee delivered at least sixty days prior to the annual review date of the policy. Financial information can be obtained from the Health Trust at P. O. Box 526, Middletown, Ohio 45042.

Ohio Association of School Business Officials Workers' Compensation Group Rating Plan

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

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

14. CONTINGENCIES

Federal and State Funding

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

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

Litigation

The School District is party to legal proceedings. The School District is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

15. COMMITMENTS

The School District utilizes encumbrance accounting to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The School District's outstanding encumbrance amounts at June 30, 2012 were:

General Fund	\$	1,208,515
Nonmajor Governmental Funds		14,286
Nonmajor Enterprise Funds		<u>12,551</u>
	\$	<u><u>1,235,352</u></u>

16. REQUIRED SET-ASIDES

The School District is required by State statute to annually set aside in the general fund an amount based on the statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The following cash basis information describes the change in the year-end set aside amounts for capital acquisition. Disclosure of this information is required by State statute.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to the Basic Financial Statements

Year Ended June 30, 2012

		<u>Capital Improvements</u>
Set-aside reserve balance as of June 30, 2011	\$	-
Current year set-aside requirement		416,011
Current year qualifying expenditures		<u>(1,118,297)</u>
Total		<u><u>(702,286)</u></u>
Set-aside reserve balance as of June 30, 2012	\$	<u><u>-</u></u>

17. RESTATEMENT

The School District restated its net assets as of June 30, 2011 to correct accumulated depreciation on its capital assets. The following table shows the effect on Governmental Activities' net assets:

		<u>Governmental Activities</u>
Net Assets at June 30, 2011	\$	37,827,795
Accumulated depreciation adjustment		<u>464,272</u>
Restated Net Assets at June 30, 2011	\$	<u><u>38,292,067</u></u>

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund

Balance - Budget and Actual (Non-GAAP Budgetary Basis)

General Fund

Year Ended June 30, 2012

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>With Final</u>
				<u>Budget</u>
Revenues:				
Taxes	\$ 12,037,490	12,740,815	12,740,815	-
Tuition and fees	1,131,372	1,206,174	1,206,174	-
Interest	200,000	239,461	254,966	15,505
Intergovernmental	12,154,274	12,444,547	12,444,547	-
Other local revenues	<u>104,453</u>	<u>105,552</u>	<u>105,552</u>	<u>-</u>
Total revenues	<u>25,627,589</u>	<u>26,736,549</u>	<u>26,752,054</u>	<u>15,505</u>
Expenditures:				
Current:				
Instruction:				
Regular	12,418,978	12,055,434	12,055,434	-
Special education	3,257,411	3,220,869	3,220,869	-
Other instruction	14,661	12,404	12,404	-
Support services:				
Pupil	1,211,738	1,092,692	1,092,692	-
Instructional staff	1,240,768	1,152,306	1,152,306	-
Board of Education	130,186	113,107	113,107	-
Administration	1,616,814	1,519,804	1,519,804	-
Fiscal	920,867	831,655	831,655	-
Operation and maintenance of plant	3,640,902	4,103,071	3,271,017	832,054
Pupil transportation	1,764,805	1,465,600	1,465,600	-
Central	351,322	369,020	369,020	-
Non-instructional services:				
Extracurricular activities	309,954	316,797	316,797	-
Community service	<u>-</u>	<u>2,637</u>	<u>2,637</u>	<u>-</u>
Total expenditures	<u>26,878,406</u>	<u>26,255,396</u>	<u>25,423,342</u>	<u>832,054</u>
Excess of revenues over expenditures	(1,250,817)	481,153	1,328,712	847,559
Other financing sources (uses):				
Transfers in	2,630,458	2,756,212	2,756,212	-
Transfers out	(2,630,958)	(3,754,331)	(3,754,331)	-
Advances in	425,818	425,819	425,819	-
Advances out	<u>-</u>	<u>(10,675)</u>	<u>(10,675)</u>	<u>-</u>
Total other financing sources (uses):	<u>425,318</u>	<u>(582,975)</u>	<u>(582,975)</u>	<u>-</u>
Net change in fund balance	(825,499)	(101,822)	745,737	847,559
Fund balance, beginning of year	16,920,932	16,920,932	16,920,932	
Prior year encumbrances appropriated	<u>806,608</u>	<u>806,608</u>	<u>806,608</u>	
Fund balance, end of year	\$ <u>16,902,041</u>	<u>17,625,718</u>	<u>18,473,277</u>	

See accompanying notes to required supplementary information.

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

Notes to Required Supplementary Information

Year Ended June 30, 2012

Note A Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balances 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 budget must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

Certain funds accounted for as separate funds internally with legally adopted budgets (budget basis) do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Encumbrances are treated as expenditures for all funds (budget basis) rather than as expenditures when liquidated (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP statements and the budgetary basis schedule:

	<u>General</u>
Net change in fund balance - GAAP Basis	\$ 67,622
Increase / (decrease):	
Due to inclusion of Public School Support Fund	(4,253)
Due to revenues	1,504,619
Due to expenditures	(42,591)
Due to other sources (uses)	416,594
Due to encumbrances	<u>(1,196,254)</u>
Net change in fund balance - Budget Basis	\$ <u>745,737</u>

NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT
CLERMONT COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
YEAR ENDED JUNE 30, 2012

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	N/A	10.555	\$0	\$75,448	\$0	\$75,448
Cash Assistance:						
National School Lunch Program	3L60	10.555	428,095	0	428,095	0
National School Breakfast Program	3L70	10.553	118,475	0	118,475	0
Total U.S. Department of Agriculture - Total Child Nutrition Cluster			546,570	75,448	546,570	75,448
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Title I, Part A Cluster:						
Grants to Local Educational Agencies (Title I)						
ARRA - Title I	3M00	84.010	675,574	0	626,454	0
	3DK0	84.389	45,750	0	45,750	0
Total Title I, Part A Cluster			721,324	0	672,204	0
Special Education Cluster:						
Special Education Grants to States (IDEA part B)						
	3M20	84.027	818,103	0	528,124	0
Total Special Education Cluster			818,103	0	528,124	0
Title II-D - Educational Technology State Grants						
	3S20	84.318	4,463	0	4,363	0
Title II-A - Improving Teacher Quality State Grants						
	3Y60	84.367	176,236	0	154,902	0
Education Jobs						
	3ETO	84.410	98,162	0	51,884	0
Total U.S. Department of Education			1,818,288	0	1,411,477	0
Totals			\$2,364,858	\$75,448	\$1,958,047	\$75,448

The accompanying notes to this schedule are an integral part of this schedule.

**NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT
CLERMONT COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2012**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the New Richmond Exempted Village School District's (the District's) federal award programs' receipts and disbursements. 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 Government assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

New Richmond Exempted Village School District
Clermont County
212 Market Street
New Richmond, Ohio 45157

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of New Richmond Exempted Village School District, Clermont County, Ohio (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 31, 2013. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 audit committee, Board of Education, federal awarding agencies and pass-through entities, and others within the Government. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

January 31, 2013



Dave Yost • Auditor of State

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

New Richmond Exempted Village School District
Clermont County
212 Market Street
New Richmond, Ohio 45157

To the Board of Education:

Compliance

We have audited the compliance of New Richmond Exempted Village School District, Clermont 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 could directly and materially affect each of the District's major federal programs for the year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the 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 these 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 these requirements.

In our opinion, the New Richmond Exempted Village School District, Clermont County, Ohio complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2012.

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, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, 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 the audit committee, management, the Board of Education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State

January 31, 2013

**NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title I, Part A Cluster – CFDA 84.010 Special Education Cluster– CFDA 84.027
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**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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NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT
CLERMONT COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2012

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-01	State Fiscal Stabilization funds not disbursed in accordance with both Federal and ODE requirements.	Yes	

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NEW RICHMOND EXEMPTED VILLAGE SCHOOL DISTRICT

CLERMONT 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
MARCH 12, 2013