



**VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY

TABLE OF CONTENTS

TITLE	PAGE
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, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary and Similar Fiduciary Fund Types – For the Year Ended December 31, 2000	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary and Similar Fiduciary Fund Types – For the Year Ended December 31, 1999	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
Schedule of Findings	17
Schedule of Prior Audit Findings	19

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Columbus Grove
Putnam County
113 East Sycamore Street
Columbus Grove, Ohio 45830-1245

To the Village Council:

We have audited the accompanying financial statements of the Village of Columbus Grove, Putnam County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 1999. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 of the Village as of December 31, 2000 and 1999, 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 July 30, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of the audit committee, 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.

Jim Petro
Auditor of State

July 30, 2001

**VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$278,950	\$35,455		\$314,405
Special Assessments			\$16,977	16,977
Intergovernmental Receipts	112,106	94,042		206,148
Charges for Services	25,991	7,945		33,936
Fines, Licenses, and Permits	1,665	13,808		15,473
Earnings on Investments	16,244	833		17,077
Miscellaneous	15,975		4,163	20,138
	<u>450,931</u>	<u>152,083</u>	<u>21,140</u>	<u>624,154</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	130,342	21,909		152,251
Public Health Services	787			787
Leisure Time Activities	64,552			64,552
Community Environment	1,657			1,657
Basic Utility Services	7,490	7,906		15,396
Transportation	4,770	101,922		106,692
General Government	101,912	1,097	98	103,107
Debt Service:				
Principal Payments	13,699	21,838	28,600	64,137
Interest Payments	2,610	1,529	12,064	16,203
Capital Outlay	22,948	5,000	331,093	359,041
	<u>350,767</u>	<u>161,201</u>	<u>371,855</u>	<u>883,823</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>100,164</u>	<u>(9,118)</u>	<u>(350,715)</u>	<u>(259,669)</u>
Other Financing Receipts/(Disbursements):				
Sale of Notes			255,000	255,000
Transfers-In			86,800	86,800
Advances-In		8,533		8,533
Transfers-Out	(86,800)			(86,800)
Advances-Out	(8,533)			(8,533)
Other Uses	(2,964)	(38)		(3,002)
	<u>(98,297)</u>	<u>8,495</u>	<u>341,800</u>	<u>251,998</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	1,867	(623)	(8,915)	(7,671)
Fund Cash Balances, January 1	<u>120,802</u>	<u>43,670</u>	<u>20,081</u>	<u>184,553</u>
Fund Cash Balances, December 31	<u>\$122,669</u>	<u>\$43,047</u>	<u>\$11,166</u>	<u>\$176,882</u>

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

**VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$273,600		\$273,600
Miscellaneous	410		410
Total Operating Cash Receipts	<u>274,010</u>		<u>274,010</u>
Operating Cash Disbursements:			
Personal Services	119,264		119,264
Travel Transportation	173		173
Contractual Services	58,556		58,556
Supplies and Materials	59,920		59,920
Capital Outlay	25,477		25,477
Total Operating Cash Disbursements	<u>263,390</u>		<u>263,390</u>
Operating Income	<u>10,620</u>		<u>10,620</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		\$17,565	17,565
Non-Operating Cash Disbursements:			
Debt Service	20,074		20,074
Other Non-Operating Cash Disbursements		17,565	17,565
Total Non-Operating Cash Disbursements	<u>20,074</u>	<u>17,565</u>	<u>37,639</u>
Net Disbursements Over Receipts	(9,454)		(9,454)
Fund Cash Balances, January 1	<u>86,126</u>		<u>86,126</u>
Fund Cash Balances, December 31	<u><u>\$76,672</u></u>		<u><u>\$76,672</u></u>

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

**VILLAGE OF COLUMBUS GROVE
PUTNAM 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$284,005	\$36,640		\$320,645
Special Assessments			\$13,678	13,678
Intergovernmental Receipts	115,451	96,640		212,091
Charges for Services	29,656	7,997		37,653
Fines, Licenses, and Permits	1,900	8,388		10,288
Earnings on Investments	15,200	544		15,744
Miscellaneous	34,548	970		35,518
				<hr/>
Total Cash Receipts	480,760	151,179	13,678	645,617
Cash Disbursements:				
Current:				
Security of Persons and Property	140,475	17,554		158,029
Public Health Services	788			788
Leisure Time Activities	68,498			68,498
Community Environment	1,695			1,695
Basic Utility Services	6,487	7,970		14,457
Transportation	6,970	60,704		67,674
General Government	126,176	1,117	334	127,627
Debt Service:				
Principal Payments	12,984	38,819	74,900	126,703
Interest Payments	3,325	5,497	11,769	20,591
Capital Outlay	32,969		145,895	178,864
				<hr/>
Total Cash Disbursements	400,367	131,661	232,898	764,926
				<hr/>
Total Receipts Over/(Under) Disbursements	80,393	19,518	(219,220)	(119,309)
Other Financing Receipts/(Disbursements):				
Sale of Notes			51,800	51,800
Sale of Fixed Assets			51,800	51,800
Transfers-In			78,400	78,400
Transfers-Out	(78,400)			(78,400)
Other Uses	(2,781)			(2,781)
				<hr/>
Total Other Financing Receipts/(Disbursements)	(81,181)		182,000	100,819
				<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(788)	19,518	(37,220)	(18,490)
				<hr/>
Fund Cash Balances, January 1	121,590	24,152	57,301	203,043
				<hr/>
Fund Cash Balances, December 31	\$120,802	\$43,670	\$20,081	\$184,553

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

**VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY**

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

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$285,564		\$285,564
Miscellaneous	4,282		4,282
Total Operating Cash Receipts	<u>289,846</u>		<u>289,846</u>
Operating Cash Disbursements:			
Personal Services	112,419		112,419
Travel Transportation	63		63
Contractual Services	112,148		112,148
Supplies and Materials	36,125		36,125
Capital Outlay	17,848		17,848
Total Operating Cash Disbursements	<u>278,603</u>		<u>278,603</u>
Operating Income	<u>11,243</u>		<u>11,243</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		\$7,321	7,321
Non-Operating Cash Disbursements:			
Debt Service	20,074		20,074
Other Non-Operating Cash Disbursements		7,321	7,321
Total Non-Operating Cash Disbursements	<u>20,074</u>	<u>7,321</u>	<u>27,395</u>
Net Disbursements Over Receipts	(8,831)		(8,831)
Fund Cash Balances, January 1	<u>94,957</u>		<u>94,957</u>
Fund Cash Balances, December 31	<u><u>\$86,126</u></u>		<u><u>\$86,126</u></u>

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

**VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Columbus Grove, Putnam 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 and fire 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 and Investments

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

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:

**VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

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

Fire Levy Fund - This fund receives the property tax money levied to purchase equipment for the fire department which serves the Village.

Permissive Tax Fund - This fund receives permissive license tax money for the construction, repair, and purchase of Village property.

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:

Capital Improvements Fund - This fund receives a portion of the income tax money and uses it to make various improvements in the Village.

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.

6. Fiduciary Funds (Agency Funds)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

Mayors Court Fund - This fund is for accounting for the activity of the Village's Mayor's Court.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

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. 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.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2000 and 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.

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>2000</u>	<u>1999</u>
Demand deposits	\$7,299	(\$14,136)
Certificates of deposit	98,103	145,477
Total deposits	105,402	131,341
STAR Ohio	148,152	139,338
Total deposits and investments	\$253,554	\$270,679

**VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$493,561	\$450,931	(\$42,630)
Special Revenue	165,217	152,083	(13,134)
Capital Projects	382,000	362,940	(19,060)
Enterprise	380,000	274,010	(105,990)
Total	\$1,420,778	\$1,239,964	(\$180,814)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$559,733	\$440,531	\$119,202
Special Revenue	191,070	161,239	29,831
Capital Projects	147,000	371,855	(224,855)
Enterprise	366,000	283,464	82,536
Total	\$1,263,803	\$1,257,089	\$6,714

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$449,800	\$480,760	\$30,960
Special Revenue	158,802	151,179	(7,623)
Capital Projects	70,000	195,678	125,678
Enterprise	292,375	289,846	(2,529)
Total	\$970,977	\$1,117,463	\$146,486

**VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$553,181	\$481,548	\$71,633
Special Revenue	176,264	131,661	44,603
Capital Projects	127,332	232,898	(105,566)
Enterprise	385,528	298,677	86,851
Total	\$1,242,305	\$1,144,784	\$97,521

Contrary to Ohio law, the Village had expenditures in the Capital Improvements Fund that exceeded appropriations by \$224,855 at December 31, 2000 and by \$105,566 at December 31, 1999 and various other amounts throughout the audit period in the General, Street Maintenance and Repair, Permissive Tax, Capital Improvements, Water and Sewer funds.

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 payments, 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, 2000 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan - Water	\$283,366	0%
Ohio Public Works Commission Loan - Sewer	52,200	0%
General Obligation Notes	415,500	5.5 - 5.75%
Lease/Purchase Agreements	47,675	5.5 - 5.75%
Total	\$798,741	

**VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

The Ohio Public Works Commission (OPWC) loans relate to constructions of a water tower and improvements to the sewer lines in the Village. The loans will be repaid in semiannual installments of \$20,074, including interest, over 20 years. The loans are collateralized by water and sewer receipts.

Outstanding general obligation notes at December 31, 2000 had been issued for various terms, with the water and sewer line note being due in 2017. These notes were of the bond anticipation type. Proceeds of the notes were used for sidewalk improvements, industrial development, and water/sewer line installation.

Lease/purchase agreements were entered for the purchase of a street sweeper and a police cruiser. The payments on the street sweeper are to be made from the general fund; the obligation will be paid in full in 2003. The payments on the police cruiser are made from the police cruiser fund; the cruiser will be paid off in 2003.

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

<u>Year ending December 31:</u>	<u>OPWC Loans</u>	<u>General Obligation Notes</u>	<u>Lease/ Purchase Agreements</u>
2001	\$20,074	\$60,475	\$21,428
2002	20,074	58,958	21,428
2003	20,074	57,440	8,581
2004	20,074	56,930	
2005	20,074	55,347	
Subsequent	<u>235,196</u>	<u>281,902</u>	
Total	<u>\$335,566</u>	<u>\$571,052</u>	<u>\$51,437</u>

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of OP&F contributed 10% of their wages to the OP&F. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% and 10.84% of participants' gross salaries for 1999 and 2000, respectively. The Village has paid all contributions required through December 31, 2000.

VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)

7. RISK MANAGEMENT

Risk Pool Membership

The Government belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

The Village also provides health insurance and dental and vision 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 Columbus Grove
Putnam County
113 East Sycamore Street
Columbus Grove, Ohio 45830-1245

To the Village Council:

We have audited the accompanying financial statements of the Village of Columbus Grove, Putnam County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated July 30, 2001. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-30269-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated July 30, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 July 30, 2001.

Village of Columbus Grove
Putnam 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 audit committee, management, and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

July 30, 2001

VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999

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

FINDING NUMBER 2000-30269-001

Noncompliance Citation

Ohio Revised Code § 5705.41 (B) states no subdivision or taxing unit is to expend money unless it has been appropriated.

At December 31, 2000, expenditures in the Capital Improvements Fund of \$371,855 exceeded appropriations of \$147,000 by \$224,855. At December 31, 1999, expenditures in the Capital Improvements Fund of \$232,898 exceeded appropriations of \$127,332 by \$105,566.

At various times throughout the audit period there were ten instances in which expenditures exceeded appropriations at the legal level of control in amounts ranging from \$31 to \$199,894 in the General, Street Maintenance and Repair, Permissive Tax, Capital Improvements, Water, and Sewer funds.

The Clerk/Treasurer should not issue checks for expenditures that would exceed appropriations. The Clerk/Treasurer should inform Council of the insufficiency of appropriations, and whether current resources permit an increase to appropriations. The Council should determine if they wish to increase appropriations and if needed, obtain an amended certificate of estimated resources.

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**VILLAGE OF COLUMBUS GROVE
PUTNAM COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-30269-001	ORC § 135.18 insufficient collateral to protect the Village deposits.	Yes	
1998-30269-002	ORC § 5705.41(D) certification of funds.	Yes	
1998-30269-003	ORC § 5705.41(B) expenditures exceeded appropriations.	No	Finding has not been corrected and is repeated in this report.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF COLUMBUS GROVE

PUTNAM 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
AUGUST 16, 2001**