



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**VILLAGE OF NEW STRAITSVILLE  
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STATE OF OHIO  
OFFICE OF THE AUDITOR

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of New Straitsville  
Perry County  
P.O. Box 238  
New Straitsville, Ohio 43766

To the Village Council:

We have audited the accompanying financial statement of the Village of New Straitsville, Perry County, Ohio, (the Village) as of and for the year ended December 31, 1999. This financial statement is the responsibility of the Village's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statement 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 statement referred to above presents fairly, in all material respects, the fund cash balances of the Village of New Straitsville, Perry County, Ohio, as of December 31, 1999, and its cash receipts and cash disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 29, 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.

Our audit was performed for the purpose of forming an opinion on the financial statement of the Village taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

This report is intended solely for the information and use of the management, the Village Council, and other officials authorized to receive this report under Section 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". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

August 29, 2000

**VILLAGE OF NEW STRAITSVILLE  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND CASH BALANCES - ALL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

<b><u>Funds:</u></b>	<b><u>Balance 01/01/99</u></b>	<b><u>Receipts</u></b>	<b><u>Disbursements</u></b>	<b><u>Balance 12/31/99</u></b>
General Fund	\$ 12,925	\$ 71,635	\$ 89,205	\$ (4,645)
Special Revenue Funds:				
Street Construction, Maintenance and Repair	4,587	20,408	25,230	(235)
State Highway Improvement	1,872	1,574	2,607	839
Cemetery	6,211		6,211	0
School Renovation	70		70	0
Fire	25,878	22,334	26,737	21,475
Emergency Medical Services	23,818	26,965	29,410	21,373
Police Levy	(1,092)	5,084	6,206	(2,214)
Shelterhouse		600	600	0
Mandatory Fine	108		588	(480)
Mandatory Forfeiture	2,862		2,057	805
Fire Levy	5,161	16,740	19,470	2,431
WODA	481			481
Recreation Fund		1,000		1,000
COPS Fast		1,000	4,318	(3,318)
Emergency Medical Services Levy	<u>4,559</u>		<u>4,559</u>	<u>0</u>
Total Special Revenue Funds	74,515	95,705	128,063	42,157
Enterprise Funds:				
Water	78,523	140,968	160,050	59,441
Sewer	30,604	3,478,921	3,234,541	274,984
Water Deposit	5,112	2,000	400	6,712
Sewer Charge	<u>6,365</u>	<u>1,824</u>	<u>8,399</u>	<u>(210)</u>
Total Enterprise Funds	<u>120,604</u>	<u>3,623,713</u>	<u>3,403,390</u>	<u>340,927</u>
<b>Total All Funds</b>	<b><u>\$ 208,044</u></b>	<b><u>\$ 3,791,053</u></b>	<b><u>\$ 3,620,658</u></b>	<b><u>\$ 378,439</u></b>

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

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**VILLAGE OF NEW STRAITSVILLE  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of The Entity**

The Village of New Straitsville, Perry 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 Village Council, Mayor and Clerk. The Village provides general governmental services, including maintenance of streets, police protection, fire protection, emergency medical services, recreation services and water and sewer utility services.

The Village is also affiliated with the Coal Township Union Cemetery. The Board of Trustees of the Union Cemetery is appointed by the Village of New Straitsville and Coal Township. Taxes levied by the Village for cemetery maintenance are collected by Perry County, and distributed to the Village, which then distributes the proceeds to the Union Cemetery. The Union Cemetery is a legally-separate entity that prepares and files its own financial statements. The financial activity of the Union Cemetery is not included in the accompanying financial statements. Independent audits of the Union Cemetery are performed by the Auditor of State.

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 a payment is made rather than when a liability is incurred.

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

**C. Cash**

The Village's interest bearing checking account is valued at cost.

**D. Fund Accounting**

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

**General Fund**

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

**Special Revenue Funds**

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 :

**VILLAGE OF NEW STRAITSVILLE**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 1999**  
**(Continued)**

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

**D. Fund Accounting (Continued)**

**Special Revenue Funds (Continued)**

*Street Construction, Maintenance and Repair Fund* - This fund receives gasoline tax and motor vehicle license tax money to construct, maintain and repair Village streets.

*State Highway Improvement Fund* - This fund receives gasoline tax and motor vehicle license tax money to maintain and repair State highways in the Village.

*Fire Levy Fund* - This fund receives property tax money to provide fire protection and to maintain fire department equipment.

*Fire Fund* - This fund receives contracted services revenue to provide fire protection and maintain fire equipment.

*Emergency Medical Services Fund* - This fund receives property tax money and contracted services revenue to provide emergency medical services.

*Police Levy Fund* - This fund receives tax revenue to provide police protection and maintain the police department.

*COPS Fast Fund* - This fund receives federal grant revenue to provide police protection.

**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 chargers. 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 Project Fund* - This fund received grant and loan proceeds to be used for the construction of the Village's sewer system.

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**VILLAGE OF NEW STRAITSVILLE  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 1999  
(Continued)**

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

**E. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. The Village did not encumber all commitments required by Ohio law.

A summary of 1999 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.

**2. 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:

Demand Deposits \$378,439

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 1999, was as follows:

1999 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General	\$38,639	\$71,635	\$32,996
Special Revenue	67,005	95,705	28,700
Enterprise	<u>2,146,305</u>	<u>3,623,713</u>	<u>1,477,408</u>
Total	<u>\$2,251,949</u>	<u>\$3,791,053</u>	<u>\$1,539,104</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$69,625	\$89,205	(\$19,580)
Special Revenue	71,820	128,063	(56,243)
Enterprise	<u>2,156,120</u>	<u>3,403,390</u>	<u>(1,247,270)</u>
Total	<u>\$2,297,565</u>	<u>\$3,620,658</u>	<u>\$(1,323,093)</u>

**VILLAGE OF NEW STRAITSVILLE  
NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

Expenditures exceeded appropriations in several funds, contrary to Ohio law. Appropriations exceeded estimated resources in several funds, contrary to Ohio law.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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 statement 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.

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 Township.

**5. DEBT**

Debt outstanding at December 31, 1999, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Sewer System Mortgage Revenue Bonds	\$1,480,000	3.25%
Sewer System Mortgage Revenue Bonds	298,000	3.25%
Capital Leases	112,954	5.50% - 6.30%
General Obligation Notes	<u>5,220</u>	6.20%
Total	<u>\$1,896,174</u>	

The sewer system mortgage revenue bonds were issued in 1999, to refund sewer system temporary revenue bonds issued in 1997 as interim financing for the sewer system construction project. The Village has pledged sewer system revenue to pay the mortgage revenue bonds. The general obligation notes and leases relate to acquisitions of a fire truck, a street truck and a backhoe and are payable from the general revenue of the Village. Leased assets are collateralized by the equipment leased.

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

**VILLAGE OF NEW STRAITSVILLE**  
**NOTES TO THE FINANCIAL STATEMENT**  
**DECEMBER 31, 1999**  
**(Continued)**

**5. DEBT (Continued)**

<u>Year ending</u> <u>December 31:</u>	Sewer System Mortgage Revenue <u>Bonds</u>	General Obligation <u>Notes</u>	Capital <u>Leases</u>	<u>Totals</u>
2000	\$57,785	\$6,175	\$27,903	\$91,863
2001	57,785	0	27,903	85,688
2002	81,785	0	27,903	109,688
2003	82,005	0	27,903	109,908
2004	82,192	0	19,470	101,662
Subsequent	<u>2,875,991</u>	<u>0</u>	<u>0</u>	<u>2,875,991</u>
Total	<u>\$3,237,543</u>	<u>\$6,175</u>	<u>\$131,082</u>	<u>\$3,374,800</u>

**6. RETIREMENT SYSTEMS**

All of the Village's employees and elected officials belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates for are also prescribed by the Ohio Revised Code. For 1999, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

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

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**VILLAGE OF NEW STRAITSVILLE  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Pass Through Entity Number	Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Direct from Federal Government:</i>			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ <u>1,431,903</u>
Total U.S. Department of Agriculture			1,431,903
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Direct from Federal Government:</i>			
COPS Universal Hiring	16.710	N/A	<u>4,318</u>
Total U.S. Department of Justice			<u>4,318</u>
<b>Total Federal Awards Expenditures</b>			<b><u>\$ 1,436,221</u></b>

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

**VILLAGE OF NEW STRAITSVILLE  
NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures summarizes activity of the Village's federal awards programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

Certain federal programs require that the Village contribute non-federal funds (matching funds) to support the federally-funded programs. The Village has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the Schedule.





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

Village of New Straitsville  
Perry County  
P.O. Box 238  
New Straitsville, Ohio 43766

To the Village Council:

We have audited the accompanying financial statement of the Village of New Straitsville, Perry County, Ohio, (the Village) as of and for the year ended December 31, 1999, and have issued our report thereon dated July 11, 2000. We conducted our audit 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 statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 1999-30164-001 to 1999-30164-005. We also noted certain immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter dated August 29, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely effect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Schedule of Findings as items 1999-31064-006 to 1999-31064-009.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider reportable condition 31064-1999-009 described above to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Village in a separate letter dated August 29, 2000.

Village of New Straitsville  
Perry 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 the Village Council, management and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

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

**Jim Petro**  
Auditor of State

August 29, 2000



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

Village of New Straitsville  
Perry County  
P.O. Box 238  
New Straitsville, Ohio 43766

To the Village Council:

**Compliance**

We have audited the compliance of the Village of New Straitsville, Perry County, Ohio, (the Village) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 1999. The Village's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Village's management. Our responsibility is to express an opinion on the Village's compliance based on our audit.

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

In our opinion, the Village complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1999. However, we noted an immaterial instance of noncompliance that we have reported to the management of the Village in a separate letter dated August 29, 2000.

**Internal Control Over Compliance**

The management of the Village is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Village's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

August 29, 2000

**VILLAGE OF NEW STRAITSVILLE  
SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE YEAR ENDED DECEMBER 31, 1999**

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

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other reportable conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	Water and Waste Disposal Systems for Rural Communities, CFDA #10.760
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

**Finding Number 1999-31064-001**

**Noncompliance Citation**

Ohio Rev. Code Section 117.38 requires each political subdivision to file a certified financial report with the Auditor of State within sixty days after the close of the fiscal year. At the time of the filing, a notice of the availability of the report for public inspection shall be published in a local newspaper.

The annual financial report for 1999 was not prepared nor filed within sixty days after the close of the fiscal year and there was no evidence presented showing the Village published a notice of availability for public inspection for the annual financial report.

We recommend the Clerk prepare and file the annual financial report with the Auditor of State within sixty days after the close of the fiscal year and publish the notice of availability for public inspection.

**VILLAGE OF NEW STRAITSVILLE  
 SCHEDULE OF FINDINGS  
 OMB CIRCULAR A-133 §.505  
 FOR THE YEAR ENDED DECEMBER 31, 1999  
 (Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
 REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**Finding Number 1999-31064-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.38 requires that, on or about the first day of each fiscal year, an appropriation measure be adopted. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the County Budget Commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting ordinary expenses until April 1.

The Village did not adopt an annual appropriation measure for 1999 until May 10, 1999. The Village did not pass a temporary appropriation measure. As a result, the Village expended money during part of 1999 without a properly approved appropriation measure.

We recommend the Village complete and adopt an annual appropriation measure on or about the first day of each fiscal year or adopt a temporary appropriation measure before the expenditure of any money.

**Finding Number 1999-31064-003**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.39 states that appropriations from each fund shall not exceed the total estimated resources.

For the year ended December 31, 1999, appropriations exceeded estimated resources in the following funds:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General	\$51,651	\$69,625	(\$17,974)
Parks and Recreation	0	1,000	(1,000)

We recommend the Village monitor appropriations to ensure that they are not exceeding estimated resources.

**VILLAGE OF NEW STRAITSVILLE  
SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE YEAR ENDED DECEMBER 31, 1999  
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**Finding Number 1999-31064-004**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit shall expend any money unless it has been properly appropriated.

The Village had expenditures in excess of appropriations in the following funds in 1999:

<u>Funds</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General	\$69,625	\$89,205	(\$19,580)
Street Construction, Maintenance and Repair	10,670	25,230	(14,560)
State Highway Improvement	1,140	2,607	(1,467)
Police	0	6,206	(6,206)
Emergency Medical Services	20,000	29,410	(9,410)
Cemetery	3,960	6,211	(2,251)
Mandatory Forfeiture	0	2,057	(2,057)
Fire Levy	0	19,470	(19,470)
COPS Fast	0	4,318	(4,318)
Emergency Medical Services Levy	0	4,559	(4,559)
Water	155,120	160,050	(4,930)
Sewer	2,000,000	3,234,537	(1,234,537)
Sewer Charge	0	8,399	(8,399)

We recommend the Village monitor expenditures to ensure that they are not exceeding appropriations.

**Finding Number 1999-31064-005**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D) states that no subdivision or taxing authority shall make any contract or order an expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. 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.

**VILLAGE OF NEW STRAITSVILLE  
SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE YEAR ENDED DECEMBER 31, 1999  
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**Finding Number 1999-31064-005 (Continued)**

**Noncompliance Citation (Continued)**

Ohio Rev. Code Section 5705.41(D) (Continued)

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

- A. “Then and 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 from any previous encumbrances, the Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Village Council.

The Village did not certify the availability of funds and, accordingly, did not obtain the necessary prior certification of available funds before incurring any commitments.

We recommend the Village utilize purchase orders and obtain the fiscal officer’s certification of the availability of funds prior to a commitment being incurred.

**Finding Number 1999-31064-006**

**Reportable Condition**

The Clerk was also the Clerk of the New Straitsville-Coal Township Union Cemetery. The Clerk was maintaining the Union Cemetery’s payroll records as part of the Village’s payroll records. The Union Cemetery’s tax withholdings and retirement contributions were combined with the Village’s payroll activity for the purpose of reporting and remitting to the various agencies. As a result, it was difficult to distinguish the activity of the Village and that of the Union Cemetery. This also overstated the payroll expenditures of the Village. No other Union Cemetery records were combined with the Village records.

We recommend the Village and Union Cemetery records be separated, with the Union Cemetery remitting its own withholdings to the various agencies in the name of the Union Cemetery.

**Finding Number 1999-31064-007**

**Reportable Condition**

Resolution 99-02 states that, in the case of delinquent water bills, penalties will be waived provided the customer signs an agreement stating the customer will pay the current water bill and pay at least \$100 on the outstanding balance. If an agreement is not made or the agreement terms are not met, water service will be shut off and penalties will be added to the account.



**VILLAGE OF NEW STRAITSVILLE  
SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE YEAR ENDED DECEMBER 31, 1999  
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**Finding Number 1999-31064-007 (Continued)**

**Reportable Condition (Continued)**

Signed agreements were not on file for every customer that received the benefit of waived penalties. There were also several customers that did not make the required payments. Out of \$22,434 in adjustments made in January 1999, \$17,050 were supported by a written agreement. The remaining amount of \$5,384 was not supported by written agreements on file. However, due to the incomplete documentation, we could not determine what adjustments were attributable to agreements and what adjustments were attributable to water leaks.

We recommend the Village keep copies of all agreements made with customers on file. The Village should also review each account to determine if payments are made in accordance with the signed agreement. In instances where payment is not made, the Council should determine if penalties that had been previously removed should be reinstated.

**Finding Number 1999-31064-008**

**Reportable Condition**

There were approximately fifteen customer utility accounts that, after being turned over to a credit bureau for collection, had balances adjusted off the system without payment being made or Council approving that these accounts be deemed uncollectible. There were also many accounts in which partial adjustments had been made without the approval of Council.

We recommend the Village allow all balances on customer utility accounts to remain on the system until such time when the balance is paid or the account is declared uncollectible by Council. Any partial adjustments for leaks, penalties, etc., should be approved by Council before the adjustment is made to the system.

**Finding Number 1999-31064-009**

**Material Weakness**

Bank reconciliations were not performed for any month in the audit period.

This resulted in the Village's cashbook being out of balance with the depository and could allow errors and irregularities to occur and go undetected. This also resulted in increased audit fees.

We recommend a monthly reconciliation report be presented to Council or the Finance Committee. The report should include documentation for all reconciling items, including an outstanding check list.

**3. FINDINGS FOR FEDERAL AWARDS**

There were no findings related to federal awards.

**VILLAGE OF NEW STRAITSVILLE  
SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 §.315(b)  
FOR THE YEAR ENDED DECEMBER 31, 1999**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; Finding no Longer Valid
1998-31064-001	A noncompliance citation was issued under Ohio Rev. Code Section 117.38 for not filing the annual report with the Auditor of State.	No	Not Corrected: The noncompliance issue is repeated as finding number 1999-31064-001
1998-31064-002	A noncompliance citation was issued under Ohio Rev. Code Section 5705.38 for failing to adopt temporary appropriations prior to expending funds and for failing to timely adopt a permanent appropriations measure.	No	Not Corrected: The noncompliance issue is repeated as finding number 1999-31064-002.
1998-31064-003	A noncompliance citation was issued under Ohio Rev. Code Section 5705.39 for appropriations exceeding estimated resources in several funds.	No	Not Corrected: The noncompliance issue is repeated as finding number 1999-31064-003.
1998-31064-004	A noncompliance citation was issued under Ohio Rev. Code Section 5705.41 (B) for expenditures exceeding appropriations in several funds.	No	Not Corrected: The noncompliance issue is repeated as finding number 1999-31064-004.
1998-31064-005	A noncompliance citation was issued under Ohio Rev. Code Section 5705.41 (D) for failing to certify the availability of funds prior to making expenditures.	No	Not Corrected: The noncompliance issue is repeated as finding number 1999-31064-005.
1998-31064-006	A noncompliance citation was issued under Ohio Admin. Code Section 117-5-09 for failing to properly maintain a cashbook.	No	Finding no Longer Valid: Some progress was made in maintaining a cashbook. This issue is reported as a Management Letter comment.

**VILLAGE OF NEW STRAITSVILLE  
SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 §.315(b)  
FOR THE YEAR ENDED DECEMBER 31, 1999  
(Continued)**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; Finding no Longer Valid
1998-31064-007	A noncompliance citation was issued under Ohio Admin. Code Section 117-5-10 for failing to properly maintain a receipts ledger.	Yes	N/A
1998-31064-008	A noncompliance citation was issued under Ohio Admin. Code Section 117-5-11 for failing to properly maintain an appropriations ledger.	No	Finding no Longer Valid: Some progress was made in maintaining an appropriations ledger. This issue is reported as a Management Letter comment.
1998-31064-009	A material weakness was issued for Cemetery withholdings for PERS and State taxes were being remitted with the Village withholdings.	No	Not Corrected: The material weakness is repeated as finding number 1999-31064-006.
1998-31064-010	A material weakness was issued for the lack of segregation of duties of the Village Clerk and Water Clerk positions.	Yes	N/A





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

**JIM PETRO, AUDITOR OF STATE**

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**VILLAGE OF NEW STRAITSVILLE**

**PERRY 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**  
**OCTOBER 3, 2000**