



Dave Yost • Auditor of State

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

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COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

College Corner Local School District
Preble County
230 Ramsey Street
College Corner, Ohio 45003

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the College Corner Local School District, Preble County, Ohio (the District), as of and for the years ended June 30, 2012 and 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

Ohio Administrative Code § 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, the accompanying financial statements and notes follow the modified cash accounting basis. This is a comprehensive accounting basis other than generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of College Corner Local School District, Preble County, Ohio, as of June 30, 2012 and 2011, and the respective changes in modified cash financial position, thereof and the budgetary comparison for the General Fund thereof for the year then ended in conformity with the accounting basis Note 1 describes.

As described in Note 16, during 2011 the College Corner Local School District adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

We conducted our audit to opine on the District's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets, governmental activities and long-term debt. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

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

Dave Yost
Auditor of State

December 14, 2012

College Corner Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

The discussion and analysis of College Corner Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012, within the limitations of the School District's modified cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2012 are as follows:

- Restricted grant revenue decreased considerably due to the loss of the state fiscal stabilization grant and the education jobs grant.
- The School District approved a onetime salary bonus for their employees.
- The School District approved a new tuition agreement with the Union City/College Corner Local School District that increased payments.

Using this Annual Financial Report

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the School District's modified cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the School District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the School District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanations and details regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determines when financial events are recorded. The School District has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted

College Corner Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

accounting principles. Under the School District's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities – Modified Cash Basis

The statement of net assets and the statement of activities reflect how the School District did financially during fiscal year 2012, within the limitations of the modified cash basis of accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the School District at fiscal year-end. The statement of activities compares cash disbursements with program cash receipts for each governmental program. Program cash receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program cash receipts. The comparison of cash disbursements with program cash receipts identifies how each governmental program draws from the School District's general receipts.

These statements report the School District's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the School District's financial health. Over time, increases or decreases in the School District's cash position is one indicator of whether the School District's financial health is improving or deteriorating. When evaluating the School District's financial condition, you should also consider other nonfinancial factors as well such as the School District's property tax base, the condition of the School District's capital assets, the extent of the School District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the School District's major funds, not the School District as a whole. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the Permanent Improvement Fund.

College Corner Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported on a modified cash basis. The governmental fund statements provide a detailed short-term view of the School District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The School District as a Whole

Table 1 provides a summary of the School District's net assets for fiscal year 2012 compared to fiscal year 2011 on a modified cash basis:

Table 1
Net Assets

	2012	2011	Change
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,619,720	\$2,688,624	(\$68,904)
Capital Assets	2,341,796	2,396,491	(54,695)
<i>Total Assets</i>	4,961,516	5,085,115	(123,599)
 Net Assets:			
Invested in Capital Assets	2,341,796	2,396,491	(54,695)
Restricted	340,690	366,497	(25,807)
Unrestricted	2,279,030	2,322,127	(43,097)
<i>Total Net Assets</i>	\$4,961,516	\$5,085,115	(\$123,599)

Under the modified cash basis of accounting, no accruals for receivables or payables are recorded. Equity in Pooled in Cash and Cash Equivalents decreased due to less grant monies received during fiscal year 2012 and increase in expenditures due to a onetime salary bonus. The School District has elected to record capital assets, which decreased \$54,695 due mostly to current fiscal year depreciation.

Restricted net assets decreased due to the decrease in grants awarded to the School District. Unrestricted net assets decreased due to the reallocation of disbursements from grant funds to the General Fund. The School District had two grants that were not awarded in fiscal year 2012 – state fiscal stabilization and education job grants.

College Corner Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Table 2 shows the changes in net assets for fiscal year 2012 compared to fiscal year 2011.

Table 2
Changes in Net Assets

	2012	2011	Change
Receipts:			
Program Receipts:			
Charges for Services	\$119,782	\$142,178	(\$22,396)
Operating Grants and Contributions	108,446	232,610	(124,164)
Capital Grants and Contributions	8,154	19,403	(11,249)
<i>Total Program Receipts</i>	<u>236,382</u>	<u>394,191</u>	<u>(157,809)</u>
General Receipts:			
Property Taxes	239,745	235,709	4,036
Grants and Entitlements not Restricted to Specific Programs	604,977	579,640	25,337
Interest	8,757	10,851	(2,094)
Miscellaneous	210,386	184,467	25,919
<i>Total General Receipts</i>	<u>1,063,865</u>	<u>1,010,667</u>	<u>53,198</u>
<i>Total Receipts</i>	<u>1,300,247</u>	<u>1,404,858</u>	<u>(104,611)</u>
Program Disbursements:			
Instruction:			
Regular	1,081,307	1,020,563	60,744
Special	133,381	140,138	(6,757)
Vocational	10,190	2,000	8,190
Support Services:			
Pupils	3,203	3,705	(502)
Instructional Staff	5,138	11,440	(6,302)
Board of Education	20,257	18,646	1,611
Administration	60,509	74,431	(13,922)
Fiscal	66,134	75,369	(9,235)
Operation and Maintenance of Plant Central	31,694	55,362	(23,668)
	4,033	11,305	(7,272)
Operation of Non-Instructional Services	8,000	0	8,000
<i>Total Disbursements</i>	<u>1,423,846</u>	<u>1,412,959</u>	<u>\$10,887</u>
<i>Increase (Decrease) in Net Assets</i>	(123,599)	(8,101)	
<i>Net Assets at Beginning of Year</i>	<u>5,085,115</u>	<u>5,093,216</u>	
<i>Net Assets at End of Year</i>	<u>\$4,961,516</u>	<u>\$5,085,115</u>	

College Corner Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Governmental Activities

The unique nature of taxes in Ohio creates the need to routinely seek voter approval for the School District's operations. Property taxes made up 18 percent of receipts for fiscal year 2012. Operating grants and contributions decreased due to the loss of two grants (fiscal stabilization grant and education jobs grant) in fiscal year 2012. Grants and entitlements not restricted to specific programs, which is composed of State foundation monies, had the biggest increase, making up 47 percent of receipts for governmental activities. Overall, revenues decreased \$104,611 from fiscal year 2011.

Overall disbursements increased \$10,887 from fiscal year 2011 which was mainly due to the new tuition agreement signed with the Union City/College Corner Local School District. This agreement increased payments as well as a onetime salary bonus approved.

Again, it should be noted that the School District uses the modified cash basis of accounting which does not take into account any accruals and only includes what is disbursed during the fiscal year being reported.

The School District's Funds

The School District's major funds include the General Fund and the Permanent Improvement Fund, which is accounted for using the modified cash basis of accounting. All governmental funds had total receipts of \$1,300,247 and disbursements of \$1,369,151. The General Fund had a decrease in fund balance of \$124,048, which is a five percent decrease from fiscal year 2011. The decrease is due to an increase in expenditures from loss of grant monies that were supplementing salaries due to receipts exceeding expenditures. The Permanent Improvement Fund had an increase in fund balance of \$55,144.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2012, the School District revised its budget as it attempted to deal with unexpected changes in receipts and disbursements. A summary of the General Fund's original and final budgeted amounts is listed on page 14, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, final budget basis receipts were \$1,167,540 which was less than the original estimates of \$1,173,000, a difference of only \$5,460. Actual receipts were relatively the same as the final budgeted amount.

For the General Fund, final budget basis and actual disbursements were \$1,316,196, which was \$62,354 under the original estimates of \$1,378,550. This was primarily due to the Union

College Corner Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

City/College Corner Local School District tuition agreement that wasn't settled when original appropriations were made.

Capital Assets

Table 3 shows fiscal year 2012 balances compared to fiscal year 2011.

Table 3
Capital Assets (Net of Depreciation) at June 30,

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Land	\$3,440	\$3,440	\$0
Building and Improvements	2,335,568	2,390,739	(55,171)
Furniture and Equipment	2,788	2,312	476
<i>Totals</i>	<u>\$2,341,796</u>	<u>\$2,396,491</u>	<u>(\$54,695)</u>

For more information on capital assets, see Note 7 of the Basic Financial Statements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jack Mann at the College Corner Local School District, 230 Ramsey Street, College Corner, Ohio 45003.

College Corner Local School District
Statement of Net Assets - Modified Cash Basis
June 30, 2012

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$2,619,720
Nondepreciable Capital Assets	3,440
Depreciable Capital Assets, Net	2,338,356
<i>Total Assets</i>	4,961,516
Net Assets:	
Invested in Capital Assets	2,341,796
Restricted for:	
Capital Outlay	339,408
Other Purposes	1,282
Unrestricted	2,279,030
<i>Total Net Assets</i>	\$4,961,516

See Accompanying Notes to the Basic Financial Statements

College Corner Local School District
Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2012

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$1,081,307	\$119,782	\$193	\$0	(\$961,332)
Special	133,381	0	102,450	0	(30,931)
Vocational	10,190	0	1,133	0	(9,057)
Support Services:					
Pupils	3,203	0	0	0	(3,203)
Instructional Staff	5,138	0	4,670	0	(468)
Board of Education	20,257	0	0	0	(20,257)
Administration	60,509	0	0	0	(60,509)
Fiscal	66,134	0	0	8,154	(57,980)
Operation and Maintenance of Plant	31,694	0	0	0	(31,694)
Central	4,033	0	0	0	(4,033)
Operation of Non-Instructional Services	8,000	0	0	0	(8,000)
<i>Total Governmental Activities</i>	<u>\$1,423,846</u>	<u>\$119,782</u>	<u>\$108,446</u>	<u>\$8,154</u>	<u>(1,187,464)</u>
 General Receipts:					
Property Taxes Levied for:					
General Purposes					191,407
Capital Outlay					48,338
Grants and Entitlements not Restricted to Specific Programs					604,977
Gifts and Donations					
Interest					8,757
Miscellaneous					210,386
<i>Total General Receipts</i>					<u>1,063,865</u>
<i>Change in Net Assets</i>					(123,599)
<i>Net Assets at Beginning of Year</i>					<u>5,085,115</u>
<i>Net Assets at End of Year</i>					<u>\$4,961,516</u>

See Accompanying Notes to the Basic Financial Statements

College Corner Local School District
Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
June 30, 2012

	General	Permanent Improvement	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,280,312	\$339,408	\$2,619,720
Fund Balances:			
Nonspendable	\$1,282	\$0	\$1,282
Restricted	0	339,408	339,408
Assigned	23,349	0	23,349
Unassigned	2,255,681	0	2,255,681
<i>Total Fund Balances</i>	<u>\$2,280,312</u>	<u>\$339,408</u>	<u>\$2,619,720</u>

See Accompanying Notes to the Basic Financial Statements

College Corner Local School District
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities - Modified Cash Basis
 June 30, 2012

Total Governmental Fund Balances	\$2,619,720
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	3,440	
Building and Improvements	2,880,638	
Furniture and Equipment	5,806	
Accumulated Depreciation	(548,088)	
Total Capital Assets		2,341,796

<i>Net Assets of Governmental Activities</i>	<u><u>\$4,961,516</u></u>
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See Accompanying Notes to the Basic Financial Statements

College Corner Local School District
Statement of Cash Receipts, Disbursements and Changes in
Fund Balances - Modified Cash Basis
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Receipts:				
Property Taxes	\$191,407	\$48,338	\$0	\$239,745
Tuition and Fees	119,782	0	0	119,782
Interest	8,757	0	0	8,757
Intergovernmental	638,467	8,154	74,956	721,577
Miscellaneous	210,386	0	0	210,386
<i>Total Receipts</i>	<u>1,168,799</u>	<u>56,492</u>	<u>74,956</u>	<u>1,300,247</u>
Disbursements:				
Current:				
Instruction:				
Regular	1,025,943	0	193	1,026,136
Special	63,288	0	70,093	133,381
Vocational	10,190	0	0	10,190
Support Services:				
Pupils	3,203	0	0	3,203
Instructional Staff	468	0	4,670	5,138
Board of Education	20,257	0	0	20,257
Administration	61,121	0	0	61,121
Fiscal	64,650	1,348	0	65,998
Operation and Maintenance of Plant	31,694	0	0	31,694
Central	4,033	0	0	4,033
Operation of Non-Instructional Services	8,000	0	0	8,000
<i>Total Disbursements</i>	<u>1,292,847</u>	<u>1,348</u>	<u>74,956</u>	<u>1,369,151</u>
<i>Net Change in Fund Balances</i>	(124,048)	55,144	0	(68,904)
<i>Fund Balances at Beginning of Year</i>	<u>2,404,360</u>	<u>284,264</u>	<u>0</u>	<u>2,688,624</u>
<i>Fund Balances at End of Year</i>	<u>\$2,280,312</u>	<u>\$339,408</u>	<u>\$0</u>	<u>\$2,619,720</u>

See Accompanying Notes to the Basic Financial Statements

College Corner Local School District
 Reconciliation of the Statement of Cash Receipts, Disbursements and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities - Modified Cash Basis
 For the Fiscal Year Ended June 30, 2012

Net Change in Fund Balances - Total Governmental Funds (\$68,904)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as disbursements.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation disbursements. In the current period, these amounts are:

Capital Outlay	980	
Depreciation Disbursements	<u>(55,609)</u>	
Excess of Depreciation Disbursements Over Capital Outlay		(54,629)

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets is removed from the capital assets account in the Statement of net assets and offset against the proceeds from the sale of capital assets resulting in a loss on the sale of capital assets in the statement of activities

Loss on Disposal of Capital Assets	(66)
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Change in Net Assets of Governmental Activities (\$123,599)

See Accompanying Notes to the Basic Financial Statements

College Corner Local School District
Statement of Receipts, Disbursements and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts:				
Property Taxes	\$175,300	\$191,407	\$191,407	\$0
Tuition and Fees	75,100	119,782	119,782	0
Interest	10,800	8,757	8,757	0
Intergovernmental	651,300	638,457	638,467	10
Miscellaneous	260,500	209,137	209,137	0
<i>Total Receipts</i>	<u>1,173,000</u>	<u>1,167,540</u>	<u>1,167,550</u>	<u>10</u>
Disbursements:				
Current:				
Instruction:				
Regular	1,165,700	1,025,943	1,025,943	0
Special	0	63,288	63,288	0
Vocational	0	10,190	10,190	0
Support Services:				
Pupils	3,800	3,203	3,203	0
Instructional Staff	350	468	468	0
Board of Education	25,000	20,257	20,257	0
Administration	70,800	61,121	61,121	0
Fiscal	73,500	81,999	81,999	0
Operation and Maintenance of Plant	32,200	37,694	37,694	0
Central	3,200	4,033	4,033	0
Operation of Non-Instructional Services	4,000	8,000	8,000	0
<i>Total Disbursements</i>	<u>1,378,550</u>	<u>1,316,196</u>	<u>1,316,196</u>	<u>0</u>
<i>Excess of Receipts Under Disbursements</i>	(205,550)	(148,656)	(148,646)	10
Other Financing Sources (Uses):				
Refund of Prior Year Disbursements	0	1,249	1,249	0
Transfers - In	16,000	0	0	0
Transfers - Out	(15,000)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>1,000</u>	<u>1,249</u>	<u>1,249</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(204,550)	(147,407)	(147,397)	10
<i>Fund Balance at Beginning of Year</i>	2,395,866	2,395,866	2,395,866	0
<i>Prior Year Encumbrances Appropriated</i>	8,494	8,494	8,494	0
<i>Fund Balance at End of Year</i>	<u>\$2,199,810</u>	<u>\$2,256,953</u>	<u>\$2,256,963</u>	<u>\$10</u>

See Accompanying Notes to the Basic Financial Statements

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College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The College Corner Local School District is a local district as defined by Section 3311.03 of the Ohio Revised Code. The School District operates under a five member elected Board of Education and is responsible for the provision of public education to residents of the School District.

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

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

With regard to financial management, according to the reorganization agreement, the Union County School Corporation is the “administering” district. The administering district is the district that has been delegated the responsibility to maintain the books and records, issue contracts, and perform day-to-day operations. The College Corner Local School District makes payments to the Union County School Corporation. The College Corner Local School District keeps a record of just its transactions in its accounting system maintained by the Southwest Ohio Computer Association. The School District has a five year employment contract with the Superintendent, who is employed part-time and does not earn any type of leave or receive any insurance benefits.

Reporting Entity:

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For College Corner Local School District, this includes general operations and student related activities of the School District.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY
(continued)

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

The School District participates in one jointly governed organization, the Southwest Ohio Computer Association (Note 11).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Section C of Note 2, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America. Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The more significant of the School District's accounting policies are described below.

Basis of Presentation

The school district's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements:

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government. The government-wide statements usually distinguish between those activities that are governmental and those that are business-type. The School District, however, does not have any activities which are presented as business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The statement of net assets presents the cash balance and capital assets of the governmental activities of the School District at fiscal year-end. The statement of activities compares disbursements with program receipts for each function of the School District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the School District's general receipts.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All funds of the School District are classified as governmental funds.

Governmental Funds:

The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants), and other non-exchange transactions as governmental funds. The following funds are the School District's major governmental funds:

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

Permanent Improvement – The Permanent Improvement Capital Projects Fund is used to account for and report property taxes and associated intergovernmental revenues levied to be used for various capital improvements within the School District.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The School District's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the School District's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the School District are described in the appropriate section in this note.

As a result of the use of this modified cash basis of accounting, certain assets and their related receipts (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in receipts are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriations resolution is subject to amendment by the board throughout the fiscal year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year, including all supplemental appropriations. Before fiscal year-end, the School District requested and received a final appropriations resolution that reflected actual disbursements for the fiscal year in all funds.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Investments

To improve cash management, cash received by the School District is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents” on the financial statements.

During fiscal year 2012, the School District’s investments were limited to STAROhio. STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s net asset value per share which is the price the investment could be sold for on June 30, 2012.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Investment earnings credited to the General Fund during fiscal year 2012 were \$8,757, which included \$1,049 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

Capital Assets

All capital assets of the School District are general capital assets. General capital assets result from disbursements in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District does not maintain a capitalization threshold. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

<u>Description</u>	<u>Estimated Lives</u>
Building and Improvements	50 years
Furniture and Equipment	5-20 years

Employer Contributions to Cost-Sharing Pension Plans

The School District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Net Assets

Net assets invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The School District has no debt. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance

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

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted

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

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Committed

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

Assigned

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

Unassigned

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

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

Estimates

The modified cash basis of accounting used by the School District requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation disbursements); accordingly, actual results could differ from those estimates.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 3 - FUND BALANCES

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

<u>Fund Balances</u>	<u>General</u>	<u>Permanent Improvement</u>	<u>Total</u>
<i>Nonspendable</i>			
Unclaimed Monies	\$1,282	\$0	\$1,282
<i>Restricted for</i>			
Capital Improvements	0	339,408	339,408
<i>Assigned to</i>			
Unpaid Obligations	23,349	0	23,349
<i>Unassigned</i>			
	2,255,681	0	2,255,681
<i>Total Fund Balances</i>	<u>\$2,280,312</u>	<u>\$339,408</u>	<u>\$2,619,720</u>

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements and changes in fund balance – budget and actual (budget basis) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year-end encumbrances treated as cash disbursements (budgetary basis) rather than restricted, committed or assigned fund balance (cash basis).

The following table summarizes the adjustment necessary to reconcile the modified cash basis statement to the budgetary basis statement for the General Fund.

<u>Net Change in Fund Balance</u>	
	<u>General</u>
Modified Cash Basis	(\$124,048)
Encumbrances	(23,349)
Budget Basis	<u>(\$147,397)</u>

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 5 - DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Interim monies held by the School District may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
7. The State Treasurer's investment pool (STAROhio); and

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

8. Commercial paper and bankers acceptances if training requirements have been met.

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

Custodial credit risk for deposits is the risk that in the event of bank failure, the College Corner Local School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year-end, \$404,838 of the School District's bank balance of \$1,654,633 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's agent or trust department, but not in the name of the pool.

The School District has no policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by eligible securities pledged to and deposited either with the School District or qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of deposits being secured.

Investments

As of June 30, 2012, the School District only had investments in STAROhio in the amount of \$967,789. The average maturity of STAROhio is 52.5 days.

Interest Rate Risk:

The School District's investment policy follows State statute, which requires that an investment mature within five years of the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk:

STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility personal property located in the School District. Real property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011 and are collected in calendar year 2012 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Darke and Preble Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2012, are available to finance fiscal year 2012 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

	2011 Second- Half Collections		2012 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$9,750,680	94%	\$10,611,230	94%
Public Utility Personal	638,416	6%	664,720	6%
Total	<u>\$10,389,096</u>	<u>100%</u>	<u>\$11,275,950</u>	<u>100%</u>
Tax Rate per \$1,000 of Assessed Valuation	\$32.10		\$32.10	

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 7 - CAPITAL ASSETS

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

Governmental Activities	Balance 6/30/2011	Additions	Deductions	Balance 6/30/2012
Capital Assets, not Being Depreciated:				
Land	\$3,440	\$0	\$0	\$3,440
Capital Assets, Being Depreciated:				
Building and Improvements	2,880,638	0	0	2,880,638
Furniture and Equipment	5,685	980	(859)	5,806
Total Capital Assets, Being Depreciated	2,886,323	980	(859)	2,886,444
Less Accumulated Depreciation:				
Building and Improvements	(489,899)	(55,171)	0	(545,070)
Furniture and Equipment	(3,373)	(438)	793	(3,018)
Total Accumulated Depreciation	(493,272)	(55,609) *	793	(548,088)
Capital Assets, Being Depreciated, Net	2,393,051	(54,629)	(66)	2,338,356
Governmental Activities Capital Assets, Net	<u>\$2,396,491</u>	<u>(\$54,629)</u>	<u>(\$66)</u>	<u>\$2,341,796</u>

* Depreciation disbursement was charged to governmental functions as follows:

Instruction:	
Regular	\$55,171
Support Services:	
Administration	302
Fiscal	136
Total Depreciation	<u>\$55,609</u>

NOTE 8 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2012, the School District contracted with Indiana Insurance for general liability, sexual misconduct and molestation liability, and school leaders' errors and omissions liability.

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

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 9 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2012, the allocation to pension and death benefits was 12.7 percent. The remaining 1.3 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011, and 2010 were \$16,590, \$15,488, and \$11,031, respectively; 100 percent has been contributed for all three fiscal years.

State Teachers Retirement System of Ohio

Plan Description – 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 can be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

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 multiplied by a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by 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. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

The Combined Plan offers features of both the DB Plan and the DC 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

A DB or Combined Plan member with five or more years of 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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2012, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan was \$44,293 for the fiscal year ended June 30, 2012, \$51,558 for the fiscal year ended June 30, 2011, and \$50,199 for the fiscal year ended June 30, 2010. The full amount has been contributed for all three years. Contributions to the DC and Combined Plans for fiscal year 2012 were \$31,935 made by the School plan members and \$44,701 made by the School District.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2012, two members of the Governing Board has elected Social Security. The Board's liability is 6.2 percent of wages paid.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 10 - POST-EMPLOYMENT BENEFITS

School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2012, 1.3 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2012, this amount was \$35,800. During fiscal year 2012, the School District paid \$1,185 in surcharge.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$1,972, \$3,018, and \$1,540, respectively; 100 percent has been contributed for all three fiscal years.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2012, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010, \$984, \$997, and \$656, respectively; 100 percent has been contributed for all three fiscal years.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 10 - POST-EMPLOYMENT BENEFITS (continued)

State Teachers Retirement System of Ohio

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$3,407, \$3,966, and \$3,861, respectively; 100 percent has been contributed for all three fiscal years.

NOTE 11 - JOINTLY GOVERNED ORGANIZATION

Southwest Ohio Computer Association

The School District is a participant in the Southwest Ohio Computer Association (SWOCA), which is a computer consortium. SWOCA is an association of public school districts within the boundaries of Butler, Warren, and Preble Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SWOCA consists of one representative from each district plus one representative from the fiscal agent. The School District paid SWOCA \$3,944 for membership and services during the fiscal year. Financial information can be obtained from K. Michael Crumley, Executive Director of SWOCA at 3607 Hamilton-Middletown Road, Hamilton, Ohio 45011.

NOTE 12 - SET-ASIDE CALCULATIONS

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 acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 12 - SET-ASIDE CALCULATIONS (continued)

The following cash basis information describes the change in the fiscal year-end set-aside amounts for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside Balance as of June 30, 2011	\$0
Current Fiscal Year Set-aside Requirement	18,484
Qualifying Disbursements	0
Current Fiscal Year Offsets	<u>(48,338)</u>
Totals	<u><u>(\$29,854)</u></u>
Set-aside Balance as of June 30, 2012	<u><u>\$0</u></u>

Amounts of offsets and qualifying expenditures presented in the table for the capital acquisition set-asides were limited to those necessary to reduce the year-end balance to zero. Although the School District may have had additional offsets and qualifying expenditures for capital acquisitions, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore is not presented as being carried forward to the next fiscal year. In previous fiscal years, the School District was required to have a textbook requirement. Effective July 1, 2011, House Bill 30 of the 129th General Assembly repealed the textbook requirement.

NOTE 13 - CONTINGENCIES

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2012.

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

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

NOTE 13 – CONTINGENCIES (continued)

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

Litigation

The School District is not currently party to any legal proceedings.

NOTE 14 - COMPLIANCE

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 prepared its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net assets/fund balances, and disclosures that, while material, cannot be determined at this time. The School District can be fined and various other administrative remedies may be taken against the School District.

College Corner Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

The discussion and analysis of College Corner Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011, within the limitations of the School District's modified cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2011 are as follows:

- Revenues increased slightly during the fiscal year.
- The School District had a significant increase in disbursements compared to the prior year, leading to a decrease in net assets during fiscal year 2011.

Using this Annual Financial Report

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the School District's modified cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the School District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the School District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanations and details regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determines when financial events are recorded. The School District has elected to present its financial statements on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the School District's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

College Corner Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities – Modified Cash Basis

The statement of net assets and the statement of activities reflect how the School District did financially during fiscal year 2011, within the limitations of the modified cash basis of accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the School District at fiscal year-end. The statement of activities compares cash disbursements with program cash receipts for each governmental program. Program cash receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program cash receipts. The comparison of cash disbursements with program cash receipts identifies how each governmental program draws from the School District's general receipts.

These statements report the School District's cash position and the changes in cash position. Keeping in mind the limitations of the modified cash basis of accounting, you can think of these changes as one way to measure the School District's financial health. Over time, increases or decreases in the School District's cash position is one indicator of whether the School District's financial health is improving or deteriorating. When evaluating the School District's financial condition, you should also consider other nonfinancial factors as well such as the School District's property tax base, the condition of the School District's capital assets, the extent of the School District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the School District's major funds, not the School District as a whole. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the Permanent Improvement Fund.

College Corner Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported on a modified cash basis. The governmental fund statements provide a detailed short-term view of the School District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The School District as a Whole

Table 1 provides a summary of the School District's net assets for fiscal year 2011 compared to fiscal year 2010 on a modified cash basis:

Table 1
Net Assets

	2011	2010	Change
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,688,624	\$2,641,005	\$47,619
Capital Assets	2,396,491	2,452,211	(55,720)
<i>Total Assets</i>	5,085,115	5,093,216	(8,101)
Net Assets:			
Invested in Capital Assets	2,396,491	2,452,211	(55,720)
Restricted	365,215	308,101	57,114
Unrestricted	2,323,409	2,332,904	(9,495)
<i>Total Net Assets</i>	\$5,085,115	\$5,093,216	(\$8,101)

Under the modified cash basis of accounting, no accruals for receivables or payables are recorded. The School District has elected to record capital assets, which decreased \$55,720 because of current fiscal year depreciation disbursements.

Restricted net assets, which are mostly composed of Capital Projects monies, increased by \$57,114 due to limited expenditures in the Permanent Improvement Fund for the current fiscal year that allowed fund balances to increase.

College Corner Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

Table 2 shows the changes in net assets for fiscal year 2011 compared to fiscal year 2010.

Table 2
Changes in Net Assets

	2011	2010	Change
Receipts:			
Program Receipts:			
Charges for Services	\$142,178	\$165,309	(\$23,131)
Operating Grants and Contributions	232,610	205,406	27,204
Capital Grants and Contributions	19,403	0	19,403
<i>Total Program Receipts</i>	<u>394,191</u>	<u>370,715</u>	<u>23,476</u>
General Receipts:			
Property Taxes	235,709	212,663	23,046
Grants and Entitlements not Restricted to Specific Programs	579,640	568,382	11,258
Interest	10,851	12,590	(1,739)
Miscellaneous	184,467	125,085	59,382
<i>Total General Receipts</i>	<u>1,010,667</u>	<u>918,720</u>	<u>91,947</u>
<i>Total Receipts</i>	<u>1,404,858</u>	<u>1,289,435</u>	<u>115,423</u>
Program Disbursements:			
Instruction:			
Regular	1,020,563	620,117	400,446
Special	140,138	159,873	(19,735)
Vocational	2,000	6,857	(4,857)
Support Services:			
Pupils	3,705	4,147	(442)
Instructional Staff	11,440	8,544	2,896
Board of Education	18,646	20,340	(1,694)
Administration	74,431	79,364	(4,933)
Fiscal	75,369	62,720	12,649
Operation and Maintenance of Plant Central	55,362	45,309	10,053
	11,305	17,299	(5,994)
Operation of Non-Instructional Services	0	5,000	(5,000)
<i>Total Disbursements</i>	<u>1,412,959</u>	<u>1,029,570</u>	<u>\$383,389</u>
<i>Increase (Decrease) in Net Assets</i>	(8,101)	259,865	
<i>Net Assets at Beginning of Year</i>	<u>5,093,216</u>	<u>4,833,351</u>	
<i>Net Assets at End of Year</i>	<u>\$5,085,115</u>	<u>\$5,093,216</u>	

College Corner Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

Governmental Activities

The unique nature of taxes in Ohio creates the need to routinely seek voter approval for the School District's operations. Property taxes made up 17 percent of receipts for fiscal year 2011. Grants and entitlements not restricted to specific programs, which is composed of State foundation monies, made up 41 percent of receipts for governmental activities. Overall, revenues increased only \$115,423 from fiscal year 2010. Miscellaneous revenues had the biggest increase, making up 51 percent of the total increase in receipts due to an agreement with the Union City/College Corner School District for administrative cost reimbursements.

Overall disbursements increased \$383,389 from fiscal year 2010 which was mainly due to the new tuition agreement signed with the Union City/College Corner School District that increased Regular Instruction.

Again, it should be noted that the School District uses the modified cash basis of accounting which does not take into account any accruals and only includes what is disbursed during the fiscal year being reported.

The School District's Funds

The School District's major funds include the General Fund and the Permanent Improvement Fund, which is accounted for using the modified cash basis of accounting. All governmental funds had total receipts of \$1,404,858 and disbursements of \$1,357,239. The General Fund had a decrease in fund balance of \$9,627, which is less than a one percent decrease from fiscal year 2010 due to close budget monitoring. The Permanent Improvement Fund had an increase in fund balance of \$57,114.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2011, the School District revised its budget as it attempted to deal with unexpected changes in receipts and disbursements. A summary of the General Fund's original and final budgeted amounts is listed on page 14, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, final budget basis receipts were \$1,186,362 which was less than the original estimates of \$1,193,900, a difference of only \$7,538. Actual receipts were the same as the final budgeted amount.

For the General Fund, final budget basis and actual disbursements were \$1,202,382, which was \$306,018 under the original estimates of \$1,508,400. This was primarily due to the Union City/College Corner tuition agreement that wasn't settled when original appropriations were made.

College Corner Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

Capital Assets

Table 3 shows fiscal year 2011 balances compared to fiscal year 2010.

Table 3
 Capital Assets (Net of Depreciation) at June 30,

	2011	2010	Change
Land	\$3,440	\$3,440	\$0
Building and Improvements	2,390,739	2,445,910	(55,171)
Furniture and Equipment	2,312	2,861	(549)
<i>Totals</i>	\$2,396,491	\$2,452,211	(\$55,720)

For more information on capital assets, see Note 7 of the Basic Financial Statements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jack Mann at the College Corner Local School District, 230 Ramsey Street, College Corner, Ohio 45003.

College Corner Local School District
Statement of Net Assets - Modified Cash Basis
June 30, 2011

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$2,688,624
Nondepreciable Capital Assets	3,440
Depreciable Capital Assets, Net	2,393,051
<i>Total Assets</i>	5,085,115
Net Assets:	
Invested in Capital Assets	2,396,491
Restricted for:	
Capital Outlay	284,264
Set-Asides	80,951
Unrestricted	2,323,409
<i>Total Net Assets</i>	\$5,085,115

See Accompanying Notes to the Basic Financial Statements

College Corner Local School District
Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2011

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$1,020,563	\$142,178	\$83,635	\$0	(\$794,750)
Special	140,138	0	128,933	0	(11,205)
Vocational	2,000	0	1,133	0	(867)
Support Services:					
Pupils	3,705	0	0	0	(3,705)
Instructional Staff	11,440	0	11,241	0	(199)
Board of Education	18,646	0	0	0	(18,646)
Administration	74,431	0	0	0	(74,431)
Fiscal	75,369	0	0	19,403	(55,966)
Operation and Maintenance of Plant	55,362	0	0	0	(55,362)
Central	11,305	0	7,668	0	(3,637)
<i>Total Governmental Activities</i>	<u>\$1,412,959</u>	<u>\$142,178</u>	<u>\$232,610</u>	<u>\$19,403</u>	<u>(1,018,768)</u>
 General Receipts:					
Property Taxes Levied for:					
General Purposes					196,798
Capital Outlay					38,911
Grants and Entitlements not Restricted to					
Specific Programs					579,640
Interest					10,851
Miscellaneous					184,467
<i>Total General Receipts</i>					<u>1,010,667</u>
 <i>Change in Net Assets</i>					 (8,101)
 <i>Net Assets at Beginning of Year</i>					 <u>5,093,216</u>
 <i>Net Assets at End of Year</i>					 <u>\$5,085,115</u>

See Accompanying Notes to the Basic Financial Statements

College Corner Local School District
Statement of Assets and Fund Balances - Modified Cash Basis
Governmental Funds
June 30, 2011

	General	Permanent Improvement	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,323,409	\$284,264	\$2,607,673
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	80,951	0	80,951
<i>Total Assets</i>	<u>\$2,404,360</u>	<u>\$284,264</u>	<u>\$2,688,624</u>
Fund Balances:			
Nonspendable	\$1,282	\$0	\$1,282
Restricted	80,951	284,264	365,215
Assigned	8,500	0	8,500
Unassigned	2,313,627	0	2,313,627
<i>Total Fund Balances</i>	<u>\$2,404,360</u>	<u>\$284,264</u>	<u>\$2,688,624</u>

See Accompanying Notes to the Basic Financial Statements

College Corner Local School District
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities - Modified Cash Basis
 June 30, 2011

Total Governmental Fund Balances	\$2,688,624
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**Amounts reported for governmental activities in the
 statement of net assets are different because:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	3,440	
Building and Improvements	2,880,638	
Furniture and Equipment	5,685	
Accumulated Depreciation	(493,272)	
Total Capital Assets	2,396,491	<u>2,396,491</u>

<i>Net Assets of Governmental Activities</i>	<u><u>\$5,085,115</u></u>
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See Accompanying Notes to the Basic Financial Statements

College Corner Local School District
Statement of Cash Receipts, Disbursements and Changes in
Fund Balances - Modified Cash Basis
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Receipts:				
Property Taxes	\$196,798	\$38,911	\$0	\$235,709
Tuition and Fees	75,178	0	0	75,178
Interest	10,851	0	0	10,851
Intergovernmental	652,568	19,403	159,682	831,653
Rent	67,000	0	0	67,000
Miscellaneous	184,467	0	0	184,467
<i>Total Receipts</i>	<u>1,186,862</u>	<u>58,314</u>	<u>159,682</u>	<u>1,404,858</u>
Disbursements:				
Current:				
Instruction:				
Regular	881,757	0	83,635	965,392
Special	83,000	0	57,138	140,138
Vocational	2,000	0	0	2,000
Support Services:				
Pupils	3,705	0	0	3,705
Instructional Staff	331	0	11,109	11,440
Board of Education	18,646	0	0	18,646
Administration	74,259	0	0	74,259
Fiscal	73,792	1,200	0	74,992
Operation and Maintenance of Plant	55,362	0	0	55,362
Central	1,030	0	10,275	11,305
<i>Total Disbursements</i>	<u>1,193,882</u>	<u>1,200</u>	<u>162,157</u>	<u>1,357,239</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(7,020)</u>	<u>57,114</u>	<u>(2,475)</u>	<u>47,619</u>
Other Financing Sources (Uses):				
Transfers - In	0	0	2,607	2,607
Transfers - Out	(2,607)	0	0	(2,607)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,607)</u>	<u>0</u>	<u>2,607</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(9,627)	57,114	132	47,619
<i>Fund Balances at Beginning of Year</i>	<u>2,413,987</u>	<u>227,150</u>	<u>(132)</u>	<u>2,641,005</u>
<i>Fund Balances at End of Year</i>	<u>\$2,404,360</u>	<u>\$284,264</u>	<u>\$0</u>	<u>\$2,688,624</u>

See Accompanying Notes to the Basic Financial Statements

College Corner Local School District
Reconciliation of the Statement of Cash Receipts, Disbursements and Changes
in Fund Balances of Governmental Funds to the Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds \$47,619

**Amounts reported for governmental activities in the
statement of activities are different because:**

Governmental funds report capital outlays as disbursements.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation disbursements. In the current period,
these amounts are:

Depreciation Disbursements (55,720)

Change in Net Assets of Governmental Activities (\$8,101)

See Accompanying Notes to the Basic Financial Statements

College Corner Local School District
Statement of Receipts, Disbursements and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Favorable
	Original	Final		
Receipts:				
Property Taxes	\$175,300	\$196,798	\$196,798	\$0
Tuition and Fees	98,300	75,178	75,178	0
Interest	12,500	10,851	10,851	0
Intergovernmental	660,700	652,568	652,568	0
Rent	67,000	67,000	67,000	0
Miscellaneous	180,100	183,967	183,967	0
<i>Total Receipts</i>	1,193,900	1,186,362	1,186,362	0
Disbursements:				
Current:				
Instruction:				
Regular	1,259,300	881,757	881,757	0
Special	0	83,000	83,000	0
Vocational	0	2,000	2,000	0
Support Services:				
Pupils	4,200	3,705	3,705	0
Instructional Staff	450	331	331	0
Board of Education	25,000	18,646	18,646	0
Administration	84,300	74,259	74,259	0
Fiscal	82,650	82,292	82,292	0
Operation and Maintenance of Plant	44,300	55,362	55,362	0
Central	3,200	1,030	1,030	0
Operation of Non-Instructional Services	5,000	0	0	0
<i>Total Disbursements</i>	1,508,400	1,202,382	1,202,382	0
<i>Excess of Receipts Under Disbursements</i>	(314,500)	(16,020)	(16,020)	0
Other Financing Sources (Uses):				
Refund of Prior Year Disbursements	0	500	500	0
Transfers - Out	(7,000)	(2,607)	(2,607)	0
<i>Total Other Financing Sources (Uses)</i>	(7,000)	(2,107)	(2,107)	0
<i>Net Change in Fund Balance</i>	(321,500)	(18,127)	(18,127)	0
<i>Fund Balance at Beginning of Year</i>	2,394,037	2,394,037	2,394,037	0
<i>Prior Year Encumbrances Appropriated</i>	19,950	19,950	19,950	0
<i>Fund Balance at End of Year</i>	\$2,092,487	\$2,395,860	\$2,395,860	\$0

See Accompanying Notes to the Basic Financial Statements

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College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The College Corner Local School District is a local district as defined by Section 3311.03 of the Ohio Revised Code. The School District operates under a five member elected Board of Education and is responsible for the provision of public education to residents of the School District.

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

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

With regard to financial management, according to the reorganization agreement, the Union County School Corporation is the “administering” district. The administering district is the district that has been delegated the responsibility to maintain the books and records, issue contracts, and perform day-to-day operations. The College Corner Local School District makes payments to the Union County School Corporation. The College Corner Local School District keeps a record of just its transactions in its accounting system maintained by the Southwest Ohio Computer Association. The School District has a five year employment contract with the Superintendent, who is employed part-time and does not earn any type of leave or receive any insurance benefits.

Reporting Entity:

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For College Corner Local School District, this includes general operations and student related activities of the School District.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY
(continued)

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

The School District participates in one jointly governed organization, the Southwest Ohio Computer Association (Note 11).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Section C of Note 2, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America. Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the modified cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

The school district's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements:

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government. The government-wide statements usually distinguish between those activities that are governmental and those that are business-type. The School District, however, does not have any activities which are presented as business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The statement of net assets presents the cash balance and capital assets of the governmental activities of the School District at fiscal year-end. The statement of activities compares disbursements with program receipts for each function of the School District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a modified cash basis or draws from the School District's general receipts.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All funds of the School District are classified as governmental funds.

Governmental Funds:

The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants), and other non-exchange transactions as governmental funds. The following funds are the School District's major governmental funds:

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

Permanent Improvement – The Permanent Improvement Capital Projects Fund accounts for property taxes and associated intergovernmental revenues levied to be used for various capital improvements within the School District.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

The School District's financial statements are prepared using the modified cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the School District's financial records and reported in the financial statements when cash is received rather than when earned, and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the School District are described in the appropriate section in this note.

As a result of the use of this modified cash basis of accounting, certain assets and their related receipts (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in receipts are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board. Prior to fiscal year-end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year.

The appropriations resolution is subject to amendment by the board throughout the fiscal year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year, including all supplemental appropriations. Before fiscal year-end, the School District requested and received a final appropriations resolution that reflected actual disbursements for the fiscal year in all funds.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and Investments

To improve cash management, cash received by the School District is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents” on the financial statements.

During fiscal year 2011, the School District’s investments were limited to STAROhio. STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price which is the price the investment could be sold for on June 30, 2011.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Investment earnings credited to the General Fund during fiscal year 2011 were \$10,851, which included \$1,120 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent amounts required by State statute to be set aside for the purchase of textbooks and instructional materials.

G. Capital Assets

All capital assets of the School District are general capital assets. General capital assets result from disbursements in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District does not maintain a capitalization threshold. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Building and Improvements	50 years
Furniture and Equipment	5-20 years

H. Employer Contributions to Cost-Sharing Pension Plans

The School District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

I. Net Assets

Net assets invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The School District has no debt. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

J. Fund Balance

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

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash

Restricted

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

Committed

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

Assigned

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

Unassigned

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

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

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

L. Estimates

The modified cash basis of accounting used by the School District requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation disbursements); accordingly, actual results could differ from those estimates.

NOTE 3 - FUND BALANCES

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

<u>Fund Balances</u>	<u>General</u>	<u>Permanent Improvement</u>	<u>Total</u>
<i>Nonspendable</i>			
Unclaimed Monies	\$1,282	\$0	\$1,282
<i>Restricted for</i>			
Set Asides	80,951	0	80,951
Capital Improvements	0	284,264	284,264
<i>Total Restricted</i>	<u>80,951</u>	<u>284,264</u>	<u>365,215</u>
<i>Assigned to</i>			
Other Purposes	8,500	0	8,500
<i>Unassigned</i>	<u>2,313,627</u>	<u>0</u>	<u>2,313,627</u>
<i>Total Fund Balances</i>	<u><u>\$2,404,360</u></u>	<u><u>\$284,264</u></u>	<u><u>\$2,688,624</u></u>

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of receipts, disbursements and changes in fund balance – budget and actual (budget basis) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the modified cash basis are outstanding year-end encumbrances treated as cash disbursements (budgetary basis) rather than restricted, committed or assigned fund balance (cash basis).

The following table summarizes the adjustment necessary to reconcile the modified cash basis statement to the budgetary basis statement for the General Fund.

	<u>Net Change in Fund Balance</u>
	<u>General</u>
Modified Cash Basis	(\$9,627)
Encumbrances	<u>(8,500)</u>
Budget Basis	<u><u>(\$18,127)</u></u>

NOTE 5 - DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Interim monies held by the School District may be deposited or invested in the following securities:

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) above;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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.

A. Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the College Corner Local School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year-end, \$434,251 of the School District's bank balance of \$1,681,633 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's agent or trust department, but not in the name of the pool.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

The School District has no policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by eligible securities pledged to and deposited either with the School District or qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of deposits being secured.

B. Investments

As of June 30, 2011, the School District only had investments in STAROhio in the amount of \$1,008,725. The average maturity of STAROhio is 58 days.

Interest Rate Risk:

The School District's investment policy follows State statute, which requires that an investment mature within five years of the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk:

STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility personal property located in the School District. Real property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 6 - PROPERTY TAXES (continued)

Public utility property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in calendar year 2011 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Darke and Preble Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The assessed values upon which the fiscal year 2011 taxes were collected are:

	2010 Second- Half Collections		2011 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$9,698,170	94%	\$9,750,680	94%
Public Utility Personal	651,300	6%	638,416	6%
Total	\$10,349,470	100%	\$10,389,096	100%
Tax Rate per \$1,000 of Assessed Valuation	\$32.10		\$32.10	

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2011, was as follows:

	Balance 6/30/2010	Additions	Deductions	Balance 6/30/2011
Governmental Activities				
Capital Assets, not Being Depreciated:				
Land	\$3,440	\$0	\$0	\$3,440
Capital Assets, Being Depreciated:				
Building and Improvements	2,880,638	0	0	2,880,638
Furniture and Equipment	5,685	0	0	5,685
Total Capital Assets, Being Depreciated	2,886,323	0	0	2,886,323
Less Accumulated Depreciation:				
Building and Improvements	(434,728)	(55,171)	0	(489,899)
Furniture and Equipment	(2,824)	(549)	0	(3,373)
Total Accumulated Depreciation	(437,552)	(55,720)*	0	(493,272)
Capital Assets, Being Depreciated, Net	2,448,771	(55,720)	0	2,393,051
Governmental Activities Capital Assets, Net	\$2,452,211	(\$55,720)	\$0	\$2,396,491

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 7 - CAPITAL ASSETS (continued)

* Depreciation disbursement was charged to governmental functions as follows:

Instruction:	
Regular	\$55,171
Support Services:	
Administration	172
Fiscal	<u>377</u>
Total Depreciation	<u><u>\$55,720</u></u>

NOTE 8 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2011, the School District contracted with Indiana Insurance for general liability, sexual misconduct and molestation liability, and school leaders' errors and omissions liability.

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

NOTE 9 - 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 pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

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. A portion of the School District's contribution is used to fund pension and death benefit obligations with the remainder being used to fund health care benefits; for fiscal year 2011, 11.81 percent of annual covered salary was the portion used to fund pension and death obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$15,488, \$11,031, and \$11,531, respectively; 100 percent has been contributed for all three fiscal years.

B. State Teachers Retirement System of Ohio

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. 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 Street, Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

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 a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by 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. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

A DB or Combined Plan member with five or more years of 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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – For the fiscal year ended June 30, 2011, 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 STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$51,558, \$50,199, and \$48,026, respectively; 100 percent has been contributed for all three fiscal years. Contributions to the DC and Combined Plans for fiscal year 2012 were \$31,935 made by the School plan members and \$44,701 made by the School District.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2011, two members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

NOTE 10 - POST-EMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 10 - POST-EMPLOYMENT BENEFITS (continued)

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2011, this amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$3,018, \$1,540, and \$6,420, respectively; 100 percent has been contributed for all three fiscal years.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2011, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$997, \$656, and \$951, respectively; 100 percent has been contributed for all three fiscal years.

B. State Teachers Retirement System of Ohio

Plan Description – The School District contributes to the cost-sharing, multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$3,966, \$3,861, and \$3,694, respectively; 100 percent has been contributed for all three fiscal years.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 11 - JOINTLY GOVERNED ORGANIZATION

Southwest Ohio Computer Association

The School District is a participant in the Southwest Ohio Computer Association (SWOCA), which is a computer consortium. SWOCA is an association of public school districts within the boundaries of Butler, Warren, and Preble Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SWOCA consists of one representative from each district plus one representative from the fiscal agent. The School District paid SWOCA \$3,889 for membership and services during the fiscal year. Financial information can be obtained from K. Michael Crumley, Executive Director of SWOCA at 3607 Hamilton-Middletown Road, Hamilton, Ohio 45011.

NOTE 12 - SET-ASIDE CALCULATIONS

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 instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

The following cash basis information describes the change in the fiscal year-end set-aside amounts for textbooks and instructional materials and capital improvements. Disclosure of this information is required by State statute.

	<u>Textbooks and Instructional Materials</u>	<u>Capital Improvements</u>
Set-aside Reserve Balance as of		
June 30, 2010	\$80,951	\$0
Current Fiscal Year Set-aside Requirement	16,979	16,979
Qualifying Disbursements	(16,979)	0
Current Fiscal Year Offsets	0	(38,911)
Totals	<u>\$80,951</u>	<u>(\$21,932)</u>
Set-aside Reserve Balance as of		
June 30, 2011	<u>\$80,951</u>	<u>\$0</u>

The School District had qualifying disbursements and offsets during the fiscal year that reduced the capital improvements amount below zero. This extra amount may not be used to reduce the set-aside requirements in future fiscal years. The total reserve balance for the set-asides at the end of the fiscal year was \$80,951.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 13 - CONTINGENCIES

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2011.

B. Litigation

The School District is not currently party to any legal proceedings.

NOTE 14 - COMPLIANCE

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 prepared its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net assets/fund balances, and disclosures that, while material, cannot be determined at this time. The School District can be fined and various other administrative remedies may be taken against the School District.

NOTE 15 - INTERFUND ACTIVITY

The General Fund had transfers-out to Other Governmental Funds in the amounts of \$2,607 during fiscal year 2011. Transfers are used to move General Fund revenues that are used to subsidize various programs in other funds.

NOTE 16 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2011, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”.

College Corner Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 16 – CHANGE IN ACCOUNTING PRINCIPLES (continued)

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of certain funds of the School District's financial statements.

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Dave Yost • Auditor of State

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

College Corner Local School District
Preble County
230 Ramsey Street
College Corner, OH 45003

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the College Corner Local School District, Preble County, Ohio (the District) as of and for the year ended June 30, 2012 and 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 14, 2012, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2012-01 and 2012-02.

We intend this report solely for the information and use of management, the audit committee, Board of Education and others within the District. We intend it for no one other than these specified parties.

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

Dave Yost
Auditor of State

December 14, 2012

COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY

SCHEDULE OF FINDINGS
JUNE 30, 2012 AND 2011

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

FINDING NUMBER 2012-01

Noncompliance Citation

Ohio Revised Code, § 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 117-2-03 further clarifies the requirements of Ohio Revised Code 117.38.

Ohio Admin. Code § 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 on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles accepted in the United States of America. The accompanying financial statements omit assets, liabilities, fund equities, and disclosure that, while material, cannot be determined at this time. The School District can be fined and various other administrative remedies may be taken against the School District. As such we recommend the School District prepare its annual financial report in accordance with generally accepted accounting principles.

Officials' Response:

Officials did not provide a response to this finding.

FINDING NUMBER 2012-02

Noncompliance Citation

Ohio Revised Code, § 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the School District can authorize the drawing of a warrant for the payment of the amount due. The School District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

**FINDING NUMBER 2012-02
(Continued)**

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the School District.

2. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The School District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The School District did not follow established procedures for certifying expenditures. Of 26 expenditures (19 in FY11 and 7 in FY12) tested, seven (37%) were not properly certified in fiscal year 2011 and two (29%) were not properly certified in fiscal year 2012. There was no evidence that the School District followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the School District’s funds exceeding budgetary spending limitations, we recommend that the Treasurer certify that the funds are or will be available prior to obligation by the School District. When prior certification is not possible, “then and now” certification should be used.

We recommend the School District certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the School District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

Officials’ Response:

Officials did not provide a response to this finding.

**COLLEGE CORNER LOCAL SCHOOL DISTRICT
PREBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2012 AND 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-001	Ohio Revised Code, Section 117.38; Ohio Admin. Code Section 117-2-03(B), failure to report in accordance with generally accepted accounting principles.	No	Not Corrected – Reissued as Finding 2012-01.
2010-002	Ohio Revised Code, Section 5705.41(D), failure to properly encumber.	No	Not Corrected – Reissued as Finding 2012-02.

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Dave Yost • Auditor of State

COLLEGE CORNER LOCAL SCHOOL DISTRICT

PREBLE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 3, 2013**