



**CANTER & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

**LEETONIA EXEMPTED VILLAGE SCHOOL  
DISTRICT  
COLUMBIANA COUNTY**

**REGULAR AUDIT  
FOR THE YEARS ENDED JUNE 30, 2005-2006**





Mary Taylor, CPA  
Auditor of State

Board of Education  
Leetonia Exempted Village School District  
450 Walnut Street  
Leetonia, Ohio 44431

We have reviewed the *Independent Accountants' Report* of the Leetonia Exempted Village School District, Columbiana County, prepared by Canter and Company, for the audit period July 1, 2004 through June 30, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Leetonia Exempted Village School District is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

June 4, 2007

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**Leetonia Exempted Village School District**  
*Columbiana County*

*Table of Contents*

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|   | <u>Page</u> |
|---|-------------|
| Table of Contents .....   | 1           |
| Independent Accountants' Report.....  | 3           |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes<br>In Fund Cash Balances – All Governmental and Similar Fiduciary<br>Fund Types – For the Fiscal Year Ended June 30, 2005..... | 4           |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes<br>In Fund Cash Balances – All Proprietary and Similar Fiduciary<br>Fund Types – For the Fiscal Year Ended June 30, 2005.....  | 5           |
| Combined Statement of Receipts – Budget and Actual<br>For the Fiscal Year Ended June 30, 2005 .....   | 6           |
| Combined Statement of Disbursements and Encumbrances<br>Compared with Expenditure Authority<br>For the Fiscal Year Ended June 30, 2005 .....  | 7           |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes<br>In Fund Cash Balances – All Governmental and Similar Fiduciary<br>Fund Types – For the Fiscal Year Ended June 30, 2006..... | 8           |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes<br>In Fund Cash Balances – All Proprietary and Similar Fiduciary<br>Fund Types – For the Fiscal Year Ended June 30, 2006.....  | 9           |
| Combined Statement of Receipts – Budget and Actual<br>For the Fiscal Year Ended June 30, 2006 .....   | 10          |
| Combined Statement of Disbursements and Encumbrances<br>Compared with Expenditure Authority<br>For the Fiscal Year Ended June 30, 2006 .....  | 11          |
| Notes to the Financial Statements .....   | 12          |
| Independent Accountants' Report on Internal Control over Financial Reporting<br>And on Compliance and Other Matters<br>Required by <i>Governmental Auditing Standards</i> .....                     | 27          |
| Schedule of Findings.....   | 28          |

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## INDEPENDENT ACCOUNTANTS' REPORT

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 years ended June 30, 2005 and June 30, 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 accounting principles generally accepted in the United States of America. However, as discussed in Note 1(B), the accompanying financial statements and notes have been prepared on an accounting basis not in accordance with these generally accepted accounting principles. The accompanying financial statements and notes omit entity wide statements, and assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion, the accompanying financial statements do not present fairly the financial position, results of operations, and cash flows, where applicable, of the Leetonia Exempted Village School District as of and for the years ended June 30, 2005 and 2006 in accordance with accounting principles generally accepted in the United States of America.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2007, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Canter & Company  
May 2, 2007

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, 2005

|  | Governmental Fund Types |                  |                   |                  | Fiduciary Fund Type | Totals<br>(Memorandum Only) |
|--|-------------------------|------------------|-------------------|------------------|---------------------|-----------------------------|
|  | General                 | Special Revenue  | Debt Service      | Capital Projects | Expendable Trust    |                             |
| <b>Cash Receipts:</b>  |                         |                  |                   |                  |                     |                             |
| Receipts from Local Sources:   |                         |                  |                   |                  |                     |                             |
| Taxes  | \$ 1,489,447            | \$ 22,921        | \$ 153,863        | \$ 36,976        |                     | \$ 1,703,207                |
| Transportation Fees  | 12,794                  |                  |                   |                  |                     | 12,794                      |
| Earnings on Investment   | 60,361                  |                  |                   | 1,671            | 2,910               | 64,942                      |
| Extracurricular Activities   | 1,200                   | 141,358          |                   |                  |                     | 142,558                     |
| Classroom Materials and Fees   | 15,581                  |                  |                   |                  |                     | 15,581                      |
| Miscellaneous Receipts   | 6,865                   |                  |                   |                  | 4,951               | 11,816                      |
| Revenue from Intermediate Sources:   |                         |                  |                   |                  |                     |                             |
| Revenue in Lieu of Taxes   | 44,208                  |                  |                   |                  |                     | 44,208                      |
| Receipts from State Sources:   |                         |                  |                   |                  |                     |                             |
| Unrestricted Grants-In-Aid   | 4,061,712               | 3,235            | 21,425            | 6,193            |                     | 4,092,565                   |
| Restricted Grants-In-Aid   | 481,087                 | 40,653           |                   |                  |                     | 521,740                     |
| Revenue for/on Behalf of the District  | 26,730                  |                  |                   |                  |                     | 26,730                      |
| Receipts from Federal Sources:   |                         |                  |                   |                  |                     |                             |
| Restricted Grants-In-Aid   |                         | 359,738          |                   |                  |                     | 359,738                     |
| Revenue for/on Behalf of the District  |                         | 3,456            |                   |                  |                     | 3,456                       |
| <b>Total Cash Receipts</b>   | <b>6,199,985</b>        | <b>571,361</b>   | <b>175,288</b>    | <b>44,840</b>    | <b>7,861</b>        | <b>6,999,335</b>            |
| <b>Cash Disbursements:</b>   |                         |                  |                   |                  |                     |                             |
| Current:   |                         |                  |                   |                  |                     |                             |
| Instruction:   |                         |                  |                   |                  |                     |                             |
| Regular  | 3,479,089               | 91,513           |                   | 428              |                     | 3,571,030                   |
| Special  | 556,082                 | 290,814          |                   |                  |                     | 846,896                     |
| Vocational Education   | 5,299                   |                  |                   |                  |                     | 5,299                       |
| Other  | 6,730                   |                  |                   |                  |                     | 6,730                       |
| Support Services:  |                         |                  |                   |                  |                     |                             |
| Pupils   | 451,466                 | 8,910            |                   |                  | 6,084               | 466,460                     |
| Instructional Staff  | 43,088                  | 12,631           |                   |                  |                     | 55,719                      |
| Board of Education   | 20,442                  |                  |                   |                  |                     | 20,442                      |
| School Administration  | 577,159                 | 39,853           |                   |                  |                     | 617,012                     |
| Fiscal   | 126,903                 |                  |                   |                  |                     | 126,903                     |
| Operational and Maintenance  | 662,077                 | 28,864           |                   |                  |                     | 690,941                     |
| Pupil Transportation   | 275,341                 |                  |                   |                  |                     | 275,341                     |
| Central  | 24,477                  |                  |                   |                  |                     | 24,477                      |
| Operation of Non-Instructional Services:   |                         |                  |                   |                  |                     |                             |
| Other Operation of Non-Instructional Services  | 25,128                  |                  |                   |                  |                     | 25,128                      |
| Extracurricular Activities:  |                         |                  |                   |                  |                     |                             |
| Academic and Subject Oriented  |                         | 3,688            |                   |                  |                     | 3,688                       |
| Sports Oriented  | 2,894                   | 94,419           |                   |                  |                     | 97,313                      |
| Co-Curricular Activities   | 81,460                  | 41,118           |                   |                  |                     | 122,578                     |
| Facilities Acquisition and Construction Services:  |                         |                  |                   |                  |                     |                             |
| Site Acquisition   |                         |                  |                   | 12,431           |                     | 12,431                      |
| Site Improvement   |                         |                  |                   | 146,746          |                     | 146,746                     |
| Architecture Engineering   |                         |                  |                   | 25,026           |                     | 25,026                      |
| Building Acquisition and Contraction   |                         |                  |                   | 146,321          |                     | 146,321                     |
| Building Improvement   | 4,394                   |                  |                   |                  |                     | 4,394                       |
| Other Facilities Acquisition and Improvement   |                         |                  |                   | 132,988          |                     | 132,988                     |
| Debt Service:  |                         |                  |                   |                  |                     |                             |
| Principal Payments   |                         |                  | 50,000            |                  |                     | 50,000                      |
| Interest Payments  |                         |                  | 78,393            |                  |                     | 78,393                      |
| <b>Total Cash Disbursements</b>  | <b>6,342,029</b>        | <b>611,810</b>   | <b>128,393</b>    | <b>463,940</b>   | <b>6,084</b>        | <b>7,552,256</b>            |
| Excess of Cash Receipts Over/(Under) Cash Disbursements  | (142,044)               | (40,449)         | 46,895            | (419,100)        | 1,777               | (552,921)                   |
| <b>Other Financing Sources (Uses):</b>   |                         |                  |                   |                  |                     |                             |
| Sales of Assets  | 45,712                  |                  |                   | 175,000          |                     | 220,712                     |
| Transfers-In   |                         | 34,750           |                   |                  | 4,880               | 39,630                      |
| Advances-In  |                         | 2,550            |                   |                  |                     | 2,550                       |
| Transfers-Out  | (34,750)                |                  |                   |                  |                     | (34,750)                    |
| Advances-Out   | (2,550)                 |                  |                   |                  |                     | (2,550)                     |
| <b>Total Other Financing Sources (Uses)</b>  | <b>8,412</b>            | <b>37,300</b>    | <b>0</b>          | <b>175,000</b>   | <b>4,880</b>        | <b>225,592</b>              |
| Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses | (133,632)               | (3,149)          | 46,895            | (244,100)        | 6,657               | (327,329)                   |
| Fund Cash Balances, July 1, 2004   | 1,914,874               | 98,835           | 311,209           | 246,203          | 79,398              | 2,650,519                   |
| <b>Fund Cash Balances, June 30, 2005</b>   | <b>\$ 1,781,242</b>     | <b>\$ 95,686</b> | <b>\$ 358,104</b> | <b>\$ 2,103</b>  | <b>\$ 86,055</b>    | <b>\$ 2,323,190</b>         |
| Reserve for Encumbrances, June 30, 2005  | \$ 18,401               | \$ 14,172        |                   |                  | \$ 25               | \$ 32,598                   |

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, 2005**

|  | <u>Proprietary<br/>Fund Types</u> |                             | <u>Fiduciary<br/>Fund Types</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|-----------------------------------|-----------------------------|---------------------------------|---|
|  | <u>Enterprise</u>                 | <u>Internal<br/>Service</u> | <u>Agency</u>                   |   |
| <b>Operating Cash Receipts:</b>  |                                   |                             |                                 |   |
| Food Services  | \$ 126,554                        |                             |                                 | \$ 126,554                              |
| Extracurricular Activities   |                                   | \$ 1,577                    | \$ 66,617                       | 68,194                                  |
|  | <u>126,554</u>                    | <u>1,577</u>                | <u>66,617</u>                   | <u>194,748</u>                          |
| <b>Total Operating Cash Receipts</b>   | <u>126,554</u>                    | <u>1,577</u>                | <u>66,617</u>                   | <u>194,748</u>                          |
| <b>Operating Cash Disbursements:</b>   |                                   |                             |                                 |   |
| Personal Services-Salaries   | 81,936                            |                             |                                 | 81,936                                  |
| Employees' Retirement and Insurance  | 35,158                            |                             |                                 | 35,158                                  |
| Purchased Services   | 2,198                             | 188,983                     |                                 | 191,181                                 |
| Supplies and Materials   | 88,777                            |                             |                                 | 88,777                                  |
| Capital Outlay   | 4,436                             |                             |                                 | 4,436                                   |
| Other Objects  |                                   | 532,150                     | 68,070                          | 600,220                                 |
|  | <u>212,505</u>                    | <u>721,133</u>              | <u>68,070</u>                   | <u>1,001,708</u>                        |
| <b>Total Operating Cash Disbursements</b>  | <u>212,505</u>                    | <u>721,133</u>              | <u>68,070</u>                   | <u>1,001,708</u>                        |
| Excess of Operating Cash Receipts Over / (Under)<br>Operating Cash Disbursements | <u>(85,951)</u>                   | <u>(719,556)</u>            | <u>(1,453)</u>                  | <u>(806,960)</u>                        |
| <b>Non-Operating Cash Receipts:</b>  |                                   |                             |                                 |   |
| Miscellaneous Receipts   |                                   | 649,148                     |                                 | 649,148                                 |
| State Sources:   |                                   |                             |                                 |   |
| Unrestricted Grants-In-Aid   | 5,497                             |                             |                                 | 5,497                                   |
| Federal Sources:   |                                   |                             |                                 |   |
| Unrestricted Grants-In-Aid   | 123,919                           |                             |                                 | 123,919                                 |
|  | <u>129,416</u>                    | <u>649,148</u>              | <u>0</u>                        | <u>778,564</u>                          |
| <b>Total Non-Operating Cash Receipts</b>   | <u>129,416</u>                    | <u>649,148</u>              | <u>0</u>                        | <u>778,564</u>                          |
| Excess of Receipts Over/(Under) Disbursements<br>Before Interfund Transfers      | 43,465                            | (70,408)                    | (1,453)                         | (28,396)                                |
| Transfers-Out  |                                   | (4,880)                     |                                 | (4,880)                                 |
| <b>Net Receipts Over/(Under) Disbursements</b>                                   | <u>43,465</u>                     | <u>(75,288)</u>             | <u>(1,453)</u>                  | <u>(33,276)</u>                         |
| Fund Cash Balances, July 1, 2004   | 24,992                            | 145,464                     | 20,582                          | 191,038                                 |
| <b>Fund Cash Balances, June 30, 2005</b>   | <u>\$ 68,457</u>                  | <u>\$ 70,176</u>            | <u>\$ 19,129</u>                | <u>\$ 157,762</u>                       |
| Reserve for Encumbrances, June 30, 2005  |                                   |                             | \$ 358                          | \$ 358                                  |

*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, 2005**

| <b>Fund Types/Funds</b>         | <u><b>Budget</b></u>      | <u><b>Actual</b></u>      | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|---------------------------------|---------------------------|---------------------------|---|
| <b>Governmental Fund Types:</b> |                           |                           |   |
| General Fund                    | \$6,242,126               | \$6,245,697               | \$3,571   |
| Special Revenue Funds           | 608,224                   | 608,661                   | 437   |
| Debt Service Funds              | 175,288                   | 175,288                   | 0   |
| Capital Projects Funds          | 219,500                   | 219,840                   | 340   |
| <b>Proprietary Fund Type:</b>   |                           |                           |   |
| Enterprise Funds                | 255,000                   | 255,970                   | 970   |
| Internal Service Funds          | 650,500                   | 650,725                   | 225   |
| <b>Fiduciary Fund Type:</b>     |                           |                           |   |
| Trust and Agency Funds          | <u>79,300</u>             | <u>79,358</u>             | <u>58</u>                                       |
| <b>Total (Memorandum Only)</b>  | <u><u>\$8,229,938</u></u> | <u><u>\$8,235,539</u></u> | <u><u>\$5,601</u></u>                           |

*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, 2005**

| Fund Types/Funds                | Prior Year<br>Carryover<br>Appropriations | 2005<br>Appropriations | Total              | Actual 2005<br>Disbursements | Outstanding<br>Encumbrances<br>at 6/30/05 | Total              | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------|---|------------------------|--------------------|------------------------------|---|--------------------|--|
| <b>Governmental Fund Types:</b> |   |                        |                    |                              |   |                    |  |
| General Fund                    | \$4,681                                   | \$6,383,300            | \$6,387,981        | \$6,379,329                  | \$18,401                                  | \$6,397,730        | (\$9,749)                              |
| Special Revenue Funds           | 5,492                                     | 544,600                | 550,092            | 611,810                      | 14,172                                    | 625,982            | (75,890)                               |
| Debt Service Funds              | 0   | 253,400                | 253,400            | 128,393                      | 0   | 128,393            | 125,007                                |
| Capital Projects Funds          | 6,704                                     | 411,000                | 417,704            | 463,940                      | 0   | 463,940            | (46,236)                               |
| <b>Proprietary Fund Type:</b>   |   |                        |                    |                              |   |                    |  |
| Enterprise Funds                | 40  | 225,400                | 225,440            | 212,505                      | 0   | 212,505            | 12,935                                 |
| Internal Service Funds          | 0   | 716,600                | 716,600            | 726,013                      | 0   | 726,013            | (9,413)                                |
| <b>Fiduciary Fund Type:</b>     |   |                        |                    |                              |   |                    |  |
| Trust and Agency Funds          | 0   | 58,300                 | 58,300             | 74,154                       | 383                                       | 74,537             | (16,237)                               |
| <b>Total (Memorandum Only)</b>  | <u>\$16,917</u>                           | <u>\$8,592,600</u>     | <u>\$8,609,517</u> | <u>\$8,596,144</u>           | <u>\$32,956</u>                           | <u>\$8,629,100</u> | <u>(\$19,583)</u>                      |

*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 GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

|   | Governmental Fund Types |                  |                   |                     | Fiduciary Fund Type | Totals<br>(Memorandum<br>Only) |
|---|-------------------------|------------------|-------------------|---------------------|---------------------|--------------------------------|
|   | General                 | Special Revenue  | Debt Service      | Capital Projects    | Expendable Trust    |                                |
| <b>Cash Receipts:</b>   |                         |                  |                   |                     |                     |                                |
| Receipts from Local Sources:  |                         |                  |                   |                     |                     |                                |
| Taxes   | \$ 1,540,801            | \$ 23,412        | \$ 203,619        | \$ -                | \$ -                | \$ 1,767,832                   |
| Tuition   | 3,337                   |                  |                   |                     |                     | 3,337                          |
| Transportation Fees   | 12,137                  |                  |                   |                     |                     | 12,137                         |
| Earnings on Investment  | 106,890                 |                  |                   | 2,377               | 2,541               | 111,808                        |
| Extracurricular Activities  | 1,485                   | 139,999          |                   |                     |                     | 141,484                        |
| Classroom Materials and Fees  | 17,116                  |                  |                   |                     |                     | 17,116                         |
| Miscellaneous Receipts  | 12,830                  |                  |                   | 83,216              | 9,217               | 105,263                        |
| Revenue from Intermediate Sources:  |                         |                  |                   |                     |                     |                                |
| Revenue in Lieu of Taxes  | 52,455                  |                  |                   |                     |                     | 52,455                         |
| Receipts from State Sources:  |                         |                  |                   |                     |                     |                                |
| Unrestricted Grants-In-Aid  | 4,330,554               | 3,493            | 30,317            |                     |                     | 4,364,364                      |
| Restricted Grants-In-Aid  | 504,292                 | 50,433           |                   | 9,216               |                     | 563,941                        |
| Receipts from Federal Sources:  |                         |                  |                   |                     |                     |                                |
| Restricted Grants-In-Aid  |                         | 326,560          |                   |                     |                     | 326,560                        |
| Revenue for/on Behalf of the District   |                         | 3,586            |                   |                     |                     | 3,586                          |
| <b>Total Cash Receipts</b>  | <b>6,581,897</b>        | <b>547,483</b>   | <b>233,936</b>    | <b>94,809</b>       | <b>11,758</b>       | <b>7,469,883</b>               |
| <b>Cash Disbursements:</b>  |                         |                  |                   |                     |                     |                                |
| Current:  |                         |                  |                   |                     |                     |                                |
| Instruction:  |                         |                  |                   |                     |                     |                                |
| Regular   | 3,615,363               | 71,976           |                   | 350                 |                     | 3,687,689                      |
| Special   | 752,327                 | 300,962          |                   |                     |                     | 1,053,289                      |
| Vocational Education  | 6,427                   |                  |                   |                     |                     | 6,427                          |
| Other   | 22,073                  |                  |                   |                     |                     | 22,073                         |
| Support Services:   |                         |                  |                   |                     |                     |                                |
| Pupils  | 316,577                 | 3,270            |                   |                     | 14,386              | 334,233                        |
| Instructional Staff   | 45,418                  | 13,129           |                   |                     |                     | 58,547                         |
| Board of Education  | 21,515                  |                  |                   |                     |                     | 21,515                         |
| School Administration   | 661,152                 | 48,765           |                   |                     |                     | 709,917                        |
| Fiscal  | 116,177                 |                  |                   |                     |                     | 116,177                        |
| Operational and Maintenance   | 696,194                 | 48,569           |                   |                     |                     | 744,763                        |
| Pupil Transportation  | 299,384                 |                  |                   | 54,245              |                     | 353,629                        |
| Central   | 29,065                  |                  |                   |                     |                     | 29,065                         |
| Operation of Non-Instructional Services:  |                         |                  |                   |                     |                     |                                |
| Other Operation of Non-Instructional Services   | 34,574                  |                  |                   |                     |                     | 34,574                         |
| Extracurricular Activities:   |                         |                  |                   |                     |                     |                                |
| Academic and Subject Oriented   |                         | 2,810            |                   |                     |                     | 2,810                          |
| Sports Oriented   | 352                     | 80,667           |                   |                     |                     | 81,019                         |
| Co-Curricular Activities  | 100,453                 | 55,305           |                   |                     |                     | 155,758                        |
| Facilities Acquisition and Construction Services:   |                         |                  |                   |                     |                     |                                |
| Site Improvement  |                         |                  |                   | 12,083              |                     | 12,083                         |
| Building Acquisition and Construction   |                         |                  |                   | 33,223              |                     | 33,223                         |
| Other Facilities Acquisition and Improvement  |                         |                  |                   | 133,917             |                     | 133,917                        |
| Debt Service:   |                         |                  |                   |                     |                     |                                |
| Principal Payments  |                         |                  | 50,000            |                     |                     | 50,000                         |
| Interest Payments   |                         |                  | 75,893            |                     |                     | 75,893                         |
| <b>Total Cash Disbursements</b>   | <b>6,717,051</b>        | <b>625,453</b>   | <b>125,893</b>    | <b>233,818</b>      | <b>14,386</b>       | <b>7,716,601</b>               |
| <b>Excess of Cash Receipts Over/(Under) Cash Disbursements</b>  | <b>(135,154)</b>        | <b>(77,970)</b>  | <b>108,043</b>    | <b>(139,009)</b>    | <b>(2,628)</b>      | <b>(246,718)</b>               |
| <b>Other Financing Sources (Uses):</b>  |                         |                  |                   |                     |                     |                                |
| Transfers-In  |                         | 38,000           |                   | 25,697              |                     | 63,697                         |
| Advances-In   | 2,550                   | 4,920            |                   |                     |                     | 7,470                          |
| Transfers-Out   | (63,697)                |                  |                   |                     |                     | (63,697)                       |
| Advances-Out  | (4,920)                 | (2,550)          |                   |                     |                     | (7,470)                        |
| <b>Total Other Financing Sources (Uses)</b>   | <b>(66,067)</b>         | <b>40,370</b>    | <b>0</b>          | <b>25,697</b>       | <b>0</b>            | <b>0</b>                       |
| <b>Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses</b> | <b>(201,221)</b>        | <b>(37,600)</b>  | <b>108,043</b>    | <b>(113,312)</b>    | <b>(2,628)</b>      | <b>(246,718)</b>               |
| Fund Cash Balances, July 1, 2005  | 1,781,242               | 95,686           | 358,104           | 2,103               | 86,055              | 2,323,190                      |
| <b>Fund Cash Balances, June 30, 2006</b>  | <b>\$ 1,580,021</b>     | <b>\$ 58,086</b> | <b>\$ 466,147</b> | <b>\$ (111,209)</b> | <b>\$ 83,427</b>    | <b>\$ 2,076,472</b>            |
| Reserve for Encumbrances, June 30, 2006   | \$ 15,537               | \$ 10,075        | \$ -              | \$ -                | \$ -                | \$ 25,612                      |

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, 2006**

|  | <u>Proprietary<br/>Fund Types</u> |                             | <u>Fiduciary<br/>Fund Types</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|-----------------------------------|-----------------------------|---------------------------------|---|
|  | <u>Enterprise</u>                 | <u>Internal<br/>Service</u> | <u>Agency</u>                   |   |
| <b>Operating Cash Receipts:</b>  |                                   |                             |                                 |   |
| Food Services  | \$ 136,385                        |                             |                                 | \$ 136,385                              |
| Extracurricular Activities   |                                   | \$ 722                      | \$ 65,309                       | 66,031                                  |
| <b>Total Operating Cash Receipts</b>   | <u>136,385</u>                    | <u>722</u>                  | <u>65,309</u>                   | <u>202,416</u>                          |
| <b>Operating Cash Disbursements:</b>   |                                   |                             |                                 |   |
| Personal Services-Salaries   | 93,777                            |                             |                                 | 93,777                                  |
| Employees' Retirement and Insurance  | 39,955                            |                             |                                 | 39,955                                  |
| Purchased Services   | 6,942                             | 69                          |                                 | 7,011                                   |
| Supplies and Materials   | 102,093                           |                             |                                 | 102,093                                 |
| Capital Outlay   | 610                               |                             |                                 | 610                                     |
| Other Objects  |                                   | 50,742                      | 62,378                          | 113,120                                 |
| <b>Total Operating Cash Disbursements</b>  | <u>243,377</u>                    | <u>50,811</u>               | <u>62,378</u>                   | <u>356,566</u>                          |
| Excess of Operating Cash Receipts Over / (Under)<br>Operating Cash Disbursements | <u>(106,992)</u>                  | <u>(50,089)</u>             | <u>2,931</u>                    | <u>(154,150)</u>                        |
| <b>Non-Operating Cash Receipts:</b>  |                                   |                             |                                 |   |
| Miscellaneous Receipts   |                                   | 1,600                       |                                 | 1,600                                   |
| State Sources:   |                                   |                             |                                 |   |
| Unrestricted Grants-In-Aid   | 5,825                             |                             |                                 | 5,825                                   |
| Federal Sources:   |                                   |                             |                                 |   |
| Unrestricted Grants-In-Aid   | 133,176                           |                             |                                 | 133,176                                 |
| <b>Total Non-Operating Cash Receipts</b>   | <u>139,001</u>                    | <u>1,600</u>                | <u>0</u>                        | <u>140,601</u>                          |
| Net Receipts Over/(Under) Disbursements  | 32,009                            | (48,489)                    | 2,931                           | (13,549)                                |
| Fund Cash Balances, July 1, 2005   | <u>68,457</u>                     | <u>70,176</u>               | <u>19,129</u>                   | <u>157,762</u>                          |
| <b>Fund Cash Balances, June 30, 2006</b>   | <u>\$ 100,466</u>                 | <u>\$ 21,687</u>            | <u>\$ 22,060</u>                | <u>\$ 144,213</u>                       |
| Reserve for Encumbrances, June 30, 2006  | <u>\$ 2,485</u>                   |                             | <u>\$ 4,996</u>                 | <u>\$ 7,481</u>                         |

*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, 2006**

| <b>Fund Types/Funds</b>         | <u><b>Budget</b></u>      | <u><b>Actual</b></u>      | <b>Variance<br/>Favorable<br/>(Unfavorable)</b> |
|---------------------------------|---------------------------|---------------------------|---|
| <b>Governmental Fund Types:</b> |                           |                           |   |
| General Fund                    | \$6,568,758               | \$6,584,447               | \$15,689  |
| Special Revenue Funds           | 599,076                   | 590,403                   | (8,673)   |
| Debt Service Funds              | 233,900                   | 233,936                   | 36  |
| Capital Projects Funds          | 111,000                   | 120,506                   | 9,506   |
| <b>Proprietary Fund Type:</b>   |                           |                           |   |
| Enterprise Funds                | 275,335                   | 275,386                   | 51  |
| Internal Service Funds          | 2,300                     | 2,322                     | 22  |
| <b>Fiduciary Fund Type:</b>     |                           |                           |   |
| Trust and Agency Funds          | <u>77,000</u>             | <u>77,067</u>             | <u>67</u>                                       |
| <b>Total (Memorandum Only)</b>  | <u><u>\$7,867,369</u></u> | <u><u>\$7,884,067</u></u> | <u><u>\$16,698</u></u>                          |

*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, 2006

| Fund Types/Funds                | Prior Year<br>Carryover<br>Appropriations | 2006<br>Appropriations | Total              | Actual 2006<br>Disbursements | Outstanding<br>Encumbrances<br>at 6/30/06 | Total              | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------|---|------------------------|--------------------|------------------------------|---|--------------------|--|
| <b>Governmental Fund Types:</b> |   |                        |                    |                              |   |                    |  |
| General Fund                    | \$18,401                                  | \$6,840,200            | \$6,858,601        | \$6,785,668                  | \$15,537                                  | \$6,801,205        | \$57,396                               |
| Special Revenue Funds           | 14,172                                    | 630,018                | 644,190            | 628,003                      | 10,075                                    | 638,078            | 6,112                                  |
| Debt Service Funds              | 0   | 249,781                | 249,781            | 125,893                      | 0   | 125,893            | 123,888                                |
| Capital Projects Funds          | 0   | 108,901                | 108,901            | 233,818                      | 0   | 233,818            | (124,917)                              |
| <b>Proprietary Fund Type:</b>   |   |                        |                    |                              |   |                    |  |
| Enterprise Funds                | 0   | 243,400                | 243,400            | 243,377                      | 2,485                                     | 245,862            | (2,462)                                |
| Internal Service Funds          | 0   | 50,900                 | 50,900             | 50,811                       | 4,996                                     | 55,807             | (4,907)                                |
| <b>Fiduciary Fund Type:</b>     |   |                        |                    |                              |   |                    |  |
| Trust and Agency Funds          | 383                                       | 76,800                 | 77,183             | 76,764                       | 0   | 76,764             | 419                                    |
| <b>Total (Memorandum Only)</b>  | <u>\$32,956</u>                           | <u>\$8,200,000</u>     | <u>\$8,232,956</u> | <u>\$8,144,334</u>           | <u>\$33,093</u>                           | <u>\$8,177,427</u> | <u>\$55,529</u>                        |

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

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT COLUMBIANA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2005 & 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Leetonia Exempted Village School District, Columbiana County, (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. 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, 2004 and 2005 was 841 and 874, respectively. The School District employed 64 certificated employees and 35 non-certificated employees for 2005 and 67 certificated employees and 37 non-certificated employees for 2006.

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).

By virtue of Ohio law, the District is required to maintain the encumbrance method of accounting and to make appropriations.

**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 FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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

**D. Fund Accounting (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 purposes.

**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 School District, or other governments, on a cost reimbursement basis.

**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.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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

**E. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

**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, 2004 or July 1, 2005 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.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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

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.

**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;

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 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 banker's 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.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

**Deposits** - At June 30, 2005 and 2006, the carrying amount of the School District's deposits was \$1,218,672 and \$1,959,858, respectively and the bank balance was \$1,245,934 and \$2,240,210, respectively. Of the bank balance, \$100,000 was covered by federal depository insurance and \$1,145,934 and \$2,140,210, respectively, 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).

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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

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

|                   | <b>June 30, 2005<br/>Carrying<br/>Value</b> | <b>Market<br/>Value</b>   |
|-------------------|---|---------------------------|
| Star Ohio (*)     | <u>\$1,262,282</u>                          | <u>\$1,262,282</u>        |
| Total Investments | <u><u>\$1,262,282</u></u>                   | <u><u>\$1,262,282</u></u> |

|                          | <b>June 30, 2006<br/>Category 3</b> | <b>Carrying<br/>Value</b> | <b>Market<br/>Value</b>   |
|--------------------------|-------------------------------------|---------------------------|---------------------------|
| Repurchase<br>Agreements | 202,554                             | 202,554                   | 202,554                   |
| Star Ohio (*)            |                                     | <u>2,008,925</u>          | <u>2,008,925</u>          |
| Total Investments        | <u>\$202,554</u>                    | <u><u>\$2,211,479</u></u> | <u><u>\$2,211,479</u></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 FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (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.

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 2004 and 2005 was \$42.06 and \$41.46 per \$1,000 of assessed valuation, respectively. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$31.55 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$33.57 per \$1,000 of assessed valuation for all other real property for 2005 and \$29.86 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$30.74 per \$1,000 of assessed valuation for all other real property for 2006. 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 2004 and 2005 was \$42.06 and \$41.46 per \$1000 of assessed valuation.

|                            | Columbiana County   |                     | Mahoning County    |                    |
|----------------------------|---------------------|---------------------|--------------------|--------------------|
|                            | 2004                | 2005                | 2004               | 2005               |
| Real Property              |                     |                     |                    |                    |
| Commercial/Industrial      | \$3,357,840         | \$4,176,530         | \$767,060          | \$767,060          |
| Residential/Agricultural   | 43,192,730          | 48,817,080          | 2,808,920          | 2,833,760          |
| Gas/Oil/Minerals           | 18,820              | 18,260              | 0                  | 0                  |
| Tangible Personal Property |                     |                     |                    |                    |
| General                    | 1,921,890           | 1,487,890           | 337,930            | 299,817            |
| Public Utilities           | 4,652,560           | 4,652,870           | 244,650            | 261,750            |
| Total Valuation            | <u>\$53,143,840</u> | <u>\$59,152,630</u> | <u>\$4,158,560</u> | <u>\$4,162,387</u> |

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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**3. PROPERTY TAX (continued)**

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.

**4. DEBT**

Debt outstanding at June 30, 2005 and June 30, 2006 was as follows:

|  | <u>Principal</u> | <u>Interest Rate</u> |
|--|------------------|----------------------|
| General Obligation Bonds - June 30, 2005 | \$ 1,375,000     | 5.36%                |
| General Obligation Bonds - June 30, 2006 | \$ 1,325,000     | 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, 2005 and 2006, including interest payments of \$769,002 and \$693,109, respectively, are presented below.

| <u>Year ending</u><br><u>June 30:</u> | <u>General</u><br><u>Obligation Bonds:</u> |
|---------------------------------------|--|
| 2007                                  | \$128,214                                  |
| 2008                                  | 125,354                                    |
| 2009                                  | 127,305                                    |
| 2010                                  | 124,080                                    |
| 2011                                  | 125,869                                    |
| Subsequent                            | <u>1,387,287</u>                           |
| <b>TOTAL</b>                          | <u><u>\$2,018,109</u></u>                  |

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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**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.

**6. DEFINED BENEFIT PENSION PLANS**

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

**Plan Description.** The School District contributes to the School Employees Retirement System (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 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 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website, [www.ohsers.org](http://www.ohsers.org), under Forms and Publications.

**Funding Policy.** Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005 and 2004 were \$126,108, \$117,660 and \$176,283 respectively; 100 percent has been contributed for fiscal years 2006, 2005 and 2004.

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

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account.



**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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***B. State Teachers Retirement System (continued)***

Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance. For the fiscal years ended June 30, 2005 and 2006, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2006, and 2005 were \$427,392 and \$421,464 respectively; 100 percent has been contributed for fiscal year 2005 and 2006. The School District had no contributions to either the DC plan or Combined Plan for fiscal years 2005 and 2006.

**7. POSTEMPLOYMENT BENEFITS**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System, (STRS), and to retired non-certificated 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 funded 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.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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**7. POSTEMPLOYMENT BENEFITS (Continued)**

For the fiscal years ended June 30, 2005 and 2006, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$30,650 and \$31,718 for fiscal years 2005 and 2006, respectively.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2006 the balance in the Fund was \$3.5 billion. For the year ended June 30, 2006, net health care costs paid by STRS were \$282,743 million and STRS had 119,184 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. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

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 years ended June 30, 2005 and 2006, employer contributions to fund health care benefits were 3.43 and 3.42 percent, respectively, of covered payroll. 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 years 2005 and 2006, the minimum pay has been established as \$27,400 and \$ 35,800, respectively. 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.

Health care benefits are financed on a pay-as-you-go basis. Net health care costs for the year ending June 30, 2006 were \$158,751,207. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. As of June 30, 2006, the value of the health care fund was \$295.6 million, which is about 221 percent of next year's projected net health care costs. SERS has approximately 59,492 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 for the year ended June 30, 2005. The District switched to a health care consortium for fiscal year 2006.

The District is a participant in the Portage Area Schools Consortium, a public entity shared risk pool, currently operating as a common risk management and insurance program for 13 member school districts. The plan was organized to provide health care and other benefits to its member organizations. Rates are calculated and set through an annual update process. The District pays a monthly contribution which is placed in common fund from which claim payments and claims are made for all participating districts, regardless of cash flow.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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**9. CONTINGENCIES**

The School 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 School District resulting from these lawsuits would not have a material adverse effect on the School District's financial position.

A lawsuit has been filed by the Columbia Gas Transmission Corporation arguing that the Corporation's public utility property tax assessment rate should be 25% of true value rather than the 88% used by the Tax Commissioner. The Board of Tax Appeals has agreed with the Corporation and the case has been appealed by the Tax Commissioner to the Ohio Supreme Court. The School District receives a significant amount of property tax from the Corporation. Should the Corporation prevail in the Supreme Court, it may be entitled to a refund from the School District based on the lower assessment rate beginning from tax year 2001. The amount of the refund is estimated to be approximately \$44,382 per year. A portion of the refund may be recovered from additional State entitlement payments.

A) As used in this section, "refunded taxes" means taxes charged and payable from real and tangible personal property, including public utility property, that have been found to have been overpaid as the result of reductions in the taxable value of such property and that have been refunded, including any interest or penalty refunded with those taxes. If taxes are refunded over a period of time pursuant to division (B)(2), (3), or (4) of section 319.36 or division (C) of section 5727.471 [5727.47.1] of the Revised Code, the total amount of taxes required to be refunded, excluding any interest accruing after the day the undertaking is entered into, shall be considered to have been refunded on the day the first portion of the overpayment is paid or credited.

(B) Not later than the last day of February each year, each county auditor shall certify to the tax commissioner, for each school district in the county, the amount of refunded taxes refunded in the preceding calendar year and the reductions in taxable value that resulted in those refunds, except for reductions in taxable value that previously have been reported to the tax commissioner on an abstract. If the tax commissioner determines that the amount of refunded taxes certified for a school district exceeds three per cent of the total taxes charged and payable for current expenses of the school district for the calendar year in which those taxes were refunded, the tax commissioner shall certify the reductions in taxable value that resulted in those refunds on or before the first day of June to the department of education. Upon receiving the certification by the tax commissioner, the department of education shall reduce the total taxable value of the school district, as defined in section 3317.02 of the Revised Code, by the total amount of the reductions in taxable value that resulted in those refunds for the purpose of computing the SF-3 payment for the school district for the current fiscal year. The increase in the amount of such aid resulting from the adjustment required by this section shall be paid to the school district on or before the thirty-first day of July of the following fiscal year.

If an adjustment is made under this division in the amount of state aid paid to a school district, the tax value reductions from which that adjustment results shall not be used in recomputing aid to a school district under section 3317.027 [3317.02.7] of the Revised Code.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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**9. CONTINGENCIES (continued)**

(C) If a school district received a grant from the catastrophic expenditures account pursuant to division (C) of section 3316.20 of the Revised Code on the basis of the same circumstances for which an adjustment is made under this section, the amount of the adjustment shall be reduced and transferred in accordance with division (C) of section 3316.20 of the Revised Code.

(D) Not later than the first day of June each year, the tax commissioner shall certify to the department of education for each school district the total of the increases in taxable value above the amount of taxable value on which tax was paid, as provided in division (B)(1) or (2) of section 5727.47 of the Revised Code, as determined by the commissioner, and for which a notification was sent pursuant to section 5727.471 [5727.47.1] of the Revised Code, in the preceding calendar year. Upon receiving the certification, the department shall increase the total taxable value, as defined in section 3317.02 of the Revised Code, of the school district by the total amount of the increase in taxable value certified by the commissioner for the school district for the purpose of computing the school district's SF-3 payment for the following fiscal year.

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 School District's management believes disallowances, if any, will be immaterial.

**10. 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.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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**10. SET-ASIDE CALCULATION AND FUND RESERVES (continued)**

|  | <b>June 30, 2005</b> |                                 |
|--|----------------------|---------------------------------|
|  | <b>Textbooks</b>     | <b>Capital<br/>Improvements</b> |
| Set-aside cash balance as of June 30, 2004 | (\$365,922)          | \$0                             |
| Current year set-aside requirement         | 121,387              | 121,287                         |
| Current year offsets                       | -                    | -                               |
| Qualifying Disbursements                   | <u>(147,568)</u>     | <u>(463,940)</u>                |
| Total                                      | <u>(\$392,103)</u>   | <u>(\$342,653)</u>              |
|  | <b>June 30, 2006</b> |                                 |
|  | <b>Textbooks</b>     | <b>Capital<br/>Improvements</b> |
| Set-aside cash balance as of June 30, 2005 | (\$392,103)          | \$0                             |
| Current year set-aside requirement         | 121,919              | 121,919                         |
| Current year offsets                       | -                    | -                               |
| Qualifying Disbursements                   | <u>(147,734)</u>     | <u>(233,818)</u>                |
| Total                                      | <u>(\$417,918)</u>   | <u>(\$111,899)</u>              |

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 fiscal years 2005 or 2006.

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005 & 2006 (Continued)**

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**11. LEGAL COMPLIANCE**

The District failed to properly prepare their financial statements in accordance with generally accepted accounting principles as required by ORC Section 117.38 and OAC Section 117-02-03 (B).



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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
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 financial statements of the Leetonia Exempted Village School District, Columbiana County, Ohio (the District) as of and for the years ended June 30, 2005 and 2006, have issued our report thereon dated May 2, 2007 wherein we noted the District's financial statements did not present fairly the financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated May 2, 2007, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

**Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion.

The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001 and 2006-01. In a separate letter to the District's management dated May 2, 2007, we reported other matters related to noncompliance we deemed immaterial.

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

Canter & Company  
May 2, 2007

**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
JUNE 30, 2005**

**SCHEDULE OF FINDINGS**

**FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE  
REPORTED IN ACCORDANCE WITH GAGAS**

**Finding # 2005-001**

Ohio Revised Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The auditor of state may prescribe forms by rule or may issue guidelines, or both for such reports. If the auditor of state has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-02-03 further clarifies the requirements of Ohio Revised Code Section 117.38.

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 principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Revised Code Section 117.38, the School District may be fined and subject to various other administrative remedies, for its failure to file the required financial report.

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

**OFFICIALS RESPONSE:**

**See attached statement.**



**LEETONIA EXEMPTED VILLAGE SCHOOL DISTRICT  
COLUMBIANA COUNTY  
JUNE 30, 2006**

**SCHEDULE OF FINDINGS**

**FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE  
REPORTED IN ACCORDANCE WITH GAGAS**

**Finding # 2006-001**

Ohio Revised Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The auditor of state may prescribe forms by rule or may issue guidelines, or both for such reports. If the auditor of state has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-02-03 further clarifies the requirements of Ohio Revised Code Section 117.38.

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 principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Revised Code Section 117.38, the School District may be fined and subject to various other administrative remedies, for its failure to file the required financial report.

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

**OFFICIALS RESPONSE:**

**See attached statement.**

## LEETONIA EVSD RESPONSE TO 2005/2006 AUDIT FINDING #2005-001/#2006-001:

### FAILURE TO PREPARE ANNUAL FINANCIAL REPORTS IN ACCORDANCE TO GAAP

The Leetonia EVSD prepares its financial statements on a basis of accounting in accordance with standards established by the Auditor of State for government entities. The Leetonia EVSD has, as have all public K-12 school districts in the state, based its day-to-day accounting on these standards for many years. All financial information on a daily, weekly, monthly and yearly basis use these standards. However, the district does not, at the end of the year, restate its yearly finances in accordance with generally acceptable accounting principles (GAAP). These principles require not only the restating of existing information, but the introduction of additional information that has little or no value to the district.

The auditor's opinion that the 2005 and 2006 financial information presented in the audit does not fairly represent the financial position of the district simply means it does not represent it in the GAAP format. The audit had no other findings other than for not providing financial statements in this format. The audit found no instances of noncompliance or reportable conditions in internal control relative to major federal financial assistance programs. Nor did the audit find any material instances of noncompliance or reportable internal control conditions in any other area.

The lack of GAAP statements has had no impact on the district's dealing with bond underwriters, banks, or vendors. The district has, therefore, decided it is in the best interest of the district's tax payers not to spend its scarce resources of time and money on the, argumentatively, useless year end conversion of its financial statements to a GAAP format.

Let it be known, the district strongly supports and appreciates GAAP accounting - for the appropriate applications. So why does Leetonia not convert to GAAP? Perhaps a little history might be of assistance in understanding why Leetonia EVSD has rejected year end GAAP statements. History would show the "laissez-faire" accounting practices that preceded the Great Depression of the 1930s as unacceptable in today's business environment. These accounting practices would have seriously jeopardized the economic development of the United States if they had been allowed to continue. Previous to any serious, consistent GAAP there were no standards for handling, for example, the accounting of depreciation or replacement of operating assets. As a direct result of the Great Depression and the haphazard accounting practices of the time that were instrumental in creating the depression, the SEC was created. A critical part of the justification in creating the SEC was the need to regain public trust in equity investing and related financial reporting. Without sufficient capital investment, the country simply could not grow. The SEC, along with the American Institute of Certified Public Accountants (AICPA), strove to create and enforce accounting standards that were accepted throughout America's business world. They, along with the Financial Accounting Standards Board (FASB) and other professional and governmental accounting organizations, continue to this day to address such areas as off balance sheet financing, public disclosure of management forecasts, pension accounting, management compensation accounting, post-employment benefit accounting and cost accounting. The need for new standards for such things as expensing dry holes in oil and gas accounting and the best method for the accounting of employee stock options continues to be recognized. In today's complex world of free enterprise it is absolutely critical to establish and refine consistent and acceptable accounting principals.

The accounting issues noted above were the basis for establishing GAAP. But, they are simply not issues public school districts face. Once you understand the history of accounting and the resulting foundations of GAAP you will better understand why Leetonia EVSD does not waste its tax payers' money or its limited staff to convert financial data to GAAP standards.



**Mary Taylor, CPA**  
Auditor of State

**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**  
**JUNE 19, 2007**