



**VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2000**



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

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**STATE OF OHIO**



VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY

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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, 2000. 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 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 audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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, as of December 31, 2000, and its cash receipts and 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 our report dated August 10, 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 audit.

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

**Jim Petro**  
Auditor of State

August 10, 2001

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VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY

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

<u>Funds:</u>	<u>Balance 01/01/00</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance 12/31/00</u>
General Fund	\$ (4,645)	\$ 73,741	\$ 78,640	\$ (9,544)
Special Revenue Funds:				
Street Construction, Maintenance and Repair	(235)	22,713	22,979	(501)
State Highway Improvement	839	1,633	1,472	1,000
Fire	21,475	19,363	21,571	19,267
Emergency Medical Services	21,373	24,615	13,606	32,382
Police Levy	(2,214)	4,923	145	2,564
Shelterhouse		6,340	6,340	0
Mandatory Fine	(480)			(480)
Mandatory Forfeiture	805			805
Fire Levy	2,431	18,430	20,078	783
WODA	481			481
Recreation	1,000		1,973	(973)
COPS Fast	<u>(3,318)</u>	<u>9,651</u>	<u>9,601</u>	<u>(3,268)</u>
Total Special Revenue Funds	42,157	107,668	97,765	52,060
Capital Projects Fund:				
Water Tower		14,839	14,846	(7)
Enterprise Funds:				
Water	59,441	115,543	153,679	21,305
Sewer	274,984	269,505	435,836	108,653
Water Deposit	6,712	2,200		8,912
Sewer Charge	<u>(210)</u>	<u>732</u>		<u>522</u>
Total Enterprise Funds	340,927	387,980	589,515	139,392
Agency Fund:				
Mayor's Court		<u>12,535</u>	<u>12,535</u>	<u>0</u>
<b>Total All Funds</b>	<b><u>\$ 378,439</u></b>	<b><u>\$ 596,763</u></b>	<b><u>\$ 793,301</u></b>	<b><u>\$ 181,901</u></b>

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

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**VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2000**

**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 Council, and an elected Mayor and Clerk. The Village provides general governmental services, including police services, fire protection services, emergency medical services, cemetery maintenance, maintenance of Village streets and highways, 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 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 statement. Independent audits of the Union Cemetery are performed by the Auditor of State.

The Village's management believes this financial statement presents all activities for which the Village is financially accountable.

**B. Basis of Accounting**

This financial statement follows 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).

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State. However, the accompanying financial statement does not present the receipts and disbursements classifications prescribed by the Auditor of State.

**C. Cash and Investments**

The Village Clerk invests all available funds of the Village in an interest-bearing checking account.

**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.

**VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2000  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources 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 license tax money to construct, maintain and repair Village streets.

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

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

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

**3. Capital Projects Fund**

This fund is 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 Capital Projects Fund:

*Water Tower Fund* - This fund receives grant money to construct a water tower for the Village.

**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 grant and loan proceeds to be used for the construction of the Village's sewer system. This fund also receives charges for services from residents to cover the cost of providing this utility.

VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY

NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2000  
(Continued)

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

**D. Fund Accounting (Continued)**

**4. Fiduciary Fund**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following Fiduciary Fund:

*Mayor's Court Fund* - This fund accounts for the financial activity of the Mayor's Court and is classified as an Agency Fund.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and function 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. The Village did not encumber all commitments required by Ohio law.

A summary of 2000 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.

**VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2000  
(Continued)**

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

**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:

	<b><u>2000</u></b>
Demand Deposits	<b><u>\$ 181,901</u></b>

**Deposits:** Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2000, follows:

Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 48,714	\$ 73,741	\$ 25,027
Special Revenue	79,730	107,668	27,938
Capital Projects	320,000	14,839	(305,161)
Enterprise	213,000	387,980	174,980
Total	\$ 661,444	\$ 584,228	\$ (77,216)

Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 72,480	\$ 78,640	\$ (6,160)
Special Revenue	98,660	97,765	895
Capital Projects	320,000	14,846	305,154
Enterprise	258,740	589,515	(330,775)
Total	\$ 749,880	\$ 780,766	\$ (30,886)

**VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

Appropriations exceeded budgeted revenue and actual receipts plus January 1 unencumbered cash in the Water Tower Fund at December 31, 2000, contrary to Ohio law..

Appropriations exceeded estimated resources during and at the end of the year in the General Fund and COPS Fast Fund, contrary to Ohio law.

Actual disbursements exceeded appropriations in several funds during and at the end of the year, contrary to Ohio law.

**4. DEBT**

Debt outstanding at December 31, 2000 was as follows:

	Principal	Interest Rate
Sewer System Mortgage Revenue Bonds	\$ 1,778,000	3.25%
Capital Leases	91,368	5.50% - 6.30%
General Obligation Notes	5,220	6.20%
Total	\$ 1,874,588	

The sewer system mortgage revenue bonds were issued in 1999 to refund sewer system temporary revenue bonds that were 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, street truck and backhoe and are payable from general revenues of the Village. The full faith and credit of the Village have been pledged to repay this debt. Leased assets are collateralized by the equipment leased.

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

Year ending December 31:	Sewer System Mortgage Revenue Bonds	General Obligation Notes	Capital Leases
2001	\$ 115,570	\$ 5,544	\$ 27,903
2002	81,785	0	27,903
2003	82,005	0	27,903
2004	82,192	0	19,470
2005	81,347	0	0
Subsequent	2,794,644	0	0
Total	\$ 3,237,543	\$ 5,544	\$ 103,179

**VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2000  
(Continued)**

**5. PROPERTY TAX**

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

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

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

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

**6. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2000, members of PFDPF contributed 10% of their gross salaries to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. For 2000, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of PERS participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The Village has not paid all contributions required through December 31, 2000.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance coverage for the following risks:

- General liability and casualty
- Vehicles, including fire vehicles, liability, comprehensive, and collision
- Public officials and law enforcement liability
- Wrongful acts and dishonesty bond
- Property

VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY

NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2000  
(Continued)

**8. CONTINGENCIES**

**Grants**

The Village received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Village at December 31, 2000.

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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, 2000, and have issued our report thereon dated August 10, 2001. We conducted our audit 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 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 2000-31064-001 through 2000-31064-005. In addition, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 10, 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 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 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 statement. A reportable condition is described in the accompanying Schedule of Findings as item 2000-31064-006.

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 statement 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. The reportable condition described above is 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 August 10, 2001.,

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 management and the 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

August 10, 2001

**VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000**

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

**FINDING NUMBER 2000-31064-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.10 states, in part, that money paid into any fund shall be used for the purposes for which such fund was established. A deficit fund balance indicates that monies from other funds have been used to pay obligations of the fund with the deficit balance.

The following funds had deficit balances existing as of December 31, 2000:

<u>Fund</u>	<u>Deficit Amount</u>
General	\$ 9,544
Street Construction, Maintenance and Repair	501
Mandatory Fine	480
Recreation	973
COPS Fast	3,268
Water Tower	7

We recommend the Village Council review fund balances on a monthly basis, prior to approving disbursements, to ensure sufficient fund balances are available to pay the obligations of the Village.

**FINDING NUMBER 2000-31064-002**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.36 allows all subdivisions to request reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be less than the amount in the official certificate of estimated resources. In addition, a reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation.

Budgeted revenue exceeded actual revenue and appropriations were greater than actual revenue at December 31, 2000, as follows:

<u>Fund</u>	<u>Budgeted Revenue</u>	<u>Actual Revenue Plus Unencumbered Cash</u>	<u>Appropriation Authority</u>
Water Tower	\$ 320,000	\$ 14,839	\$ 320,000

We recommend the Village monitor estimated and actual revenues for all funds on a regular basis. In the situation where budgeted revenue exceeds actual revenue and appropriations exceed actual revenue, a reduced amended certificate must be obtained and appropriations adjusted accordingly.

**VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000  
(Continued)**

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

**FINDING NUMBER 2000-31064-003**

**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, 2000, appropriations exceeded estimated resources in the following funds:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
General	\$ 43,602	\$ 72,480	\$ (28,878)
COPS Fast	(3,318)	24,960	(28,278)

This could result in the Village overspending available fund balances.

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

**FINDING NUMBER 2000-31064-004**

**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.

For the year ended December 31, 2000, actual disbursements exceeded appropriations as follows:

<u>Fund</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 72,480	\$ 78,640	\$ (6,160)
Street Construction, Maintenance and Repair	11,600	22,979	(11,379)
Shelter House	0	6,340	(6,340)
Fire Levy	18,000	20,078	(2,078)
Water	147,740	225,786	(78,046)
Sewer	110,000	435,836	(325,836)

This could result in the Village overspending available fund balances.

We recommend that actual expenditures be monitored throughout the year in comparison to budgeted amounts.

VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2000  
(Continued)

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

FINDING NUMBER 2000-31064-005

**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. This section provides the following exceptions to the above requirement:

- 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 a warrant. The taxing authority has 30 days from the receipt of such certificate to approve 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 district.

Amounts of less than \$100 for counties, or less than \$1,000 for other political subdivisions, 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.

- B. Continuing Contracts to be Performed in Whole or in Part in an Ensuing Fiscal Year - Where a continuing contract is to be performed in whole or in part in an ensuing fiscal year, only the amount required to meet those amounts in the fiscal year in which the contract is made need be certified.
- C. Per Unit Contracts - Where contracts are entered into on a per unit basis, only the amount estimated to become due in the current fiscal year need be certified.
- D. Contract or Lease Running Beyond the Termination of the Fiscal Year Made - Pursuant to Section 5705.44, Ohio Rev. Code, where a contract or lease runs beyond the termination of the fiscal year in which it is made, only the amount of the obligation maturing in the current fiscal year need be certified. The remaining amount is a fixed charge required to be provided for in the subsequent fiscal year's appropriations.

During 2000, the Village did not utilize the encumbrance method of accounting and, accordingly, did not obtain the necessary prior certification of available funds before incurring any obligations. The Village did issue purchase orders only when requested to do so by the vendor. However, these were not properly certified by the Clerk to ensure the availability of funds prior to a commitment being incurred.

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

VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2000  
(Continued)

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

**FINDING NUMBER 2000-31064-006**

**Material Weakness - Bank Reconciliations**

Bank reconciliations were not performed for the year ended December 31, 2000. Bank reconciliations should be prepared in order to help maintain financial integrity and accountability.

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.

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

**VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-31064-001	A noncompliance citation was issued under Ohio Rev. Code Section 117.38 for not filing the annual report with the Auditor of State.	No	Partially Corrected  The 2000 report was filed on May 21, 2001. This issue is now included in the current Management Letter.
1999-31064-002	A noncompliance citation was issued under Ohio Rev. Code Section 5705.38 for failing to adopt an annual appropriations measure.	Yes	N/A
1999-31064-003	A noncompliance citation was issued under Ohio Rev. Code Section 5705.39 for appropriations exceeding estimated resources.	No	Not Corrected  This issue is repeated in the current Schedule of Findings as item 2000-31064-003.
1999-31064-004	A noncompliance citation was issued under Ohio Rev. Code Section 5705.41(B) for expending monies over and beyond the approved appropriations.	No	Not Corrected  This issue is repeated in the current Schedule of Findings as item 2000-31064-004.
1999-31064-005	A noncompliance citation was issued under Ohio Rev. Code Section 5705.41(D) for not using the encumbrance method of accounting.	No	Not Corrected  This issue is repeated in the current Schedule of Findings as item 2000-31064-005.
1998-31064-006	A reportable condition was issued for the commingling of Village funds and the New Straitsville-Coal Township Union Cemetery funds.	Yes	N/A
1999-31064-007	A reportable condition was issued for not following Resolution 99-02, regarding delinquent water accounts.	Yes	N/A
1999-31064-008	A reportable condition was issued for removing delinquent accounts from the utility billing system.	Yes	N/A

VILLAGE OF NEW STRAITSVILLE  
PERRY COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2000  
(Continued)

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-31064-009	A material weakness was issued for not properly reconciling the Village's bank accounts with the books.	No	Not Corrected  This issue is repeated in the Schedule of Findings as 2000-31064-006.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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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  
SEPTEMBER 11, 2001**