



**VILLAGE OF GIBSONBURG
SANDUSKY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF GIBSONBURG
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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Gibsonburg
Sandusky County
120 North Main Street
Gibsonburg, Ohio 43431-1197

To the Village Council:

We have audited the accompanying financial statements of the Village of Gibsonburg, Sandusky County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

May 10, 2000

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**VILLAGE OF GIBSONBURG
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$417,026		\$417,026
Intergovernmental Receipts	160,320	\$94,542	254,862
Fines, Licenses, and Permits	7,393	7,202	14,595
Earnings on Investments	90,355		90,355
Miscellaneous		4,652	4,652
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	675,094	106,396	781,490
Cash Disbursements:			
Current:			
Security of Persons and Property	322,492	997	323,489
Public Health Services	980		980
Leisure Time Activities	64,248		64,248
Community Environment	46	4,705	4,751
Transportation		72,570	72,570
General Government	219,481	27,518	246,999
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Total Cash Disbursements	607,247	105,790	713,037
Total Receipts Over Disbursements	67,847	606	68,453
Fund Cash Balances, January 1	469,201	121,077	590,278
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Fund Cash Balances, December 31	\$537,048	\$121,683	\$658,731
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Reserves for Encumbrances, December 31	\$5,415	\$214	\$5,629
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The notes to the financial statements are an integral part of this statement.

**VILLAGE OF GIBSONBURG
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$643,862
Miscellaneous	14,076
Total Operating Cash Receipts	657,938
Operating Cash Disbursements:	
Personal Services	129,458
Fringe Benefits	
Contractual Services	98,255
Supplies and Materials	240,212
Capital Outlay	36,743
Total Operating Cash Disbursements	504,668
Operating Income	153,270
Non-Operating Cash Disbursements:	
Debt Service	81,802
Net Receipts Over Disbursements	71,468
Fund Cash Balances, January 1	516,639
Fund Cash Balances, December 31	\$588,107
Reserve for Encumbrances, December 31	\$3,982

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

**VILLAGE OF GIBSONBURG
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$417,960		\$417,960
Intergovernmental Receipts	141,873	\$87,119	228,992
Fines, Licenses, and Permits	5,359	7,354	12,713
Earnings on Investments	92,910		92,910
Miscellaneous		4,780	4,780
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	658,102	99,253	757,355
Cash Disbursements:			
Current:			
Security of Persons and Property	285,739		285,739
Public Health Services	492		492
Leisure Time Activities	62,201		62,201
Community Environment	107	5,332	5,439
Transportation		88,923	88,923
Capital Outlay	235,388	28,900	264,288
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	583,927	123,155	707,082
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>
	74,175	(23,902)	50,273
Other Financing Receipts/(Disbursements):			
Sale of Fixed Assets		24,448	24,448
Transfers-In		28,900	28,900
Transfers-Out	(28,900)		(28,900)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(28,900)	53,348	24,448
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	45,275	29,446	74,721
Fund Cash Balances, January 1	423,926	91,631	515,557
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$469,201	\$121,077	\$590,278
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Reserves for Encumbrances, December 31	\$7,921	\$299	\$8,220
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The notes to the financial statements are an integral part of this statement.

**VILLAGE OF GIBSONBURG
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$589,347
Miscellaneous	5,020
	594,367
Total Operating Cash Receipts	594,367
Operating Cash Disbursements:	
Personal Services	111,511
Fringe Benefits	
Contractual Services	165,337
Supplies and Materials	203,114
Capital Outlay	34,492
	514,454
Total Operating Cash Disbursements	514,454
Operating Income	79,913
Non-Operating Cash Disbursements:	
Debt Service	81,802
Net Disbursements Over Receipts	(1,889)
Fund Cash Balances, January 1	518,528
Fund Cash Balances, December 31	\$516,639
Reserve for Encumbrances, December 31	\$79,527

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

**VILLAGE OF GIBSONBURG
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Gibsonburg, Sandusky County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), and police services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash

Certificates of deposit are valued at cost.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

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

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

Economic Development Fund -This fund receives cable franchise fees. This fund received monies from the sale of a building in 1998

VILLAGE OF GIBSONBURG
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

3. Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village did not encumber all commitments required by Ohio law.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

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

**VILLAGE OF GIBSONBURG
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. CORRECTION OF THE PRIOR PERIOD FUND BALANCE

The Sandusky County Auditor has permissive tax money on deposit for the Village. These funds are the property of the Village. The moneys had been omitted on the prior financial statements. The net adjustment is as follows:

SPECIAL REVENUE FUND TYPE

Fund Balance at 1/1/98	\$86,761
Adjustment for Permissive Tax Balance as of 12/31/97	4,870
Restated Fund Balance at 1/1/98	<u>\$91,631</u>

3. EQUITY IN POOLED CASH

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$1,077,578	\$335,571
Funds on hand with the County Auditor	19,236	7,732
Certificates of deposit	<u>150,024</u>	<u>763,614</u>
Total deposits	<u>\$1,246,838</u>	<u>\$1,106,917</u>

Demand deposits and certificates of deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

Fund Type	1999 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$573,064	\$675,094	\$102,030
Special Revenue	115,910	106,396	(9,514)
Enterprise	<u>488,880</u>	<u>657,938</u>	<u>169,058</u>
Total	<u>\$1,177,854</u>	<u>\$1,439,428</u>	<u>\$261,574</u>

**VILLAGE OF GIBSONBURG
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,043,293	\$612,662	\$430,631
Special Revenue	230,741	106,004	124,737
Enterprise	1,512,219	590,452	921,767
Total	<u>\$2,786,253</u>	<u>\$1,309,118</u>	<u>\$1,477,135</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$596,478	\$658,102	\$61,624
Special Revenue	217,000	152,601	(64,399)
Enterprise	519,880	594,367	74,487
Total	<u>\$1,333,358</u>	<u>\$1,405,070</u>	<u>\$71,712</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,069,559	\$620,748	\$448,811
Special Revenue	300,225	123,454	176,771
Enterprise	1,035,327	675,783	359,544
Total	<u>\$2,405,111</u>	<u>\$1,419,985</u>	<u>\$985,126</u>

Several accounts had expenditures in excess of appropriations at the legal level of control as of December 31, 1999 and 1998. In addition, the Village did not modify appropriations throughout the year and did not have Village Council authorize the appropriations.

5. PROPERTY TAX

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

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

**VILLAGE OF GIBSONBURG
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

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

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

6. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$868,475	7.38%

The Ohio Water Development Authority (OWDA) loan relates to a well field, lines and plant improvements project.

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

Year ending December 31:	OWDA Loan
2000	\$40,901
2001	81,802
2002	81,802
2003	81,802
2004	81,802
Subsequent	1,390,629
Total	\$1,758,738

The OWDA loan agreement included the following debt covenant:

The Village agrees to insure the project facilities. Insurance policies issued shall be so written or endorsed as to make losses, if any, payable to the OWDA and the Village as their respective interests may appear. Each policy shall contain a provision to the effect that the insurance company shall not cancel the same without first giving written notice thereof to the OWDA and the Village at least 10 days in advance of such cancellation.

The Village was not in compliance with this requirement during 1999 and 1998.

7. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

VILLAGE OF GIBSONBURG
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed .5% of their wages to the PFDPF. The Village picked up 9.5 percent of the PFDPF for all policemen. The Village also contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries with the exception of one sewer department employee, one water department employee, two street department employees and the Clerk-Treasurer. These employees contribute 2% and the Village picks up 6.5% of these employees' share of PERS. The Village also contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

8. RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.



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

Village of Gibsonburg
Sandusky County
120 North Main Street
Gibsonburg, Ohio 43431-1197

To the Village Council:

We have audited the accompanying financial statements of the Village of Gibsonburg, Sandusky County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 10, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 1999-30172-001, 1999-30172-002, 1999-30172-003, 1999-30172-004 and 1999-30172-005. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 10, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated May 10, 2000.

Village of Gibsonburg
Sandusky County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 10, 2000

**VILLAGE OF GIBSONBURG
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

FINDING NUMBER 1999-30172-001

Finding For Recovery Repaid Under Audit

Village Council adopted Village of Gibsonburg, Ordinance 7-97 (June 19, 1997) which established pay rates for various employees. The annual pay for Police Officer Christopher Van Dyke was set at \$22,078.62. The Village employees were paid bi-monthly. Mr. Van Dyke was entitled to receive a base pay of \$919.94 each pay. He was paid \$947.80 for his base pay. As a result, he was overpaid \$27.86 each pay for 10 payroll periods. During June 1998, The Village changed to a bi-weekly pay period. Mr. Van Dyke was entitled to receive \$849.18 per pay which would result in a rate of \$10.61 per hour. During these two pays he worked 88 hours each pay. Mr. Van Dyke was paid \$962.72 for each of 2 pay periods. In addition, other miscellaneous errors were noted. As a result, Mr. Van Dyke was overpaid in the amount of \$333.68.

10 pays paid @ \$947.80	\$9,478.00
10 pays due @ \$919.94	9,199.40
	<u>\$278.60</u>
Overpayment 1	<u>\$278.60</u>

$$22,078.62 / 26 \text{ pays} = 849.18 / 80 \text{ Hours} = \$10.61 \times 88 \text{ Hours} = \$933.68$$

2 pays paid @ \$962.72	\$1,925.44
2 pays due @ \$933.68	1,867.36
	<u>\$58.08</u>
Overpayment 2	<u>\$58.08</u>

Overpayment 1	\$278.60
Overpayment 2	58.08
Under payments due to errors	(3.00)
	<u>\$333.68</u>
Finding Amount	<u>\$333.68</u>

In accordance with the forgoing facts, and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery for public money that has been illegally expended is hereby issued against Christopher Van Dyke, former Police Officer, Joann Arndt, Clerk-Treasurer, and the Ohio Government Risk Management Plan, her bonding company, jointly and severally, in the amount of three hundred thirty-three dollars and sixty-eight cents (\$333.68) and in favor of the General Fund. Joann Arndt reimbursed the Village on payin numbered 169 dated May 3, 2000.

FINDING NUMBER 1999-30172-002

Noncompliance Citation

Ohio Revised Code § 5705.40 states that any appropriation measure may be amended or supplemented as long as the entity complies with the same provision of the law as are used in making the original appropriation. The Village Council gave the Clerk-Treasurer the general authority to modify appropriations at the end of each fiscal year. The appropriation modifications which had been made by the Clerk-Treasurer were not specifically authorized by the Village Council. Rulings filed in the case of C. B. Transportation, Inc. v. Butler County Board of Mental Retardation, 60 Ohio Misc. 71, 397 N.E.2d 781 (C.P. 1979), as well as, Burkholder v. Lauber, 6 Ohio Misc. 152 (1965), Village council may not delegate appropriation modifications authority to the Clerk-Treasurer. It is recommended that the Village Council adopt their appropriation ordinance at the level in which they choose to control the appropriations.

FINDING NUMBER 1999-30172-003

Noncompliance Citation

Ohio Revised Code § 5705.41(B) states that no subdivision shall make any expenditure of money unless it has been appropriated. Expenditures exceeded appropriations in various line items that Council had approved in the appropriation measure at the beginning of the year. This could result in over spending the fund cash balance. It is recommended that Village Council adopt appropriation amendments throughout the year at the level in which they adopt the appropriation ordinance.

FINDING NUMBER 1999-30172-004

Noncompliance Citation

Ohio Revised Code § 5705.41(D) states that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated. Also, no orders or contracts involving the expenditure of money is to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasurer or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two “exceptions” to the above requirement:

1. Then an Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer’s certificate that a sufficient sum was appropriated and free of any encumbrances, the Board may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within thirty days from the receipts of such certificate, if such certificate is otherwise valid.
2. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Board.

The Clerk-Treasurer did not sign certificates prior to expenditure and then and now certificates were not used in thirty-eight percent of the items tested. This procedure is not only required by Ohio law, but it is also a key control in the disbursement process to help assure that purchase commitments receive prior approval and to help reduce the possibility of the Village funds being over-expended.

FINDING NUMBER 1999-30172-005

Noncompliance Citation

The Village of Gibsonburg entered into a debt agreement with the Ohio Water Development Authority dated January 26, 1995.

Section V - Maintenance, Operation, Insurance and Condemnation, Section 5.4 states any insurance policy issued pursuant to Section 5.3 hereof shall be so written or endorsed as to make losses, if any, payable to the OWDA and the LGA (Local Government Agency) as their respective interests may appear. Each insurance policy provided for in Section 5.3 and 5.6 hereof shall contain a provision to the effect that the insurance company shall not cancel the same without first giving written notice thereof to the OWDA and the LGA at least ten (10) days in advance of such cancellation. The Village's insurance policy does not include these provisions.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF GIBSONBURG

SANDUSKY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 1, 2000**