



**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

REGULAR AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2002-2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

College Corner Local School District
Preble County
101 East Main Street
Eaton, Ohio 45320

To the Board of Education:

We have audited the accompanying financial statements of College Corner Local School District, Preble County, Ohio (the District), as of and for the fiscal years ended June 30, 2002 and 2001. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 that our audit provides a reasonable basis for our opinion.

Ohio Administrative Code, Section 117-2-03 (B), requires the District to prepare its annual financial report in accordance with generally accepted accounting principles. However, as discussed in Note 2, the accompanying financial statements and notes have been prepared on a basis of accounting in accordance with standards established by the Auditor of State for governmental entities that are not required to prepare annual reports in accordance with generally accepted accounting principles. This basis of accounting is a comprehensive basis of accounting other than generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash, investments, and combined fund cash balances of the District, as of June 30, 2002 and 2001, and its combined cash receipts and disbursements and its combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances for the year then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2002, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, the Board of Education and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

December 23, 2002

COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY

COMBINED STATEMENT OF CASH, INVESTMENTS,
AND FUND CASH BALANCES - ALL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

Cash and Cash Equivalents	\$34,563
Investments	<u>2,722,580</u>
Total Cash and Investments	<u><u>\$2,757,143</u></u>

CASH BALANCES BY FUND TYPE

Governmental funds:

General fund	\$747,763
Special revenue funds	3,684
Capital projects funds	2,004,696
Expendable trust fund	<u>1,000</u>
Total	<u><u>\$2,757,143</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY

COMBINED STATEMENT OF CASH, INVESTMENTS,
AND FUND CASH BALANCES - ALL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Cash and Cash Equivalents	\$78,900
Investments	<u>2,220,486</u>
Total Cash and Investments	<u><u>\$2,299,386</u></u>

CASH BALANCES BY FUND TYPE

Governmental funds:	
General fund	\$2,210,914
Special revenue funds	1,951
Capital projects funds	<u>86,521</u>
Total	<u><u>\$2,299,386</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND
AND EXPENDABLE TRUST FUND - FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Governmental Fund Types			Fiduciary	Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Receipts from Local Sources:					
Taxes	\$147,782		\$35,613		\$183,395
Tuition	15,662				15,662
Earning on Investments	66,269				66,269
Miscellaneous	42,562		166,742	2,500	211,804
Receipts from State Sources:					
Unrestricted Grants in Aid	489,219		4,650		493,869
Restricted Grants in Aid	14,567	5,000	13,860		33,427
Receipts for/on Behalf of the District	35,247				35,247
Receipts from Federal Sources:					
Restricted Grants in Aid		13,287			13,287
Total Cash Receipts	811,308	18,287	220,865	2,500	1,052,960
Cash Disbursements:					
Current:					
Instruction:					
Regular	323,318	3,842	11,186		338,346
Special		8,806			8,806
Supporting Service:					
Instructional	1,800	10,618			12,418
Board of Education	47,338			1,500	48,838
Administration	9,265	3,914			13,179
Fiscal Services	4,509	4,986	717		10,212
Operation and Maintenance - Plant	51,141		124,044		175,185
Total Cash Disbursements	437,371	32,166	135,947	1,500	606,984
Excess of Cash Receipts Over (Under) Cash Disbursements:	373,937	(13,879)	84,918	1,000	445,976
Other Financing Receipts and (Disbursements):					
Other Receipt Sources:					
Transfers-in	32,463		1,833,257		1,865,720
Advances-in	9,957	25,569			35,526
Refund of Prior Year Disbursements	11,781				11,781
Transfers-out	(1,865,720)				(1,865,720)
Advances-out	(25,569)	(9,957)			(35,526)
Total other financing receipts/(disbursements)	(1,837,088)	15,612	1,833,257	0	11,781
Excess of Cash Receipts and Other Financing Sources Over (Under) Cash Disbursements and Other Financing Uses	(1,463,151)	1,733	1,918,175	1,000	457,757
Fund Cash Balances, July 1, 2001	2,210,914	1,951	86,521	0	2,299,386
Fund Cash Balances, June 30, 2002	\$747,763	\$3,684	\$2,004,696	\$1,000	\$2,757,143
Reserve for Encumbrances, June 30, 2002	\$16,090	\$546		\$1,000	\$17,636
Reserve for Textbooks, June 30, 2002	\$3,957				\$3,957
Designated for Budget Stabilization, June 30, 2002	\$20,846				\$20,846
Designated for Textbooks, June 30, 2002	\$41,982				\$41,982

The notes to the financial statements are an integral part of this statement.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND
AND EXPENDABLE TRUST FUND - FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Governmental Fund Types			Fiduciary	Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Receipts from Local Sources:					
Taxes	\$162,631		\$39,463		\$202,094
Tuition	16,373				16,373
Earning on Investments	112,618				112,618
Miscellaneous	24,711				24,711
Receipts from State Sources:					
Unrestricted Grants in Aid	423,576		4,159		427,735
Restricted Grants in Aid		9,211	1,000		10,211
Receipts for/on Behalf of the District	45,655				45,655
Receipts from Federal Sources:					
Unrestricted Grants in Aid		22,857			22,857
Total Cash Receipts	785,564	32,068	44,622	0	862,254
Cash Disbursements:					
Current:					
Instruction:					
Regular	314,167	23,105	2,478		339,750
Special	650	1,929			2,579
Supporting Service:					
Pupils		7,015			7,015
Instructional	2,071	1,691			3,762
Board of Education	40,643			1,000	41,643
Administration	8,447	2,192			10,639
Fiscal Services	14,890	7,488	828		23,206
Operation and Maintenance - Plant	29,256				29,256
Total Cash Disbursements	410,124	43,420	3,306	1,000	457,850
Excess of Cash Receipts Over (Under) Cash Disbursements:	375,440	(11,352)	41,316	(1,000)	404,404
Other Financing Receipts and (Disbursements):					
Transfers-in	36,404				36,404
Advances-in	5,000	14,364			19,364
Refund of Prior Year Disbursements	4,697				4,697
Transfers-out	(36,404)				(36,404)
Advances-out	(14,364)	(5,000)			(19,364)
Total other financing receipts/(disbursements)	(4,667)	9,364	0	0	4,697
Excess of Cash Receipts and Other Financing Sources Over (Under) Cash Disbursements and Other Financing Uses	370,773	(1,988)	41,316	(1,000)	409,101
Fund Cash Balances, July 1, 2000	1,840,141	3,939	45,205	1,000	1,890,285
Fund Cash Balances, June 30, 2001	\$2,210,914	\$1,951	\$86,521	\$0	\$2,299,386
Reserve for Encumbrances, June 30, 2001	\$27,742	\$1,952	\$0	\$0	\$29,694
Reserve for Textbooks, June 30, 2001	\$15,648	\$0	\$0	\$0	\$15,648
Designated for Budget Stabilization, June 30, 2001	\$23,329	\$0	\$0	\$0	\$23,329
Designated for Textbooks, June 30, 2001	\$20,991	\$0	\$0	\$0	\$20,991
Designated for Capital Maintenance, June 30, 2001	\$23,984	\$0	\$0	\$0	\$23,984

The notes to the financial statements are an integral part of this statement.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Budget	Actual	Variance Favorable (Unfavorable)
Fund Types/Funds:			
Governmental			
General Fund	\$865,509	\$865,509	\$0
Special Revenue Funds	43,856	43,856	0
Capital Projects Funds	2,054,122	2,054,122	0
Expendable Trust Funds	2,500	2,500	0
Total (Memorandum Only)	\$2,965,987	\$2,965,987	\$0

The notes to the financial statements are an integral part of this statement.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Budget	Actual	Variance Favorable (Unfavorable)
Fund Types/Funds:			
Governmental			
General Fund	\$829,614	\$831,665	\$2,051
Special Revenue Funds	46,432	46,432	0
Capital Projects Funds	46,673	44,622	(2,051)
Total (Memorandum Only)	\$922,719	\$922,719	\$0

The notes to the financial statements are an integral part of this statement.

COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY

COMBINED STATEMENT OF DISBURSEMENTS AND ENCUMBRANCES
COMPARED WITH EXPENDITURE AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Prior Year Carryover	Appropriations	Total	Actual Disbursements	Outstanding Encumbrances	Total	Variance Favorable (Unfavorable)
Fund Types/Funds:							
Governmental							
General Fund	\$27,742	\$3,048,681	\$3,076,423	\$2,328,660	\$16,090	\$2,344,750	\$731,673
Special Revenue Funds	1,952	43,856	45,808	42,123	546	42,669	3,139
Capital Projects Funds		2,140,644	2,140,644	135,947		135,947	2,004,697
Expendable Trust Funds		2,500	2,500	1,500	1,000	2,500	0
Total (Memorandum Only)	\$29,694	\$5,235,681	\$5,265,375	\$2,508,230	\$17,636	\$2,525,866	2,739,509

The notes to the financial statements are an integral part of this statement.

COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY

COMBINED STATEMENT OF DISBURSEMENTS AND ENCUMBRANCES
COMPARED WITH EXPENDITURE AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Prior Year Carryover Appropriations	Appropriations	Total	Actual Disbursements	Outstanding Encumbrances	Total	Variance Favorable (Unfavorable)
Fund Types/Funds:							
Governmental							
General Fund	\$25,839	\$2,645,966	\$2,671,805	\$460,892	\$27,742	\$488,634	\$2,183,171
Special Revenue Funds	663	49,709	50,372	48,420	1,952	50,372	0
Capital Projects Funds		89,827	89,827	3,306		3,306	86,521
Expendable Trust Funds	1,000		1,000	1,000		1,000	0
Total (Memorandum Only)	\$27,502	\$2,785,502	\$2,813,004	\$513,618	\$29,694	\$543,312	2,269,692

The notes to the financial statements are an integral part of this statement.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 2001**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The College Corner Local School District, Preble County, Ohio (the District), is a political body incorporated and established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The College Corner Local School District is a local district as defined by Section 3311.03, of the Ohio Revised Code. The District operates under a five member elected Board of Education and is responsible for the provision of public education to residents of the School District. Average daily membership (ADM) as of October 1, 2001 was 129. The School District employed 8 certificated employees and 4 non-certificated employees.

Due to the location of the College Corner Local School District, situated on the Ohio-Indiana state line, the School District is administered by a Joint Board. On July 1, 1995, a reorganization agreement between the College Corner Local School District and the Union County School Corporation (an Indiana school district) became effective. Under this agreement, the two school districts became the Union County-College Corner Joint School District. The Joint School District is administered by a Joint Board, comprised of nine members. Seven members are school board members from the Union County School District and the remaining two members are from the College Corner Local School District. The reorganization agreement may be terminated between any two school years by the mutual agreement of both Union County District and the College Corner Local School District.

The Joint Board has the authority to set the annual budget of the Joint School District. In addition, the Joint Board has the duty and power to operate and establish policies for the Joint School District in accordance with federal law and the laws of the State of Indiana to the fullest extent possible. The Joint Board is to follow Indiana law exclusively, unless expressly provided for in the reorganization agreement. The local Board of Education of the College Corner Local School District has authority over issues pertaining to tax rates for revenue collected from Ohio taxpayers and personnel working directly for the local Board.

With regard to financial management, according to the reorganization agreement, the Union County School Corporation is the "administering" district. The administering district is the district delegated the responsibility to maintain the books and records, issue contracts, and perform day-to-day operations. The College Corner Local School District makes payments to the Union County School Corporation. However, the College Corner Local School District also keeps a record of just its transactions in its' computer system maintained by the Southwestern Ohio Computer Association. (See Note 8)

Management believes the financial statements included in this report represent all of the funds for which the School District is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Although required by Ohio Administrative Code, Section 117-2-03 (B), to prepare its annual financial report in accordance with generally accepted accounting principles, the District chooses to prepare its financial statements and notes in accordance with standards established by the Auditor of State for governmental entities that are not required to prepare annual financial reports in accordance with generally accepted accounting principles. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Failing to follow generally accepted accounting principles is a condition sufficient for the Ohio Department of Education to place the District in a Fiscal Caution Status. This status requires the District to submit a corrective action plan to the Department. The Auditor of State is referring this report to the Ohio Department of Education

These statements include adequate disclosure of material matters, as formerly prescribed or permitted for school districts by the Auditor of State.

A. Basis of Presentation - Fund Accounting

The District maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund

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

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to disbursements for specified purposes.

Capital Projects Funds

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

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. This includes expendable trust funds.

B. BUDGETARY PROCESS

1. Budget

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year, for the period July 1 to June 30 of the following fiscal year.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

The County Budget Commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1 this certificate is amended to include any unencumbered balances from the preceding fiscal year. Prior to June 30, the School District must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in the accompanying financial statements do not include July 1, 2001 or 2000, unencumbered fund balances. However, those fund balances are available for appropriations.

3. Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation measure must be passed by October 1 of each year for the period July 1 to June 30. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

4. Encumbrances

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

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

C. CASH AND INVESTMENTS

To improve cash management, all cash received by the School District Treasurer is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's accounting records.

Investments are stated at cost which approximates market value. Investment earnings are allocated as authorized by State statute based upon District policy.

During fiscal year 2002 and 2001, the School District's investments were limited to funds invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2002.

D. PROPERTY, PLANT AND EQUIPMENT

Fixed assets acquired or constructed for general governmental service are recorded as expenditures.

E. UNPAID VACATION AND SICK LEAVE

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

F. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

3. 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 District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Protection of the 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 moneys deposited with the institution.

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

1. United States treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal or interest by the United States;

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 2001
(Continued)**

3. DEPOSITS AND INVESTMENTS (Continued)

2. Bonds, notes debentures or any other obligations or security issued by any federal government agency or instrumentality, including but not limited to the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the 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; and
6. The State Treasurer's investment pool (STAR Ohio)
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.
8. Under certain 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 obligation, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District and must be purchased with the expectation that it will be held to maturity. 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 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements".

Deposits: For the year ended June 30, 2002, the carrying amount of the District's deposits was \$34,413 and the bank balance was \$39,306. The School District had \$150 cash on hand. Of the bank balance, \$39,306 was covered by federal depository insurance.

For the year ended June 30, 2001, the carrying amount of the District's deposits was \$78,750 and the bank balance was \$85,823. The District had \$150 cash on hand. Of the bank balance, \$85,823 was covered by federal depository insurance. Non-compliance with federal requirements would potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 2001
(Continued)**

3. DEPOSITS AND INVESTMENTS (Continued)

Investments: The District's investments are categorized below to give an indication of the level of risk assumed by the District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. The District invests in Star Ohio, an investment pool operated by the Ohio State Treasurer, a non-categorized investment since it is not evidenced by securities that exist in physical book entry form.

Investment activity for the years ending June 30, 2002 and June 30, 2001 follows:

<u>2002 Investments</u>	
	<u>Fair Vaue</u>
Star Ohio	\$2,722,580
Total	<u><u>\$2,722,580</u></u>
<u>2001 Investments</u>	
	<u>Fair Vaue</u>
Star Ohio	\$2,220,486
Total	<u><u>\$2,220,486</u></u>

4. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last appraisal was completed for tax year 1999.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established. The state automatically allows 30 days for extension and the County Treasurer may request an additional 30 days.

The full tax rate applied to real property for the fiscal years ended June 30, 2002, was \$32.10 per \$1,000 of assessed valuation. After adjustment of the rate of inflationary increases in property values, the effective tax rate was \$24.72 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$25.78 per \$1,000 of assessed valuation for all other real property.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 2001
(Continued)**

4. PROPERTY TAX (Continued)

The full tax rate applied to real property for the fiscal years ended June 30, 2001, was \$32.10 per \$1,000 of assessed valuation. After adjustment of the rate of inflationary increases in property values, the effective tax rate was \$24.71 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$25.78 per \$1,000 of assessed valuation for all other real property.

Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the School District by the State of Ohio.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the fiscal year ended June 30, 2002 and 2001, was \$32.10 per \$1,000 of assessed valuation.

	2002	2001
Real Property Valuation		
Residential/Agricultural	\$6,675,070	\$6,563,280
Commercial/Industrial	449,790	462,040
Public Utilities	3,910	4,170
Tangible Personal Property Valuation		
General	304,714	516,997
Public Utilities	742,220	836,000
Total Valuation	\$8,175,704	\$8,382,487

The District receives property taxes from Butler and Preble Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

5. RISK MANAGEMENT

A. Other Insurance

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2002 and 2001, the District contracted with Harcum-Hyre Insurance for education liability coverage.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from prior years.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 2001
(Continued)**

6. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309, of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll.

The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$11,772, \$13,164 and \$8,336, respectively. All required contributions have been made.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2002 and 2001, plan members were required to contribute 9.3 percent of their annual covered salaries. The District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. This is the same percent used in 2001. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$37,416, \$44,676 and \$31,851, respectively. All required contributions have been made.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2002 and 2001, one member of the Board of Education had elected social security. The Board's liability is 6.2 percent of wages paid.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 2001
(Continued)**

7. POST-EMPLOYMENT BENEFITS

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, (the latest information available) the balance in the Fund was \$3.256 billion. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease of 1.26 percent from fiscal year 2001. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent from fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay was established at \$12,400.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 2001
(Continued)**

8. JOINTLY GOVERNED ORGANIZATIONS

Southwest Ohio Computer Association - The District is a participant in the Southwest Ohio Computer Association (SWOCA) which is a computer consortium. SWOCA is an association of public school districts within the boundaries of Butler, Hamilton, Preble, and Warren Counties and Cities of Eaton, Edgewood, Fairfield, Franklin, Hamilton, Lebanon, Loveland, Mason, Middletown, Oxford, and Springboro. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SWOCA consists of one representative from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent the District, during fiscal year 2002 and 2001, paid SWOCA \$9,470 and \$5,896, respectively, for services provided during the year. Financial information can be obtained from K. Michael Crumley, who serves as director, at 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

9. STATUTORY RESERVES

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount 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 information describes the change in the year-end set-aside amounts for textbooks, capital maintenance and budget stabilization during the fiscal years ended June 30, 2002 and 2001. Disclosure of this information is required by State statute.

<i>Fiscal Year 2002</i>	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Set-Aside Cash Balance June 30, 2001	\$15,648	\$0	\$0	\$15,648
Current Year Set-Aside Requirement	16,231	16,231	0	32,462
Reserve Not Required by Law	41,982	0	20,846	62,828
Current Year Offset	(20,991)	(42,907)	0	(63,898)
Qualifying Disbursements	(6,931)	(42,698)	0	(49,629)
Total	\$45,939	(\$69,374)	\$20,846	(\$2,589)
Set-Aside Reserve Balance Carried Forward to FY 2003	\$3,957	\$0		\$3,957
Total Restricted General Fund Balance As of June 30, 3002				\$3,957

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 2001
(Continued)**

9. STATUTORY RESERVES (Continued)

<u>Fiscal Year 2001</u>	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Set-Aside Cash Balance June 30, 2000	\$12,681	\$0	\$0	\$12,681
Current Year Set-Aside Requirement	16,690	16,690	0	\$33,380
Reserve Not Required by Law	20,991	23,984	23,329	\$68,304
Current Year Offset	(7,395)	(47,588)	0	(54,983)
Qualifying Disbursements	(6,328)	0	0	(6,328)
Total	<u>\$36,639</u>	<u>(\$6,914)</u>	<u>\$23,329</u>	<u>\$53,054</u>
Set-Aside Reserve Balance Carried Forward to FY 2002	<u>\$15,648</u>	<u>\$0</u>	<u>\$0</u>	<u>\$15,648</u>
Total Restricted General Fund Balance As of June 30, 3001				<u>\$15,648</u>

Although the District had offsets and qualifying disbursements during 2002 and 2001 that reduced the set-aside amounts for capital maintenance to below zero, the negative amount for capital maintenance is not carried forward to the next fiscal year.

Effective April 10, 2001, S.B. No. 345 eliminated the requirement that school districts establish and maintain a budget stabilization reserve. Any balance (this includes the amount representing required BWC deposits and the amount representing other required deposits) remaining in the previously required budget reserve at April 10, 2001, may at the Board's discretion be left in the reserve account and used by the board to offset any budget deficit the district may experience in future years.

10. CONTINGENCIES

A. Grants

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

B. Litigation

The School District does not have any pending litigation.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2002 AND JUNE 2001
(Continued)**

11. STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

12. NONCOMPLIANCE

Contrary to Ohio law:

- The School District prepared its financial statement on a cash rather than GAAP basis.
- The School District did not encumber all funds.
- The School District did not secure adequate collateral for amounts over FDIC.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

College Corner Local School District
Preble County
101 East Main Street
Eaton, Ohio 45320

To the Board of Education:

We have audited the financial statements of College Corner Local School District, Preble County, Ohio (the District), as of and for the fiscal years ended June 30, 2002 and 2001, and have issued our report thereon dated December 23, 2002, which was modified because the District prepares its financial statements on the basis of accounting other than that prescribed by Ohio Administrative Code, Section 117-2-03(B). We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 2002-10368-001 through 2002-10368-003. We also noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated December 23, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2002-10368-001 through 2002-10368-003.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions described above are not material weaknesses.

College Corner Local School District
Preble County
Report of Independent Accountants on Compliance and on
Internal Control Required by Government Auditing Standards
Page 2

We also noted other matters involving the internal control structure over financial reporting that do not require inclusion in this report that we have reported to the management of the District in a separate letter dated December 23, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

December 23, 2002

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2002 AND 2001**

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

FINDING 2002-10368-001

Reportable Condition and Noncompliance Citation – Preparation of the Annual Financial Report

Ohio Administrative Code, Section 117-2-03 (B), requires the District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the District prepares its financial statements in accordance with standards established by the Auditor of State for governmental entities not required to prepare annual reports in accordance with generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. The District can be fined and various other administrative remedies may be taken against the District.

Failing to follow generally accepted accounting principles is a condition sufficient for the Ohio Department of Education to place the District in a Fiscal Caution Status. This status requires the District to submit a corrective action plan to the Department. The Auditor of State is referring this report to the Ohio Department of Education

FINDING NUMBER 2001-40414-002

Reportable Condition and Noncompliance Citation – Certification of Purchase Orders

Ohio Rev. Code, Section 5705.41(D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two exceptions to the above requirements:

- A. Then and Now Certificates - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Board may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.

- B. If the amount involved is less than \$1,000 dollars, the fiscal officer may authorize payment through a Then and Now Certificate without affirmation of the Board, if such expenditure is otherwise valid.

The District did not properly certify the availability of funds for purchase commitments for twenty-three percent of expenditures tested and did not use one of the exceptions above. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances. Effort should be made by the District to properly utilize the encumbrance method of accounting by certifying the availability funds on properly approved purchase orders. We recommend the District obtain approved purchase orders, which contain the Clerk's certification indicated by a signature that the amount required to meet the obligation has been lawfully appropriated and authorized, prior to making a commitment.

FINDING NUMBER 2001-40414-003

Reportable Condition and Noncompliance Citation – Security for Repayment of Public Deposits

Ohio Rev. Code Section 135.18, mandates the Treasurer of a political subdivision must require each depository to provide as security an amount equal to the funds on deposit at all times. Such security may consist of federal deposit insurance, surety company bonds, or pledged securities.

The District did not have adequate collateral statements from Farmers State Bank or Heritage Community Bank. During the audit period, for sixteen out of twenty-four months the amount on deposit at Farmers State Bank and Heritage Community Bank was more than the \$100,000 which is covered under FDIC. The amounts in excess of FDIC coverage ranged from \$1,445 to \$134,183.

This condition could result in the loss of District funds if the financial institution were to fail. We recommend that the District request and retain collateral statements from all banks on a quarterly basis to ensure that all deposits are adequately secured.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2000-10368-001	Citation per Ohio Administrative Code Section 117-2-03 (B) for not preparing financial statements in accordance with generally accepted accounting principles.	No	Not corrected, reissued as Finding 2002-10368-001
2000-10368-002	Citation per Ohio Revised Code 135.18 for not securing collateral statements for the repayment of public deposits.	No	Not corrected, reissued as Finding 2002-10368-003
Management Letter-1	Citation per Ohio Revised Code 5705.41(D) for not properly certifying purchase orders.	No	Not corrected, reissued as finding 2002-10368-002



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COLLEGE CORNER LOCAL SCHOOL DISTRICT

PREBLE 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
JANUARY 9, 2003**