



**VILLAGE OF EDON
WILLIAMS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

VILLAGE OF EDON
WILLIAMS COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Edon
Williams County
108 East Indiana Street
P.O. Box 338
Edon, Ohio 43518-0338

To the Village Council and Board of Public Affairs

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances 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 March 9, 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.

Village of Edon
Williams County
Report of Independent Accountants
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This report is intended solely for the information and use of management, Village Council, the Board of Public Affairs, 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

March 9, 2001

**VILLAGE OF EDON
WILLIAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - 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	\$153,262	\$249,725	\$83,405	\$486,392
Intergovernmental Receipts	90,631			90,631
Fines, Licenses, and Permits		247		247
Earnings on Investments	13,250	596		13,846
Miscellaneous	18,249			18,249
	<u>275,392</u>	<u>250,568</u>	<u>83,405</u>	<u>609,365</u>
Total Cash Receipts				
	<u>275,392</u>	<u>250,568</u>	<u>83,405</u>	<u>609,365</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	128,086	598		128,684
Public Health Services	4,000			4,000
Leisure Time Activities	14,871			14,871
Basic Utility Services		9,757		9,757
Transportation	37,030	39,044		76,074
General Government	85,101			85,101
Capital Outlay	6,000	200,000	46,559	252,559
	<u>275,088</u>	<u>249,399</u>	<u>46,559</u>	<u>571,046</u>
Total Cash Disbursements				
	<u>275,088</u>	<u>249,399</u>	<u>46,559</u>	<u>571,046</u>
Total Cash Receipts Over Cash Disbursements	<u>304</u>	<u>1,169</u>	<u>36,846</u>	<u>38,319</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		2,000		2,000
Transfers-Out	(2,000)			(2,000)
Other Financing Uses	(10,466)			(10,466)
	<u>(12,466)</u>	<u>2,000</u>		<u>(10,466)</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(12,466)</u>	<u>2,000</u>		<u>(10,466)</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(12,162)</u>	<u>3,169</u>	<u>36,846</u>	<u>27,853</u>
Fund Cash Balances, January 1	<u>39,667</u>	<u>22,221</u>	<u>75,118</u>	<u>137,006</u>
Fund Cash Balances, December 31	<u><u>\$27,505</u></u>	<u><u>\$25,390</u></u>	<u><u>\$111,964</u></u>	<u><u>\$164,859</u></u>

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

VILLAGE OF EDON
WILLIAMS COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	<u>\$327,622</u>
Operating Cash Disbursements:	
Personal Services	49,658
Fringe Benefits	12,860
Contractual Services	52,650
Supplies and Materials	56,221
Capital Outlay	<u>6,002</u>
Total Operating Cash Disbursements	<u>177,391</u>
Operating Income	<u>150,231</u>
Non-Operating Cash Receipts:	
Property Tax and Other Local Taxes	<u>49,466</u>
Non-Operating Cash Disbursements:	
Debt Service	<u>229,322</u>
Net Receipts Under Disbursements	(29,625)
Fund Cash Balances, January 1	<u>76,261</u>
Fund Cash Balances, December 31	<u><u>\$46,636</u></u>

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

**VILLAGE OF EDON
WILLIAMS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - 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	\$155,037		\$65,046	\$220,083
Intergovernmental Receipts	106,970	\$38,638		145,608
Fines, Licenses, and Permits		173		173
Earnings on Investments	9,225	415		9,640
Miscellaneous	14,824			14,824
	<u>286,056</u>	<u>39,226</u>	<u>65,046</u>	<u>390,328</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	124,430	5,432		129,862
Public Health Services	3,646			3,646
Leisure Time Activities	14,895			14,895
Transportation	29,417	31,257		60,674
General Government	84,769			84,769
Capital Outlay	4,014		60,009	64,023
	<u>261,171</u>	<u>36,689</u>	<u>60,009</u>	<u>357,869</u>
Total Cash Disbursements				
Total Cash Receipts Over Cash Disbursements	<u>24,885</u>	<u>2,537</u>	<u>5,037</u>	<u>32,459</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		1,600		1,600
Transfers-Out	(1,600)			(1,600)
Other Financing Uses	(12,782)			(12,782)
	<u>(14,382)</u>	<u>1,600</u>		<u>(12,782)</u>
Total Other Financing Receipts/(Disbursements)				
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	10,503	4,137	5,037	19,677
Fund Cash Balances, January 1	<u>29,164</u>	<u>18,084</u>	<u>70,081</u>	<u>117,329</u>
Fund Cash Balances, December 31	<u>\$39,667</u>	<u>\$22,221</u>	<u>\$75,118</u>	<u>\$137,006</u>

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

**VILLAGE OF EDON
WILLIAMS COUNTY**

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

	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	<u>\$314,107</u>
Operating Cash Disbursements:	
Personal Services	44,911
Fringe Benefits	12,481
Contractual Services	53,053
Supplies and Materials	<u>73,408</u>
Total Operating Cash Disbursements	<u>183,853</u>
Operating Income	<u>130,254</u>
Non-Operating Cash Receipts:	
Property Tax and Other Local Taxes	64,922
Proceeds from Notes and Bonds	<u>89,912</u>
Total Non-Operating Cash Receipts	<u>154,834</u>
Non-Operating Cash Disbursements:	
Debt Service	313,558
Other Non-Operating Cash Disbursements	<u>143</u>
Total Non-Operating Cash Disbursements	<u>313,701</u>
Net Receipts Under Disbursements	(28,613)
Fund Cash Balances, January 1	<u>104,874</u>
Fund Cash Balances, December 31	<u><u>\$76,261</u></u>

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

**VILLAGE OF EDON
WILLIAMS 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 Edon, Williams 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), maintenance of streets, police and fire protection, and general village maintenance

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.

**VILLAGE OF EDON
WILLIAMS COUNTY**

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

Community Development Block Grant Fund - This fund received Community Development Block Grant funds passed through the State of Ohio disbursed for the purpose of constructing a new water tower.

Motor Vehicle License Tax Fund - This fund receives auto registration tax money for constructing, maintaining and repairing Village Streets.

3. 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 funds). The Village had the following significant capital project funds:

Capital Projects Fund - Proceeds received are the Village's income tax revenues. The proceeds are being used for the repair and maintenance of Village's streets.

4. 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 members of Council and Board of Public Affairs 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 unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**VILLAGE OF EDON
WILLIAMS COUNTY**

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

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. The Village did not encumber all commitments required by Ohio law.

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 leave in certain circumstances, such as upon leaving employment. Unpaid vacation leave is 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:

	2000	1999
Demand deposits	\$111,455	\$213,227
Certificates of deposit	100,000	
Cash on hand	40	40
Total deposits	\$211,495	\$213,267

Deposits are either (1) insured by the Federal Depository Insurance Corporation or, (2) collateralized by securities specifically pledged by the financial institution to the Village

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$329,667	\$275,392	(\$54,275)
Special Revenue	524,596	252,568	(272,028)
Capital Projects	175,118	83,405	(91,713)
Enterprise	488,261	377,088	(111,173)
Total	\$1,517,642	\$988,453	(\$529,189)

**VILLAGE OF EDON
WILLIAMS COUNTY**

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

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$329,667	\$287,554	\$42,113
Special Revenue	524,596	249,399	275,197
Capital Projects	175,118	46,559	128,559
Enterprise	488,261	406,713	81,548
Total	<u>\$1,517,642</u>	<u>\$990,225</u>	<u>\$527,417</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$303,426	\$286,056	(\$17,370)
Special Revenue	65,411	40,826	(24,585)
Capital Projects	133,879	65,046	(68,833)
Enterprise	531,109	468,941	(62,168)
Total	<u>\$1,033,825</u>	<u>\$860,869</u>	<u>(\$172,956)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$303,426	\$275,553	\$27,873
Special Revenue	65,411	36,689	28,722
Capital Projects	133,879	60,009	73,870
Enterprise	531,108	497,554	33,554
Total	<u>\$1,033,824</u>	<u>\$869,805</u>	<u>\$164,019</u>

During 2000 and 1999, the Village Clerk did not certify any purchase orders nor did she properly issue all of her "super" blanket purchase orders.

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.

**VILLAGE OF EDON
WILLIAMS COUNTY**

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

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

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

5. DEBT

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$2,329,895	2.20% to 9.86%
General Obligation Note	79,001	4.75%
Total	\$2,408,896	

The Ohio Water Development Authority (OWDA) loans relate to improvements made to the Village's water and sewer plant that were mandated by the Ohio Environmental Protection Agency. The OWDA has approved up to \$3,290,845 in loans to the Village for these projects. The loans will be repaid in semiannual installments of \$108,986, including interest, over 20 years. The scheduled payment amount below shows the principal balance of \$2,408,896 at December 31, 2000. The scheduled payment will be adjusted to reflect any revisions in amounts actually borrowed at the conclusion of the repayment of outstanding loans.

The General Obligation Note relates to the repayment of an Ohio Water Development Authority (OWDA) loan used to prepare the plans and specifications of a Village water project in 1994; however the construction of the project did not begin until 2000. The agreement with OWDA required the loan to be repaid, with interest, if the water project was not under construction at the end of five years. The Village did not start construction of the new water facility within the five years. The Village obtained a loan on July 1, 1999 from the Edon State Bank to repay the OWDA loan. The loan will be repaid in quarterly installments of \$2,838, including interest, over 10 years. The scheduled payment amount below shows the principal balance of \$79,001 at December 31, 2000.

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

Year ending December 31:	OWDA Loan	General Obligation Note
2001	\$217,971	\$11,351
2002	217,971	11,351
2003	214,151	11,351
2004	210,332	11,351
2005	210,332	11,351
Subsequent	1,701,515	39,724
Total	\$2,772,272	\$96,479

**VILLAGE OF EDON
WILLIAMS COUNTY**

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

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (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% of participants' gross salaries during fiscal year 1999 and the first half of fiscal year 2000. The Village contributed a temporary rollback rate of 8.13% for the last half of fiscal year 2000. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village is a member of the Ohio Governmental Association Risk Management Authority Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The following risks are covered by the Pool:

- Comprehensive liability;
- Vehicles;
- Building and contracts;
- Valuable papers and records;
- Electronic equipment/media;
- Inland marine;
- Boiler and machinery;
- Crime; and
- Public officials bonds.

8. COMPLIANCE

During 2000 and 1999, the Village did not consistently certify the availability of funds prior to the commitment being incurred.



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

Village of Edon
Williams County
108 East Indiana Street
P.O. Box 338
Edon, Ohio 43518-0338

To the Village Council and Board of Public Affairs

We have audited the accompanying financial statements of the Village of Edon (the Village) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 9, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2000-30186-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 9, 2001.

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. 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 judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2000-30186-002.

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 that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not 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 management of the Village in a separate letter dated March 9, 2001.

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

Jim Petro
Auditor of State

March 9, 2001

VILLAGE OF EDON
WILLIAMS 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 2000-30186-001

Noncompliance Citation

Ohio Revised Code § 5705.41 (D) states no subdivision shall make any contract or order any expenditure of money unless a certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

This section provides two exceptions to the above requirements:

- a. Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of the warrant. The taxing authority has 30 days from the receipt of such a certificate to approved payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing authority.
- b. Amounts of less than \$1,000 for political divisions may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Ohio Revised Code § 5705.41 (D) also states that fiscal officers may issue "super blanket" certificates for amounts over \$5,000 for expenditures and contracts from a specific line-item appropriation account in a specified fund for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense.

Although the UAN system generates purchase orders for all expenditures, the Clerk did not sign any of them thus certifying that funds are available. In addition, the Clerk issued several "super blanket" certificates for amounts under \$5,000 and for specific line item appropriation accounts that did not have "recurring" expenditures (i.e, capital outlay).

To ensure that the Village is in compliance with budgetary requirements, we recommend that the Clerk sign all purchase orders as verification that funds are available for expenditures.

We also recommend that the Clerk monitor the issuance of "super blanket" purchase orders. All purchase orders should be issued for amounts greater than \$5,000 and for line items that have recurring expenditures (i.e, sanitation charges, utilities).

FINDING NUMBER 2000-30186-002

Reportable Condition - Delinquent Utility Accounts

Monthly billing reports for services provided to Village residents for water, sewer, and sanitation reflect that approximately 36% of the billing amounts are for prior services billed, but not collected. This appears to be a high percentage of uncollected utility revenue for the size of this Village.

In order to provide better controls over the collection of services provided to Village residents for water, sewer, and sanitation, we recommend that the Village Clerk compile a monthly list of delinquent utility accounts to be presented to the Board of Public Affairs. The Board should review the list and determine the course of action that should be taken to collect the delinquent utility accounts. The Board should also determine if any delinquent accounts are deemed to be uncollectible and should recommend to Council to write them off as uncollectible. The Board should then initial the delinquent account report and record any action taken in the minute records of the Board of Public Affairs.

**VILLAGE OF EDON
WILLIAMS COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-20186-001	ORC § 5705.41 (D) Purchase orders were not properly encumbered	No	Not corrected - The Clerk does not certify her purchase orders.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

VILLAGE OF EDON

WILLIAMS 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
APRIL 3, 2001**