



Mary Taylor, CPA  
Auditor of State



VILLAGE OF COLLEGE CORNER  
PREBLE COUNTY

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Mary Taylor, CPA  
Auditor of State

Village of College Corner  
Preble County  
10596 Camden College Corner Road  
PO Box 462  
College Corner, Ohio 45003

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

June 14, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Village of College Corner  
Preble County  
10596 Camden College Corner Road  
PO Box 462  
College Corner, Ohio 45003

To the Village Council:

We have audited the accompanying financial statements of the Village of College Corner, Preble County, Ohio (the Village), as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Village'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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of College Corner, Preble County, Ohio, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village 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 June 14, 2010, on our consideration of the Village'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.



**Mary Taylor, CPA**  
Auditor of State

June 14, 2010



**VILLAGE OF COLLEGE CORNER  
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Property and Local Taxes	\$13,576	\$8,225	\$21,801
Intergovernmental	34,533	30,197	64,730
Fines, Licenses and Permits	2,192		2,192
Earnings on Investments	591	104	695
Miscellaneous		254	254
	<u>50,892</u>	<u>38,780</u>	<u>89,672</u>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	28,793	11,000	39,793
Transportation		10,537	10,537
General Government	34,894	177	35,071
	<u>63,687</u>	<u>21,714</u>	<u>85,401</u>
Total Cash Disbursements			
	<u>63,687</u>	<u>21,714</u>	<u>85,401</u>
Total Receipts Over/(Under) Disbursements	<u>(12,795)</u>	<u>17,066</u>	<u>4,271</u>
<b>Other Financing (Disbursements):</b>			
Transfers-Out		(9,117)	(9,117)
Other Financing Uses	(1,975)		(1,975)
	<u>(1,975)</u>	<u>(9,117)</u>	<u>(11,092)</u>
Total Other Financing (Disbursements)			
	<u>(1,975)</u>	<u>(9,117)</u>	<u>(11,092)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(14,770)	7,949	(6,821)
Fund Cash Balances, January 1	48,191	81,770	129,961
	<u>48,191</u>	<u>81,770</u>	<u>129,961</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$33,421</u></b>	<b><u>\$89,719</u></b>	<b><u>\$123,140</u></b>
Reserve for Encumbrances, December 31	\$209	\$105	\$314
	<u>\$209</u>	<u>\$105</u>	<u>\$314</u>

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

**VILLAGE OF COLLEGE CORNER  
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>Operating Cash Receipts:</b>	
Charges for Services	<u>\$159,102</u>
Total Operating Cash Receipts	<u>159,102</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	10,980
Employee Fringe Benefits	979
Contractual Services	63,743
Supplies and Materials	3,362
Other	<u>10,579</u>
Total Operating Cash Disbursements	<u>89,643</u>
Operating Income	<u>69,459</u>
<b>Non-Operating Cash Disbursements:</b>	
Capital Outlay	10,157
Redemption of Principal	9,000
Interest and Other Fiscal Charges	<u>1,900</u>
Total Non-Operating Cash Disbursements	<u>21,057</u>
Excess of Receipts Over Disbursements Before Interfund Transfers and Advances	48,402
Transfers-In	25,617
Transfers-Out	<u>(16,500)</u>
Net Receipts Over Disbursements	57,519
Fund Cash Balances, January 1	<u>346,076</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$403,595</u></u></b>
Reserve for Encumbrances, December 31	<u><u>\$204</u></u>

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

**VILLAGE OF COLLEGE CORNER  
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Property and Local Taxes	\$14,151	\$9,839	\$23,990
Intergovernmental	39,039	21,714	60,753
Charges for Services	452		452
Fines, Licenses and Permits	2,625		2,625
Earnings on Investments	1,740	307	2,047
	<u>58,007</u>	<u>31,860</u>	<u>89,867</u>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	29,144	10,625	39,769
Transportation		9,756	9,756
General Government	38,115	241	38,356
	<u>67,259</u>	<u>20,622</u>	<u>87,881</u>
Total Cash Disbursements	<u>67,259</u>	<u>20,622</u>	<u>87,881</u>
Total Receipts Over/(Under) Disbursements	<u>(9,252)</u>	<u>11,238</u>	<u>1,986</u>
<b>Other Financing (Disbursements):</b>			
Other Financing Uses	<u>(1,730)</u>		<u>(1,730)</u>
Total Other Financing (Disbursements)	<u>(1,730)</u>	<u>0</u>	<u>(1,730)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(10,982)	11,238	256
Fund Cash Balances, January 1	<u>59,173</u>	<u>70,532</u>	<u>129,705</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$48,191</u></b>	<b><u>\$81,770</u></b>	<b><u>\$129,961</u></b>
Reserve for Encumbrances, December 31	<u>\$209</u>	<u>\$105</u>	<u>\$314</u>

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

**VILLAGE OF COLLEGE CORNER  
PREBLE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

<b>Operating Cash Receipts:</b>	
Charges for Services	\$148,692
Total Operating Cash Receipts	148,692
<b>Operating Cash Disbursements:</b>	
Personal Services	11,159
Employee Fringe Benefits	953
Contractual Services	50,392
Supplies and Materials	11,635
Other	10,118
Total Operating Cash Disbursements	84,257
Operating Income	64,435
<b>Non-Operating Cash Receipts:</b>	
Other Non-Operating Cash Receipts	2,767
Total Non-Operating Cash Receipts	2,767
<b>Non-Operating Cash Disbursements:</b>	
Capital Outlay	17,597
Redemption of Principal	9,000
Interest and Other Fiscal Charges	2,350
Total Non-Operating Cash Disbursements	28,947
Excess of Receipts Over Disbursements Before Interfund Transfers and Advances	38,255
Transfers-In	22,000
Transfers-Out	(22,000)
Net Receipts Over Disbursements	38,255
Fund Cash Balances, January 1	307,821
<b>Fund Cash Balances, December 31</b>	<b>\$346,076</b>
Reserve for Encumbrances, December 31	\$204

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

**VILLAGE OF COLLEGE CORNER  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of College Corner, Preble County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities and road repairs. The Village contracts with the Butler County Sheriff's department to provide security of persons and property. The Village contracts with the Village of West College Corner, Indiana to receive fire protection services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Deposits**

The Village has interest-bearing checking and savings accounts.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Fire Fund – This fund receives money from real estate and personal property taxes to provide fire protection of its citizens.

**VILLAGE OF COLLEGE CORNER  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**3. Enterprise Funds**

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end. Amounts disclosed in the financial statements for reserve for encumbrances are for unpaid payroll withholdings.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. Amounts disclosed in the financial statements for reserve for encumbrances are for unpaid payroll withholdings. The Village cancelled \$3,743 in encumbrances at December 31, 2009 and \$163 in encumbrances at December 31, 2008 and re-encumbered these amounts in the subsequent years against current appropriations.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**VILLAGE OF COLLEGE CORNER  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**2. Equity in Pooled Cash and Deposits**

The Village maintains a cash and deposits pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and deposits at December 31 was as follows:

	2009	2008
Demand deposits	\$521,815	\$471,117
Savings account	4,920	4,920
Total deposits	\$526,735	\$476,037

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

**2009 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$51,400	\$50,892	(\$508)
Special Revenue	28,950	38,780	9,830
Enterprise	171,000	184,719	13,719
Total	\$251,350	\$274,391	\$23,041

**2009 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$92,000	\$65,871	\$26,129
Special Revenue	87,500	30,936	56,564
Enterprise	436,404	127,404	309,000
Total	\$615,904	\$224,211	\$391,693

**2008 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$57,065	\$58,007	\$942
Special Revenue	29,740	31,860	2,120
Enterprise	131,000	173,459	42,459
Total	\$217,805	\$263,326	\$45,521

**VILLAGE OF COLLEGE CORNER  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**3. Budgetary Activity (Continued)**

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$95,900	\$69,198	\$26,702
Special Revenue	79,700	20,727	58,973
Enterprise	357,404	135,408	221,996
Total	\$533,004	\$225,333	\$307,671

Contrary to Ohio law, total appropriations exceeded total estimated revenue for the Enterprise Reserve Fund by \$20,379.

Estimated receipts were not properly posted to the accounting system.

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**5. Debt**

Debt outstanding at December 31, 2009 was as follows:

	Principal	Interest Rate
Mortgage Revenue Bonds	\$29,000	5%

The United States Department of Agriculture (USDA) mortgage revenue bonds were for the construction of sanitary sewers. In 1973 the USDA approved and the Village issued \$207,000 in mortgage revenue bonds for this project. The bonds are being paid in annual installments of varying amounts over 40 years.

Amortization of the above debt, including interest, is scheduled as follows:



**VILLAGE OF COLLEGE CORNER  
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**5. Debt (Continued)**

Year ending December 31:	Mortgage Revenue Bonds
2010	10,450
2011	11,000
2012	10,500
Total	<u><u>\$31,950</u></u>

**6. Retirement Systems**

**A. Ohio Public Employees Retirement System**

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has not paid all contributions required through December 31, 2009.

**B. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the OPERS have an option to choose Social Security. As of December 31, 2009, six employees of the Village have elected Social Security. The employees' liability is 6.2 percent of wages paid.

**7. Risk Management**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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# Mary Taylor, CPA

## Auditor of State

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

Village of College Corner  
Preble County  
10596 Camden College Corner Road  
PO Box 462  
College Corner, Ohio 45003

To the Village Council:

We have audited the financial statements of the Village of College Corner, Preble County, Ohio (the Village), as of and for the years ended December 31, 2009 and 2008 and have issued our report thereon dated June 14, 2010, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2009-001 and 2009-003 described in the accompanying schedule of findings to be material weaknesses.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Village'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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2009-001 and 2009-002.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 14, 2010.

We intend this report solely for the information and use of the audit committee, management, Board of Public Affairs, and Village Council. We intend it for no one other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

June 14, 2010

**VILLAGE OF COLLEGE CORNER  
PREBLE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2009 AND 2008**

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

**FINDING NUMBER 2009-001**

**Material Weakness / Material Noncompliance**

**Ohio Admin. Code, § 117-2-01(D)**, states that when designing the public office's system of internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data.

The Village lacks management oversight in the posting of financial activity. Posting errors were noted in the testing of taxes and intergovernmental revenues, water fees revenues, other financing sources, debt activity, non-payroll expenditures, and planning analytics. These errors resulted in the following adjustments to the Village's funds:

- 2008 General Fund Tax Revenue was decreased by \$3,716; Intergovernmental Revenue was increased by \$2,814; General Government Expenditures was increased by \$5,323; Fines, Licenses, and Permits was increased by \$190; Other Financing Uses were decreased by \$5,030; and Fund Balance was decreased by \$1,006.
- 2008 Fire Fund Tax Revenue was increased by \$7,056; Intergovernmental Revenue was decreased by \$5,991; General Government Expenditures was increased by \$59; and Fund Balance was increased by \$1,006.
- 2008 Permissive Fund Intergovernmental Revenue was increased and Tax Revenue was decreased by \$2,128.
- 2008 Water Fund Charges for Services was increased by \$5,582; Other Financing Sources was decreased by \$5,582; Contractual Services Expenditures was increased by \$395; Other Expenditures was increased by \$10,118; and Interest Expenditures was decreased by \$10,513.
- 2008 Sewer Fund Contractual Services Expenditures was increased by \$31,847; Interest Expenditures was decreased by \$33,197; and Fund Balance was increased by \$1,350.
- 2008 Enterprise Reserve Fund Principal Expenditures was increased by \$9,000; Interest Expenditures was decreased by \$7,650; and Fund Balance was decreased by \$1,350.
- 2009 General Fund Tax Revenue was decreased by \$7,058; Intergovernmental Revenue was increased by \$3,305; General Government Expenditures was increased by \$5,926; Fines, Licenses, and Permits was increased by \$152; and Fund Balance was decreased by \$9,527.
- 2009 Fire Fund Tax Revenue was increased by \$5,629; Intergovernmental Revenue was decreased by \$10,936; General Government Expenditures was decreased by \$9,059; and Fund Balance was increased by \$3,752.
- 2009 Permissive Fund Intergovernmental Revenue was increased and Tax Revenue was decreased by \$1,973.
- 2009 FEMA Fund Transfers-Out was increased and Intergovernmental Revenue was increased by \$9,117.

**FINDING NUMBER 2009-001  
(Continued)**

- 2009 Water Fund Contractual Services Expenditures was increased by \$50; Supplies and Materials Expenditures was decreased \$5,775; Other Expenditures was increased by \$10,579; Interest Expenditures was decreased by \$10,629; Other Financing Sources was decreased by \$9,117; Transfers-In was increased by \$9,117; and Fund Balance was increased by \$5,775.
- 2009 Sewer Fund Contractual Services Expenditures was increased and Interest Expenditures was decreased by \$45,308.
- 2009 Enterprise Reserve Fund Principal Expenditures was increased and Interest Expenditures was decreased by \$9,000.

The Village agreed with audit adjustments to the accompanying financial statements, and posted changes to the Village ledgers, where appropriate, for the above items.

Failure to properly post receipts and disbursements can result in inaccurate records, which increases the risk that errors, theft, or fraud could occur and not be detected in a timely manner. We recommend that receipts and disbursements be properly posted. Receipts and disbursements posted to the ledgers should be reviewed for accuracy. Comparisons between years may aid in the determination if a transaction has been properly posted.

**FINDING NUMBER 2009-002**

**Material Noncompliance**

**Ohio Rev. Code, § 5705.39**, provides, in part, that the total appropriation from each fund shall not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Due to lack of management oversight, the Enterprise Reserve Fund had appropriations exceeding estimated revenue at December 31, 2008 in the amount of \$20,379. Failure to properly monitor budgetary activity could result in overspending and ultimately negative fund balances. We recommend that the Village monitor their appropriations versus their estimated resources. We also recommend that the Village execute all budgetary documents required by the Ohio Revised Code so that all budgetary documents are effective.

**FINDING NUMBER 2009-003**

**Material Weakness**

When designing the public office's system of internal control and the specific control activities, management should consider ensuring that all transactions are properly authorized in accordance with management's policies, ensuring that accounting records are properly designed, and verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

Estimated receipts were not properly posted to the accounting system as follows:

**FINDING NUMBER 2009-003  
 (Continued)**

<b>Year</b>	<b>Fund</b>	<b>Estimated Receipts per Amended Certificate of Estimated Resources</b>	<b>Estimated Receipts posted to the Village's accounting system</b>	<b>Variance</b>
2008	General	\$57,065	\$55,550	\$1,515
2008	Fire	9,600	11,000	(1,400)
2008	Street	16,350	18,775	(2,425)
2008	State Highway	1,340	2,500	(1,160)
2008	Permissive MVL	2,450	2,200	250
2008	Water	66,000	85,000	(19,000)
2008	Sewer	65,000	70,000	(5,000)
2009	Fire	11,000	15,487	(4,487)
2009	Enterprise Reserve	11,000	16,500	(5,500)

Failure to properly post budgetary amounts to the Village's accounting system could result in an ability to monitor activity. We recommend that the Village use correct amounts on the budgetary documents and monitor estimated and actual receipts and obtain amendments when required.

**We did not receive a response from Officials to the findings above.**

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**VILLAGE OF COLLEGE CORNER  
PREBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	ORC 5705.39, appropriations exceeding estimated revenue	No	Not Corrected – Re-Issued as Finding 2009-002
2007-002	OAC 117-2-01(D), failure to properly post receipts and disbursements	No	Not Corrected – Re-Issued as Finding 2009-001





**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF COLLEGE CORNER**

**PREBLE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 1, 2010**