



**VILLAGE OF SARAHSVILLE
NOBLE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF SARAHSVILLE
NOBLE COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Sarahsville
Noble County
Rural Route 1
Sarahsville, Ohio 43779

To the Village Council:

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

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

The basis of accounting prescribed by the Auditor of State requires the Village to report outstanding encumbrances at year-end as budgetary expenditures. The Village did not consistently utilize the encumbrance method of accounting. It was not practical for us to determine the amount of unrecorded encumbrances at year-end.

In our opinion, except for such adjustments, if any, that would have been necessary to reflect year-end outstanding encumbrances as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Sarahsville, Noble County, 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 September 12, 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 § 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

September 12, 2001

VILLAGE OF SARAHSVILLE
NOBLE 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	\$736	\$	\$	\$736
Intergovernmental Receipts	14,028	7,582	16,103	37,713
Earnings on Investments	79	132		211
Miscellaneous	984			984
Total Cash Receipts	<u>15,827</u>	<u>7,714</u>	<u>16,103</u>	<u>39,644</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	3,106			3,106
Leisure Time Activities	566			566
Basic Utility Services	34			34
Transportation		14,266		14,266
General Government	12,988			12,988
Capital Outlay			16,103	16,103
Total Cash Disbursements	<u>16,694</u>	<u>14,266</u>	<u>16,103</u>	<u>47,063</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(867)</u>	<u>(6,552)</u>	<u>0</u>	<u>(7,419)</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	(867)	(6,552)	0	(7,419)
Fund Cash Balances, January 1	<u>4,429</u>	<u>10,459</u>	<u>0</u>	<u>14,888</u>
Fund Cash Balances, December 31	<u>\$3,562</u>	<u>\$3,907</u>	<u>\$0</u>	<u>\$50</u>

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

VILLAGE OF SARAHSVILLE
NOBLE COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND AGENCY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Agency</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$1,322	\$	\$	\$1,322
Intergovernmental Receipts	13,077	16,876		29,953
Earnings on Investments	107	205		312
Miscellaneous	377			377
Total Cash Receipts	<u>14,883</u>	<u>17,081</u>	<u>0</u>	<u>31,964</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	3,630			3,630
Leisure Time Activities	1,088			1,088
Transportation		14,869		14,869
General Government	11,531			11,531
Total Cash Disbursements	<u>16,249</u>	<u>14,869</u>	<u>0</u>	<u>31,118</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(1,366)</u>	<u>2,212</u>	<u>0</u>	<u>846</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	143			143
Transfers-Out			(143)	(143)
Total Other Financing Receipts/(Disbursements)	<u>143</u>	<u>0</u>	<u>(143)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(1,223)</u>	<u>2,212</u>	<u>(143)</u>	<u>846</u>
Fund Cash Balances, January 1	5,652	8,247	143	14,042
Fund Cash Balances, December 31	<u>\$4,429</u>	<u>\$10,459</u>	<u>\$0</u>	<u>\$14,888</u>

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

**VILLAGE OF SARAHSVILLE
NOBLE 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 Sarahsville, Noble County (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Village Council. The Village provides general governmental services, including road and bridge 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

The Village holds no investments.

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 Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

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

3. Capital Projects Fund

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 Capital Project Fund:

**VILLAGE OF SARAHSVILLE
NOBLE COUNTY**

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Funds (Continued)

Issue II Fund - This fund is used to account for Ohio Public Works Commission grants administered on behalf of the Village for the repair of roads and bridges.

4. 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 agency fund:

Unclaimed Monies Fund - This fund accounts for checks which remain outstanding for extended periods of time and are subject to reappropriation after the passage of five years without a claim.

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. 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 individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The encumbrance system of accounting was not consistently followed by the Village.

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.

**VILLAGE OF SARAHSVILLE
NOBLE COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$7,469	\$14,888
Total	<u>\$7,469</u>	<u>\$14,888</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

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	\$14,850	\$15,827	\$977
Special Revenue	4,815	7,714	2,899
Capital Projects	0	16,103	16,103
Total	<u>\$19,665</u>	<u>\$39,644</u>	<u>\$19,979</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$19,269	\$16,694	\$2,575
Special Revenue	15,543	14,266	1,277
Capital Projects	0	16,103	(16,103)
Total	<u>\$34,812</u>	<u>\$47,063</u>	<u>(\$12,251)</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$14,756	\$15,026	\$270
Special Revenue	4,815	17,081	12,266
Total	<u>\$19,571</u>	<u>\$32,107</u>	<u>\$12,536</u>

**VILLAGE OF SARAHSVILLE
NOBLE COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$21,749	\$16,249	\$5,500
Special Revenue	13,057	14,869	(1,812)
Fiduciary	143	143	0
Total	\$34,949	\$31,261	\$3,688

Accountability and Compliance:

Actual receipts exceeded budgeted receipts in the Street Construction, Maintenance and Repair and Federal Emergency Management Assistance (FEMA) Funds during 1999 and in the Issue II Fund during 2000. Ohio Rev. Code Section 5705.36(A)(3) requires an increased amended certificate to be obtained when the subdivision intends to appropriate and expend the excess receipts.

Expenditures exceeded appropriations in the Street Construction, Maintenance and Repair and FEMA Funds during 1999 by \$222 and \$2,590, respectively. Expenditures exceeded appropriations in the State Highway Improvement and Issue II Funds during 2000 by \$5,107 and \$16,103, respectively. Ohio Rev. Code Section 5705.41(B) prohibits expenditures unless they have been appropriated.

Appropriations exceeded estimated revenue in the Street Construction, Maintenance and Repair and State Highway Improvement Funds during 1999 in the amounts of \$2,695 and \$366, respectively. Appropriations exceeded estimated revenue in the Street Construction, Maintenance and Repair Fund during 2000 in the amount of \$413. Ohio Rev. Code Section 5705.39 prohibits appropriations from exceeding estimated revenues.

Purchase commitments were not consistently certified and encumbered during 1999 and 2000. Ohio Rev. Code Section 5705.41(D) requires a certification that appropriations are available prior to commitments being incurred.

4. PROPERTY TAX

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

**VILLAGE OF SARAHSVILLE
NOBLE COUNTY**

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

5. RETIREMENT SYSTEMS

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

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

6. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Village also provides health and life insurance coverage to all Village employees through a private carrier.

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

Village of Sarahsville
Noble County
Rural Route 1
Sarahsville, Ohio 43773

To the Village Council:

We have audited the accompanying financial statements of the Village of Sarahsville, Noble County, Ohio (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated September 12, 2001, wherein we noted the Village did not consistently record encumbrances in its budgetary presentation. 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 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 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 2000-31061-001 through 2000-31061-006. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated September 12, 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 considered to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely 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 2000-31061-006.

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 statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 September 12, 2001.

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

September 12, 2001

**VILLAGE OF SARAHSVILLE
NOBLE COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2000-31061-001

Finding For Recovery

26 United States Code Section 3102 (a), Internal Revenue Regulation, requires employers to withhold a Social Security Tax (the "Tax") from an employee's wages. The required contribution is 12.4%, with 6.2% to be contributed by the employee and 6.2% to be contributed by the employer.

For the period January 1999 through August 2000, rather than deducting the Tax from the Mayor's compensation, the Village Clerk-Treasurer paid \$210.80, representing the Mayor's portion of the Tax, from the Village's funds.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code §117.28, a Finding for Recovery for public money illegally expended is hereby issued against Luann Archer Michel, Mayor, and Elizabeth Archer, Village Clerk-Treasurer, and their surety, The Personal Service Insurance Company, jointly and severally, in the amount of \$210.80 in favor of the Village of Sarahsville, Noble County.

FINDING NUMBER 2000-31061-002

Finding for Adjustment

Ohio Rev. Code Section 5705.10 requires all revenue derived from a specific source to be credited to a special fund for the purpose for which the monies were received. Ohio Rev. Code Section 5735.28 requires gasoline cents per gallon taxes and motor vehicle license taxes to be credited 92.5% and 7.5% to the Street Construction, Maintenance and Repair Fund and the State Highway Improvement Fund, respectively. However, distributions were not made on a consistent basis. As a result, the State Highway Improvement Fund received \$5,506 in excess of what it was due.

In accordance with the foregoing facts, a finding for adjustment is hereby issued against the State Highway Improvement Fund in the amount of \$5,506, in favor of the Street Construction, Maintenance and Repair Fund. The aforementioned adjustment has been posted to the Village's records and is reflected in the audited financial statements.

FINDING NUMBER 2000-31061-003

Noncompliance Citation

Ohio Revised Code § 5705.36 requires all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. An increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue.

**VILLAGE OF SARAHSVILLE
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)**

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

FINDING NUMBER 2000-31061-003 (Continued)

Noncompliance Citation (Continued)

We noted the following instances in which an amended certificated should have been obtained:

<u>Fiscal Year</u>	<u>Fund</u>	<u>Est. Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
1999	Street Construction, Maintenance and Repair	\$4,279	\$13,277	\$ 8,998
1999	Federal Emergency Management Authority	\$ 0	\$ 3,213	\$ 3,213
2000	Issue II	\$ 0	\$16,103	\$16,103

In each of these cases, the Village's expenditures were in excess of the original appropriations and, therefore, the Village should have requested an increased amended certificate in order to increase appropriations.

We recommend the Village monitor, on a monthly basis, budget versus actual information. Should the Village determine that revenue will be greater or less than the budgeted amount, an increased or decreased amended certificate of estimated resources should be considered.

FINDING NUMBER 2000-31061-004

Noncompliance Citation

Ohio Revised Code § 5705.39 states, in part, that total appropriations from each fund shall not exceed the total estimated resources. The Village had the following funds that had appropriations exceeding estimated resources during our audit period:

<u>Fiscal Year</u>	<u>Fund</u>	<u>Appropriation</u>	<u>Est. Resources</u>	<u>Variance</u>
1999	Street Construction, Maintenance and Repair	\$11,057	\$ 8,362	\$2,695
1999	State Highway Improvement	\$ 2,000	\$ 1,634	\$ 366
2000	Street Construction, Maintenance and Repair	\$14,543	\$14,130	\$ 413

We recommend the Village carefully review appropriations to ensure that they are within estimated resources for all Village funds.

**VILLAGE OF SARAHSVILLE
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2000-31061-005

Noncompliance Citation

Ohio Revised Code § 5705.41 (B) states, in part, that no subdivision or taxing unit is to expend money unless it has been appropriated. Our testing of the Village's adopted appropriations versus actual expenditures revealed the Village had the following funds in which expenditures exceeded appropriations:

<u>Fiscal Year</u>	<u>Fund</u>	<u>Appropriation</u>	<u>Expenditures</u>	<u>Variance</u>
1999	Street Construction	\$11,057	\$11,279	\$ 222
1999	FEMA	\$ 0	\$ 2,590	\$ 2,590
2000	State Highway	\$ 1,000	\$ 6,107	\$ 5,107
2000	Issue II	\$ 0	\$16,103	\$16,103

We recommend the Village Clerk-Treasurer expend funds only if appropriations are available. Village Council and the Village Clerk-Treasurer should review budget vs. actual data on a monthly basis to monitor the status of Village funds.

FINDING NUMBER 2000-31061-006

Noncompliance Citation

Ohio Revised Code § 5705.41 (D) states, in part, that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation or, in the case of a continuing contract to be performed in whole or in part in an ensuing fiscal year, the amount required to meet the obligation in the fiscal year in which the contract is made, has been lawfully appropriated for such purpose and is in the treasury or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. This certificate need be signed only by the subdivision's fiscal officer.

This section provides two "exceptions" to the above requirements:

1. Then and Now Certificate - If no certificate is furnished as required, upon receipt of a certificate of the fiscal officer stating that there was at the time of the making of such contract or order and at the time of execution of such certificate a sufficient sum appropriated for the purchase of such contract and in the treasury or process of collection to the credit of an appropriate fund free from any previous encumbrances, such taxing authority may authorize the drawing of a warrant in payment of amounts due upon such contract, but such resolution or ordinance shall be passed within thirty days from the receipt of such certificate.
2. If the amount is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Village Council, if such expenditure is otherwise valid.

Approximately 58% of expenditures tested were not properly certified by the Village. This condition allowed expenditures to be made in excess of appropriations.

We recommend the Village certify the availability of appropriations prior to purchase commitments being incurred.

VILLAGE OF SARAHSVILLE
NOBLE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid;
1998-31061-001	Ohio Revised Code Section 5705.41(D)	No	Not corrected.



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VILLAGE OF SARAHSVILLE

NOBLE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 11, 2001**