



**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998**



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

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**STATE OF OHIO**



VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type – For the Year Ended December 31, 1999 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type – For the Year Ended December 31, 1998 .....	6
Notes to the Financial Statements .....	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	15

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of North Lewisburg  
Champaign County  
60 East Maple Street  
North Lewisburg, Ohio 43060

To the Village Council:

We have audited the accompanying financial statements of the Village of North Lewisburg, Champaign 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 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 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 August 23, 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 the audit committee, management, and 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

August 23, 2000



**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY**

**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>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$196,909		\$0		\$196,909
Intergovernmental Receipts	32,915	\$59,695		\$225,492	318,102
Fines, Licenses, and Permits	2,811				2,811
Miscellaneous	37,408	29,334			66,742
<b>Total Cash Receipts</b>	<u>270,043</u>	<u>89,029</u>	<u>0</u>	<u>225,492</u>	<u>584,564</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	22,864	11,339			34,203
Public Health Services	3,584				3,584
Leisure Time Activities	3,530				3,530
Transportation	91,959	86,075			178,034
General Government	127,330	9,422			136,752
Debt Service			3,173		3,173
Capital Outlay	10,250	22,916		225,492	258,658
<b>Total Disbursements</b>	<u>259,517</u>	<u>129,752</u>	<u>3,173</u>	<u>225,492</u>	<u>617,934</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>10,526</u>	<u>(40,723)</u>	<u>(3,173)</u>	<u>0</u>	<u>(33,370)</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In			3,173		3,173
Transfers-Out	(3,173)				(3,173)
Other Sources	3,867	1,837			5,704
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>694</u>	<u>1,837</u>	<u>3,173</u>	<u>0</u>	<u>5,704</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	11,220	(38,886)	0	0	(27,666)
Fund Cash Balances January 1	448,384	179,731	0	0	628,115
<b>Fund Cash Balances, December 31</b>	<u><b>\$459,604</b></u>	<u><b>\$140,845</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$600,449</b></u>
Reserves for Encumbrances, December 31	<u>\$17,738</u>	<u>\$9,970</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,708</u>

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

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY**

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

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$394,235
Miscellaneous	3,082
Total Operating Cash Receipts	397,317
<b>Operating Cash Disbursements:</b>	
Personal Services	76,949
Contractual Services	49,237
Supplies and Materials	17,303
Total Operating Cash Disbursements	143,489
Operating Income	253,828
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	318,849
Other Non-Operating Cash Disbursements	192
Total Non-Operating Cash Disbursements	319,041
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(65,213)
Transfers-In	3,360
Transfers-Out	(3,360)
Net Receipts Over/(Under) Disbursements	(65,213)
Fund Cash Balances, January 1	407,556
<b>Fund Cash Balances, December 31</b>	<b>\$342,343</b>
Reserve for Encumbrances, December 31	\$12,758

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



**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY**

**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>				<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$200,302		\$0		\$200,302
Intergovernmental Revenues	31,344	\$50,959		\$307,865	390,168
Fines, Licenses, and Permits	6,667				6,667
Miscellaneous	49,312	9,515			58,827
<b>Total Cash Receipts</b>	<u>287,625</u>	<u>60,474</u>	<u>0</u>	<u>307,865</u>	<u>655,964</u>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	22,450	17,009			39,459
Public Health Services	3,141				3,141
Leisure Time Activities	1,120				1,120
Transportation		31,495			31,495
General Government	114,279	1,026			115,305
Debt Service			3,345		3,345
Capital Outlay	18,480			307,865	326,345
<b>Total Cash Disbursements</b>	<u>159,470</u>	<u>49,530</u>	<u>3,345</u>	<u>307,865</u>	<u>520,210</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>128,155</u>	<u>10,944</u>	<u>(3,345)</u>	<u>0</u>	<u>135,754</u>
<b>Other Financing Receipts/(Disbursements):</b>					
Transfers-In			3,345		3,345
Transfers-Out	(3,345)				(3,345)
Other Sources	9,083				9,083
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>5,738</u>	<u>0</u>	<u>3,345</u>	<u>0</u>	<u>9,083</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>133,893</u>	<u>10,944</u>	<u>0</u>	<u>0</u>	<u>144,837</u>
<b>Fund Cash Balances January 1</b>	<u>314,491</u>	<u>168,787</u>	<u>0</u>	<u>0</u>	<u>483,278</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$448,384</b></u>	<u><b>\$179,731</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$628,115</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$18,808</b></u>	<u><b>\$22,333</b></u>	<u><b>\$0</b></u>	<u><b>\$96,135</b></u>	<u><b>\$137,276</b></u>

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

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY**

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

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$364,168
Miscellaneous	441
	364,609
<b>Operating Cash Disbursements:</b>	
Personal Services	80,099
Contractual Services	79,293
Supplies and Materials	26,501
	185,893
Total Operating Cash Disbursements	185,893
Operating Income	178,716
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	186,474
Total Non-Operating Cash Disbursements	186,474
Excess of Receipts Over/(Under) Disbursements	(7,758)
Fund Cash Balances, January 1	415,314
<b>Fund Cash Balances, December 31</b>	<b>\$407,556</b>
Reserve for Encumbrances, December 31	\$9,371

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

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of North Lewisburg, Champaign 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, and park operations (leisure time activities). The Village contracts with the Champaign County Sheriff's department to provide security of persons and property.

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 and Investments**

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.

Impact Fees Fund - This fund is used to account for all financial resources restricted to the construction of new residential properties within the Village.

Cops Fast Grant Fund-This fund receives federal grant money to help provide law enforcement protection to the Village.

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY**

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

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

**D. Fund Accounting (Continued)**

**3. Debt Service Fund**

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service fund:

Debt Retirement Fund - This fund is used to account for debt service transactions related to the OWDA loan for the water supply well and water main.

**4. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Construction Fund - This fund receives grant money to be used for road improvements.

**5. 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.

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(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. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 595,070	\$ 687,949
Certificates of deposit	<u>347,722</u>	<u>347,722</u>
Total deposits and investments	<u>??</u>	<u>??</u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Village at December 31, 1998, or (3) collateralized by the financial institution's public entity deposit pool at December 31, 1999.

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY**

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

**3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 251,316	\$ 273,910	\$ 22,594
Special Revenue	67,137	90,866	23,729
Debt Service	3,173	3,173	0
Capital Projects	96,135	225,492	129,357
Enterprise	368,400	400,677	32,277
Total	<u>\$ 786,161</u>	<u>\$ 994,118</u>	<u>\$ 207,957</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 396,343	\$ 280,428	\$ 115,915
Special Revenue	227,072	139,722	87,350
Debt Service	3,173	3,173	0
Capital Projects	96,135	225,492	(129,357)
Enterprise	686,732	478,648	208,084
Total	<u>\$ 1,409,455</u>	<u>\$ 1,127,463</u>	<u>\$ 281,992</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 244,967	\$ 296,708	\$ 115,915
Special Revenue	52,003	60,474	8,471
Debt Service	3,345	3,345	0
Capital Projects	404,000	307,865	(96,135)
Enterprise	320,441	364,609	44,168
Total	<u>\$ 1,024,756</u>	<u>\$ 1,033,005</u>	<u>\$ 8,249</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 228,877	\$ 181,623	\$ 47,254
Special Revenue	180,117	71,863	108,254
Debt Service	3,345	3,345	0
Capital Projects	404,000	404,000	0
Enterprise	511,735	381,738	129,997
Total	<u>\$ 1,328,074</u>	<u>\$ 1,042,569</u>	<u>\$ 266,804</u>

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

Ohio Rev. Code Section 5705.41 (B) states money is not to be expended unless appropriated. The significant variance shown above for the Capital Projects Fund in 1999 were for monies received from Ohio Public Works Commission which are monies paid on behalf of the Village for which the Village does not actually receive and disburse cash.

**4. 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.

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

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

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Sewer Bonds	\$ 160,000	6.5 - 7.125%
Ohio Water Development Authority Loan - Sewer	660,912	5.20%
Ohio Public Works Commission Loan - Sewer	390,000	0.00%
Ohio Water Development Authority Loan - Water	15,971	7.36%
Ohio Public Works Commission Loan - Water	334,158	0.00%
Mortgage Revenue Bonds	1,125,000	6.50%
Total	\$ 2,686,041	

The general obligation sewer bonds were issued for the construction of a sewer treatment plant. The bonds are redeemed in semiannual payments of varying principal and interest amounts. The bonds mature on August 1, 2009. This debt is to be repaid with user fees.

**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY**

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

**5. DEBT (Continued)**

The Ohio Public Works Commission (OPWC) loans relate to wastewater treatment plant and water system improvements projects. The Village has borrowed \$600,000 for its wastewater treatment plant improvements project, which is to be repaid in semiannual installments of \$15,000, including interest, respectively, over 20 years. The Village has borrowed \$393,127 for its water system improvements project, which is to be repaid in semiannual installments of \$9,828, including interest, over 20 years. This debt is to be repaid with user fees.

The Ohio Water Development Authority (OWDA) loans relate the construction of wastewater treatment facilities and a water supply well and water main. The Village has borrowed \$895,659 for the construction of wastewater treatment facilities, which is to be repaid in semiannual payments of varying principal and interest amounts over 20 years. This debt is to be repaid with user fees. The Village has borrowed \$30,920 for the construction of a water supply well and water main, which is to be repaid in semiannual installments of \$1,500, including interest, over 20 years. This debt is being repaid with General Fund money.

The mortgage revenue bonds were issued for the purpose of paying the costs of certain waterworks system improvements. The bonds are redeemed in semiannual payments of varying principal and interest amounts. The bonds mature December 1, 2020. This debt is to be repaid with user fees.

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

Year ending December 31:	Total Debt Obligation
2000	\$ 204,174
2001	270,061
2002	268,782
2003	267,373
2004	265,835
2005 - 2009	1,234,717
2010 - 2014	1,067,104
2015 - 2018	524,566
Total	\$ 4,102,612

**6. RETIREMENT SYSTEMS**

The Village's employees belong to the Public Employees Retirement System (PERS) of Ohio. In addition, some Council Members contribute to PERS. 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 are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members 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.

Those Council Members that do not contribute to PERS are members of the Social Security System. These individuals contribute 6.2% of their wages which is matched by the Village.



**VILLAGE OF NORTH LEWISBURG  
CHAMPAIGN COUNTY**

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

**7. 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
- Property Coverage
- Public official's liability
- Auto Liability & Auto Physical Damage

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

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

Village of North Lewisburg  
Champaign County  
60 East Maple Street  
North Lewisburg, Ohio 43060

To the Village Council:

We have audited the accompanying financial statements of the Village of North Lewisburg, Champaign County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 23, 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 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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 23, 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 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 August 23, 2000.

This report is intended for the information and use of the audit committee, 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", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

August 23, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**VILLAGE OF NORTH LEWISBURG**

**CHAMPAIGN 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  
SEPTEMBER 28, 2000**