



**Auditor of State  
Betty Montgomery**



**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

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**Auditor of State  
Betty Montgomery**

**REPORT OF INDEPENDENT ACCOUNTANTS**

Leetonia Exempted Village School District  
Columbiana County  
450 Walnut Street  
Leetonia, Ohio 44431

To the Board of Education:

We have audited the accompanying financial statements of Leetonia Exempted Village School District (the District) as of and for the year ended June 30, 2003. 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 School District to prepare its annual financial report in accordance with generally accepted accounting principles. However, as discussed in Note 1, 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, can not be determined at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District as of June 30, 2003, 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 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2003 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.

The accompanying schedule of federal awards expenditures is presented for additional analysis as required by 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 financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management, and other officials authorized to receive this report under § 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

September 26, 2003

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Cash Receipts:</b>						
Receipts from Local Sources:						
Taxes	\$1,415,700	\$22,285	\$209,769			\$1,647,754
Transportation Fees	12,140					12,140
Earnings on Investment				\$232,881	\$6,049	238,930
Extracurricular Activities	1,380	104,660				106,040
Classroom Materials and Fees	16,976					16,976
Miscellaneous Receipts	4,097			22,617	18,368	45,082
Revenue from Intermediate Sources:						
Revenue in Lieu of Taxes	20,007					20,007
Receipts from State Sources:						
Unrestricted Grants-In-Aid	3,679,053	2,936	15,474			3,697,463
Restricted Grants-In-Aid	248,908	58,242		643,577		950,727
Revenue for/on Behalf of the District	53,789					53,789
Receipts from Federal Sources:						
Restricted Grants-In-Aid		266,122				266,122
Revenue for/on Behalf of the District		7,000				7,000
<b>Total Cash Receipts</b>	<b>5,452,050</b>	<b>461,245</b>	<b>225,243</b>	<b>899,075</b>	<b>24,417</b>	<b>7,062,030</b>
<b>Cash Disbursements:</b>						
Current:						
Instruction:						
Regular	2,902,586	107,829		56,906		3,067,321
Special	453,318	219,924				673,242
Vocational Education	6,033					6,033
Other	8,039					8,039
Support Services:						
Pupils	448,285	2,162			4,160	454,607
Instructional Staff	54,860	15,474				70,334
Board of Education	24,558					24,558
School Administration	540,583	24,352				564,935
Fiscal	127,236					127,236
Business	269					269
Operation and Maintenance	562,037	55,294		3,160		620,491
Pupil Transportation	246,863	527		54,932		302,322
Central	19,314	7,000				26,314
Operation of Non-Instructional Services:						
Community Service		817				817
Other Operation of Non-Instructional Services	41,688					41,688
Extracurricular Activities:						
Academic and Subject Oriented		2,543				2,543
Sports Oriented		60,166				60,166
Co-Curricular Activities	77,155	38,651				115,806
Facilities Acquisition and Construction Services:						
Site Improvement				472,725		472,725
Architecture Engineering				156,292		156,292
Building Acquisition and Construction				1,467,235		1,467,235
Building Improvement	2,298			502,531		504,829
Other Facilities Acquisition and Improvement				306,078		306,078
Debt Service:						
Principal Payments			50,000			50,000
Interest Payments			83,230			83,230
<b>Total Cash Disbursements</b>	<b>5,515,122</b>	<b>534,739</b>	<b>133,230</b>	<b>3,019,859</b>	<b>4,160</b>	<b>9,207,110</b>
Excess of Cash Receipts Over/(Under) Cash Disbursements	(63,072)	(73,494)	92,013	(2,120,784)	20,257	(2,145,080)
<b>Other Financing Sources (Uses):</b>						
Sale of Assets						
Transfers-In				12,321		12,321
Advances-In	69,530			54,932		124,462
Transfers-Out	(124,462)			1,000,000		1,000,000
Advances-Out	(1,000,000)					(1,000,000)
<b>Total Other Financing Sources(Uses)</b>	<b>(1,054,932)</b>	<b>0</b>	<b>0</b>	<b>1,067,253</b>	<b>0</b>	<b>12,321</b>
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(1,118,004)	(73,494)	92,013	(1,053,531)	20,257	(2,132,759)
Fund Cash Balances, July 1, 2002	2,238,857	202,921	196,243	2,525,199	62,993	5,226,213
<b>Fund Cash Balances, June 30, 2003</b>	<b>\$1,120,853</b>	<b>\$129,427</b>	<b>\$288,256</b>	<b>\$1,471,668</b>	<b>\$83,250</b>	<b>\$3,093,454</b>
Reserves for Encumbrances, June 30, 2003	\$2,436	\$19,206	\$0	\$388,405	\$0	\$410,047

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

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>				
Food Services	\$106,745			\$106,745
Extracurricular Activities		\$2,568	\$50,741	53,309
				<hr/>
Total Operating Cash Receipts	106,745	2,568	50,741	160,054
				<hr/>
<b>Operating Cash Disbursements:</b>				
Personal Services - Salaries	90,902			90,902
Employees' Retirement and Insurance	35,235			35,235
Purchased Services	223	196,610		196,833
Supplies and Materials	72,343	374		72,717
Capital Outlay	1,273			1,273
Other Objects		470,285	45,524	515,809
				<hr/>
Total Operating Cash Disbursements	199,976	667,269	45,524	912,769
				<hr/>
Excess of Operating Cash Receipts Over / (Under) Operating Cash Disbursements	(93,231)	(664,701)	5,217	(752,715)
				<hr/>
<b>Non-Operating Cash Receipts:</b>				
Miscellaneous Receipts		501,698		501,698
State Sources:				
Unrestricted Grants-In-Aid	4,870			4,870
Federal Sources:				
Unrestricted Grants-In-Aid	82,442			82,442
				<hr/>
Total Non-Operating Cash Receipts	87,312	501,698	0	589,010
				<hr/>
Net Receipts Over/(Under) Disbursements	(5,919)	(163,003)	5,217	(163,705)
				<hr/>
Fund Cash Balances, July 1, 2002	15,425	347,426	17,453	380,304
				<hr/>
<b>Fund Cash Balances, June 30, 2003</b>	<b>\$9,506</b>	<b>\$184,423</b>	<b>\$22,670</b>	<b>\$216,599</b>
				<hr/>
Reserve for Encumbrances, June 30, 2003	\$112	\$0	\$0	\$112
				<hr/>

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



**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

<b>Fund Types/Funds</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Governmental Fund Types:</b>			
General Fund	\$5,451,891	\$5,521,580	\$69,689
Special Revenue Funds	466,604	461,245	(5,359)
Debt Service Funds	225,100	225,243	143
Capital Projects Funds	1,903,000	966,328	(936,672)
<b>Proprietary Fund Type:</b>			
Enterprise Funds	195,900	194,057	(1,843)
Internal Service Funds	502,966	504,266	1,300
<b>Fiduciary Fund Type:</b>			
Trust and Agency Funds	74,800	75,158	358
<b>Total (Memorandum Only)</b>	<b>\$8,820,261</b>	<b>\$7,947,877</b>	<b>(\$872,384)</b>

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

LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY

COMBINED STATEMENT OF DISBURSEMENTS AND  
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Fund Types/Funds	Prior Year Carryover Appropriations	2003 Appropriations	Total	Actual 2003 Disbursements	Encumbrances Outstanding at 06/30/03	Total	Variance Favorable (Unfavorable)
<b>Governmental Fund Types:</b>							
General Fund	\$3,285	\$6,614,200	\$6,617,485	\$5,639,584	\$2,436	\$5,642,020	\$975,465
Special Revenue Funds	4,952	609,153	614,105	534,742	19,206	553,948	60,157
Debt Service Funds	-	133,500	133,500	133,230	-	133,230	270
Capital Projects Funds	517,557	3,500,191	4,017,748	3,019,859	388,404	3,408,263	609,485
<b>Proprietary Fund Type:</b>							
Enterprise Funds	-	210,000	210,000	199,976	112	200,088	9,912
Internal Service Funds	-	689,373	689,373	667,269	-	667,269	22,104
<b>Fiduciary Fund Type:</b>							
Trust and Agency Funds	168	54,200	54,368	49,684	-	49,684	4,684
<b>Total (Memorandum Only)</b>	<u>\$525,962</u>	<u>\$11,810,617</u>	<u>\$12,336,579</u>	<u>\$10,244,344</u>	<u>\$410,158</u>	<u>\$10,654,502</u>	<u>\$1,682,077</u>

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

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Leetonia Exempted Village School District, Columbiana County, (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Leetonia Exempted Village School District is an exempted village school district as defined by Section 3311.03 of the Ohio Revised Code. The School District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the School District.

Average daily membership (ADM) as of October 1, 2002 was 817. The School District employed 64 certificated employees and 35 non-certificated employees.

Management believes the financial statements included in this report represent all of the funds of the School District over which the School District has the ability to exercise direct operating control.

**B. Basis of Accounting**

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 School 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.

**C. Investments**

Investment procedures are restricted by the provisions of the Revised Code. Purchased investments are valued at cost and are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Interest earned is recognized and recorded when received.

**D. Fund Accounting**

The School District uses fund accounting to segregate cash and investments that are restricted as to use. The School District classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund and is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Special Revenue Funds**

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

**3. Debt Service Funds**

These funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs. According to the government accounting principles, the debt service fund accounts for the payment of long-term debt for governmental funds only. Under Ohio law, the debt service fund might also be used to account for the payment of long-term debt of proprietary funds and the short-term debt of both governmental and proprietary funds. For the purpose of this report, these funds have been classified into the proper groups if practical.

**4. Capital Projects Funds**

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 Funds and Trust Funds).

**5. Enterprise Funds**

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

**6. Internal Service Funds**

Internal Service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the District, or other governments, on a cost reimbursement basis.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Trust & Agency Funds**

Trust and Agency funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust and Agency Funds.

**E. 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 year.

**2. Estimated Resources**

The county budget commission certifies its actions to the School District by March 1. As part of this certification, the School 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 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, 2002 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 School 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.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Property, Plant and Equipment**

Fixed assets acquired or constructed for general governmental service are recorded as expenditures. Depreciation is not recorded for these fixed assets.

**G. 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.

**H. 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 basis of accounting described in Note 1.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The School District maintains a cash and investment pool used by all funds.

**Legal Requirements:** Statutes require the classification of monies held by the School District into three categories.

Category A consists of "active" monies, those monies are required to be kept in a "cash" or "near cash" status for immediate use by the School District. Such monies must be maintained either as cash in the School District treasury or negotiable order of withdrawal (NOW) accounts.

Category B consists of "inactive" monies, those monies are not required for use within the current two year period of designation of depositories. Inactive monies may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category C consists of "interim" monies, those monies which are not needed for immediate use but which will be needed before the end of the current period of depositories. Interim monies may be invested or deposited 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 and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003  
(Continued)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)**

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);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

**Deposits** - At June 30, 2003, the carrying amount of the School District's deposits was \$49,796 and the bank balance was \$253,631. Of the bank balance, \$100,000 was covered by federal depository insurance and \$153,631 was covered by collateral held by third party trustees pursuant to Section 135.181, Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions.

**Investments** - The School District's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end.

1. Securities held by the entity or its agent in the entity's name (Category 1).
2. Securities held by the counterparty's trust department or agent in the entity's name (Category 2).
3. Securities held by the counterparty, or by its trust department or agent but not in the entity's name (Category 3).

	<b>Category 3</b>	<b>Carrying Value</b>	<b>Market Value</b>
Repurchase Agreements	\$3,015,731	\$3,015,731	\$3,015,731
Star Ohio (*)		<u>\$244,526</u>	<u>\$244,526</u>
<b>Total Investments</b>	<u>\$3,015,731</u>	<u>\$3,260,257</u>	<u>\$3,260,257</u>

(\*) Star Ohio is an unclassified investment as it does not exist in physical or book entry form.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003  
(Continued)**

**3. PROPERTY TAX**

Real property taxes are levied on assessed values which equal 35% of appraised value. The county auditor reappraises all real property every three years with a triennial update. The last update for Columbiana County was completed for tax year 2001 and 2002 for Mahoning County.

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.

Columbiana County and Mahoning County tax rates are combined. The full tax rate applied to real property for the tax (calendar) year 2003 was \$42.06 per \$1000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$31.55 per \$1000 of assessed valuation for real property classified as residential/agricultural and \$33.57 per \$1000 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 tax (calendar) year 2003 was \$42.06 per \$1000 of assessed valuation.

	<b>Columbiana County</b>	<b>Mahoning County</b>
Real Property-2002 Valuation		
Commercial/Industrial	\$ 3,031,890	\$ 767,060
Residential/Agricultural	41,744,800	2,746,860
Gas/Oil/Minerals	18,820	0
Tangible Personal Property - 2002 Valuation		
General	3,342,330	384,880
Public Utilities	<u>4,652,560</u>	<u>197,110</u>
 Total Valuation	 \$54,732,990	 \$802,120

The Columbiana County Treasurer and the Mahoning County Treasurer collect property taxes on behalf of all taxing districts within their respective county. The Columbiana County Auditor and the Mahoning County Auditor periodically remit to the taxing districts their portions of the taxes collected.



**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003  
(Continued)**

**4. DEBT**

Debt outstanding at June 30, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$1,475,000	5.36%

Outstanding general obligation bonds consist of school improvement issues. These bonds are direct obligations of the School District for which its full faith, credit, and resources are pledged, and are payable from taxes levied on all taxable property in the School District.

The School District incurred debt obligations during 2001. These debt instruments were in the form of: (1) general obligation bonds for school improvement including the construction of a new school building which will house all the district's students.

The annual requirements to amortize all outstanding bonded debt as of June 30, 2003, including interest payments of \$ 928,238 are presented below.

<u>Year ending June 30:</u>	<u>General Obligation Bonds</u>
2003	130,843
2004	128,393
2005	125,893
2006	128,214
Subsequent	<u>1,889,895</u>
<b>TOTAL</b>	<b><u>2,403,238</u></b>

**5. INSURANCE**

The School District maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% coinsured.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003  
(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 system. 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 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 may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

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 rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligation. 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 contribution for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$168,360, \$166,394, and \$137,924, respectively.

**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. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The District is required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. 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, 2003, 2002, and 2001 were \$641,901, \$565,321, and \$552,435, respectively.

**7. POSTEMPLOYMENT BENEFITS**

The School 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, physician's fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefits 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.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003  
(Continued)**

**7. POSTEMPLOYMENT BENEFITS - (Continued)**

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, 2003, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 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, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent for fiscal year 2002. 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 2003, the maximum pay was established at \$12,400. For the District, the amount contributed to fund health care benefits during the 2003 fiscal year equaled \$ 14,300.

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, 2002 (the latest information available), were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**8. HEALTH INSURANCE**

The District provides major medical, hospitalization, vision, prescription drug, dental, and life insurance benefits to its employees through a third party administrator. Benefit costs are funded and accounted for in the Self Insurance Fund.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003  
(Continued)**

**9. 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 decision 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 on its financial operations.

**10. CONTINGENCIES**

The District is a defendant in several lawsuits, the outcome of which cannot presently be determined. It is the opinion of the District's management that any judgment against the District resulting from these lawsuits would not have a material adverse effect on the District's financial position.

Under the terms of Federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The District's management believes disallowances, if any, will be immaterial.

**11. SET-ASIDE CALCULATION AND FUND RESERVES**

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

The following cash basis information describes the changes in the year-end set-aside amounts for textbooks, and capital acquisitions. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Improvement</u>
Set-aside cash balance as of June 30, 2002	(\$258,718)	\$0
Current year set-aside requirement	112,831	112,831
Current year offsets	---	
Qualifying Disbursements	<u>(88,720)</u>	<u>(144,697)</u>
Total	<u>(\$234,607)</u>	<u>(\$31,866)</u>
Set-Aside Balance Carried Forward to Future Year	<u>(\$234,607)</u>	<u>\$0</u>

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2003  
(Continued)**

**11. SET-ASIDE CALCULATION AND FUND RESERVES - (Continued)**

The School District has qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirement of future fiscal years, Although the School District had qualifying disbursements during the year that reduced the set-aside amount below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future fiscal years. This negative balance is therefore not presented as being carried forward to future fiscal years. There is no reserve balance for the set-asides at the end of the fiscal year.

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**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program		10.550		\$59,926		\$59,926
National School Breakfast Program	2002 05-PU 2003 05-PU	10.553	476		476	
			8,511		8,511	
Total National School Breakfast Program			8,987		8,987	
National School Lunch Program	2002 LL-P4 2003 LL-P4	10.555	5,557		5,557	
			67,896		67,896	
Total National School Lunch Program			73,453		73,453	
Total U.S. Department of Agriculture - Nutrition Cluster			<b>82,440</b>	<b>59,926</b>	<b>82,440</b>	<b>59,926</b>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	C1-S1 2002 C1-S1 2003	84.010	44,973		58,089	
			84,479		77,694	
Total Title I Grants to Local Educational Agencies			129,452		135,783	
Drug Free School Grant	DR-S1 2002 DR-S1 2003	84.186	1,254		832	
			0		1,463	
			1,254		2,295	
Special Education Grants to States	6B-SF 2002	84.027	0		6,024	
			82,207		78,644	
Special Education Grants to States			82,207		84,668	
Educational Systemic Improvement Grant	G2-S2 2001	84.276	0		866	
Innovative Education Program Strategies	C2-S1 2001 C2-S1 2002 C2-S1 2003	84.298	0		2,120	
			3,355		4,725	
			4,778		4,778	
Total Innovative Education Program Strategies			8,133		11,623	
Class Size Reduction Program	CR-S1 2002	84.340	9,570		11,042	
Assistive Tech Infusion Program	AT-S3 2002	84.352A	4,451		4,451	
Title II Eisenhower Grant	MS-S1-2002	84.281	0		1,792	
Title II - D	TJ-S1-2003	84.318	3,369		3,369	
Title II - A	TR-S1-2003	84.367	27,685		26,723	
Total Department of Education			<b>266,121</b>		<b>282,612</b>	
<b>Totals</b>			<b>\$348,561</b>	<b>\$59,926</b>	<b>\$365,052</b>	<b>\$59,926</b>

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

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2003**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - FOOD DISTRIBUTION**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2003, the District had no significant food commodities in inventory.





**Auditor of State  
Betty Montgomery**

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

Leetonia Exempted Village School District  
Columbiana County  
450 Walnut Street  
Leetonia, Ohio 44431

To the Board of Education:

We have audited the accompanying financial statements of Leetonia Exempted Village School District (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated September 26, 2003 which noted the District prepares its financial statements on a 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2002-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated September 26, 2003.

**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 a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 judgement, 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. The reportable condition is described in the accompanying schedule of findings as item 2003-002.

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 consider item 2003-002 to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated September 26, 2003.

This report is intended solely for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

September 26, 2003



## Auditor of State Betty Montgomery

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

Leetonia Exempted Village School District  
Columbiana County  
450 Walnut Street  
Leetonia, Ohio 44431

#### Compliance

We have audited the compliance of Leetonia Exempted Village School District (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 are applicable to each of its major federal programs for the year ended June 30, 2003. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each major federal program for the year ended June 30, 2003.

#### Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with 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 have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Board of Education, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

September 26, 2003

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
JUNE 30, 2003**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under §.510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Title VI-B, CFDA # 84.027 Title II-A, CFDA # 84.367
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
JUNE 30, 2003**

**SCHEDULE OF FINDINGS  
(Continued)**

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

**Finding # 2003-001**

Ohio Administrative Code Section 117-2-03 (B), requires the School District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the School 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 School District can be fined and various other administrative remedies may be taken against the School District.

It is recommended that the School District prepare its annual financial report in accordance with generally accepted accounting principles.

**Finding # 2003-002**

Student Advisors for the Yearbook Activity did not retain receipts issued to students and the receipts were not dated or pre-numbered. These weaknesses reduce the control established over student activity receipts and are in noncompliance with the policies and procedures for student activity receipts established by the Board of Education.

It is recommended the Board of Education enforce the Board Policy on Student Activities by implementing the following procedures:

1. Require Student Activity Advisors to issue pre-numbered duplicate receipts and date the receipt when it is issued. This procedure establishes numerical sequence control and documents the date the receipt was issued which in turn indicates the date it should be deposited.
2. Require Student Activity Advisors to retain copies of receipts issued to students at the conclusion of a fund raiser to provide source information to substantiate the accuracy of the cash received from the fund raiser. The District should consider implementing a process to collect and centrally maintain these documents.

These procedures will help improve controls over Student Activity receipts.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
JUNE 30, 2003**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

<b>Finding Number</b>	<b>Finding Summary</b>	
2002-11215-001	Ohio Administrative Code Section 117-2-03, failure to Report on a GAAP Basis	This finding was re-issued as finding #2003-001.
2002-11215-002	Ohio Rev. Code Section 5705.41(B), the School Net fund had expenditures that exceeded appropriations.	This finding was corrected for the current audit period.
2002-11215-003	The School District lacked controls over its student activities.	This finding was re-issued as finding #2003-002.







**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT**

**COLUMBIANA 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 6, 2004**