



**VILLAGE OF JEWETT  
HARRISON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDING DECEMBER 31, 2000 - 1999**



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

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**STATE OF OHIO**



VILLAGE OF JEWETT  
HARRISON COUNTY

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Village of Jewett  
Harrison County  
P.O. Box 192  
411 East High Street  
Jewett, Ohio 43986-0192

To the Village Council:

We have audited the accompanying financial statements of the Village of Jewett, Harrison County, (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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Jewett, Harrison 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 January 24, 2002 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 and Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

January 24, 2002

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**VILLAGE OF JEWETT  
HARRISON 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> |                            |                         |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--|--------------------------------|----------------------------|-------------------------|-----------------------------|---|
|  | <u>General</u>                 | <u>Special<br/>Revenue</u> | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>  |                                |                            |                         |                             |   |
| Local Taxes  | \$52,994                       | \$21,433                   |                         |                             | \$74,427                                |
| Intergovernmental Receipts   | 27,964                         | 28,744                     |                         | \$61,953                    | 118,661                                 |
| Charges for Services   |                                | 765                        |                         |                             | 765                                     |
| Fines, Licenses, and Permits   | 1,745                          |                            |                         |                             | 1,745                                   |
| Earnings on Investments  | 4,421                          | 119                        |                         |                             | 4,540                                   |
| Miscellaneous  | 8,500                          | 218                        |                         |                             | 8,718                                   |
| <b>Total Cash Receipts</b>   | <b>95,624</b>                  | <b>51,279</b>              |                         | <b>61,953</b>               | <b>208,856</b>                          |
| <b>Cash Disbursements:</b>   |                                |                            |                         |                             |   |
| Current:   |                                |                            |                         |                             |   |
| Security of Persons and Property   | 29,757                         | 3,589                      |                         |                             | 33,346                                  |
| Public Health Services   | 232                            |                            |                         |                             | 232                                     |
| Leisure Time Activities  | 500                            | 6,033                      |                         |                             | 6,533                                   |
| Transportation   |                                | 36,282                     |                         |                             | 36,282                                  |
| General Government   | 49,140                         | 678                        |                         |                             | 49,818                                  |
| Capital Outlay   | 20,347                         | 16,345                     |                         | 66,443                      | 103,135                                 |
| Debt Service:  |                                |                            |                         |                             |   |
| Debt Payments  |                                |                            | \$5,580                 |                             | 5,580                                   |
| <b>Total Cash Disbursements</b>  | <b>99,976</b>                  | <b>62,927</b>              | <b>5,580</b>            | <b>66,443</b>               | <b>234,926</b>                          |
| <b>Total Receipts Over/(Under) Disbursements</b>   | <b>(4,352)</b>                 | <b>(11,648)</b>            | <b>(5,580)</b>          | <b>(4,490)</b>              | <b>(26,070)</b>                         |
| <b>Other Financing Sources/(Uses):</b>   |                                |                            |                         |                             |   |
| Sale of Fixed Asset  | 2,100                          |                            |                         |                             | 2,100                                   |
| Transfers-In   | 3,500                          | 6,226                      | 5,580                   |                             | 15,306                                  |
| Advances-In  |                                | 5,000                      |                         |                             | 5,000                                   |
| Transfers-Out  | (11,306)                       | (3,500)                    |                         | (500)                       | (15,306)                                |
| Advances-Out   | (5,000)                        |                            |                         |                             | (5,000)                                 |
| <b>Total Other Financing Sources/(Uses)</b>  | <b>(10,706)</b>                | <b>7,726</b>               | <b>\$5,580</b>          | <b>(500)</b>                | <b>2,100</b>                            |
| <b>Excess of Cash Receipts and Other Financing<br/>Receipts Over/(Under) Cash Disbursements<br/>and Other Financing uses</b> | <b>(15,058)</b>                | <b>(3,922)</b>             |                         | <b>(4,990)</b>              | <b>(23,970)</b>                         |
| <b>Fund Cash Balances, January 1</b>   | <b>50,597</b>                  | <b>29,812</b>              |                         | <b>15,100</b>               | <b>95,509</b>                           |
| <b>Fund Cash Balances, December 31</b>   | <b>\$35,539</b>                | <b>\$25,890</b>            |                         | <b>\$10,110</b>             | <b>\$71,539</b>                         |
| <b>Reserves for Encumbrances, December 31</b>  |                                | <b>\$305</b>               |                         |                             | <b>\$305</b>                            |

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

**VILLAGE OF JEWETT  
HARRISON COUNTY**

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

|  | <u>Proprietary<br/>Fund Types</u> | <u>Fiduciary<br/>Fund Types</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|-----------------------------------|---------------------------------|---|
|  | <u>Enterprise</u>                 | <u>Agency</u>                   |   |
| <b>Operating cash receipts:</b>  |                                   |                                 |   |
| Charges for services   | \$201,915                         |                                 | \$201,915                               |
| <b>Operating cash disbursements:</b>   |                                   |                                 |   |
| Personal services  | 32,201                            |                                 | 32,201                                  |
| Transportation   | 4,664                             |                                 | 4,664                                   |
| Contractual services   | 21,456                            |                                 | 21,456                                  |
| Supplies and materials   | 24,163                            |                                 | 24,163                                  |
| Miscellaneous  | 4,071                             |                                 | 4,071                                   |
| Total operating cash disbursements   | 86,555                            |                                 | 86,555                                  |
| Operating income/(loss)  | 115,360                           |                                 | 115,360                                 |
| <b>Non-operating cash receipts:</b>  |                                   |                                 |   |
| Other non-operating receipts   | 2,518                             |                                 | 2,518                                   |
| <b>Non-operating cash disbursements:</b>   |                                   |                                 |   |
| Debt service   | 62,600                            |                                 | 62,600                                  |
| Excess of receipts over/(under) disbursements  | 55,278                            |                                 | 55,278                                  |
| <b>Other Financing Sources/(Uses):</b>   |                                   |                                 |   |
| Transfers-in   | 100,150                           |                                 | 100,150                                 |
| Transfers-out  | (100,150)                         |                                 | (100,150)                               |
| Total Other Financing Sources/(Uses)   |                                   |                                 |   |
| Excess of revenues over/(under) expenses<br>including other financing sources/(uses) | 55,278                            |                                 | 55,278                                  |
| Fund cash balances, January 1  | 58,137                            | 45                              | 58,182                                  |
| <b>Fund cash balances, December 31</b>   | <b>\$113,415</b>                  | <b>\$45</b>                     | <b>\$113,460</b>                        |
| Reserves for Encumbrances, December 31   | \$399                             |                                 |   |

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

**VILLAGE OF JEWETT  
HARRISON 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**

|   | Governmental Fund Types |                    |                 |                     | Totals<br>(Memorandum<br>Only) |
|---|-------------------------|--------------------|-----------------|---------------------|--------------------------------|
|   | General                 | Special<br>Revenue | Debt<br>Service | Capital<br>Projects |                                |
| <b>Cash Receipts:</b>   |                         |                    |                 |                     |                                |
| Local Taxes   | \$51,687                | \$22,531           |                 |                     | \$74,218                       |
| Intergovernmental Receipts  | 27,745                  | 24,315             |                 | \$268,756           | 320,816                        |
| Charges for Services  |                         | 750                |                 |                     | 750                            |
| Fines, Licenses, and Permits  | 3,428                   |                    |                 |                     | 3,428                          |
| Earnings on Investments   | 4,040                   | 627                |                 |                     | 4,667                          |
| Miscellaneous   | 77                      | 247                |                 | 845                 | 1,169                          |
|   | 86,977                  | 48,470             |                 | 269,601             | 405,048                        |
| <b>Total Cash Receipts</b>  |                         |                    |                 |                     |                                |
| <b>Cash Disbursements:</b>  |                         |                    |                 |                     |                                |
| Current:  |                         |                    |                 |                     |                                |
| Security of Persons and Property  | 30,274                  | 4,187              |                 |                     | 34,461                         |
| Public Health Services  | 233                     |                    |                 |                     | 233                            |
| Leisure Time Activities   |                         | 3,454              |                 |                     | 3,454                          |
| Transportation  |                         | 35,651             |                 |                     | 35,651                         |
| General Government  | 59,850                  | 814                |                 |                     | 60,664                         |
| Capital Outlay  | 3,748                   |                    |                 | 388,230             | 391,978                        |
| Debt Service:   |                         |                    |                 |                     |                                |
| Debt Payments   |                         |                    | \$6,000         | 1,579,000           | 1,585,000                      |
|   | 94,105                  | 44,106             | 6,000           | 1,967,230           | 2,111,441                      |
| <b>Total Cash Disbursements</b>   |                         |                    |                 |                     |                                |
| Total Receipts Over/(Under) Disbursements   | (7,128)                 | 4,364              | (6,000)         | (1,697,629)         | (1,706,393)                    |
| <b>Other Financing Sources/(Uses):</b>  |                         |                    |                 |                     |                                |
| Sale of Notes   |                         |                    |                 | 125,000             | 125,000                        |
| Sale of Bonds   |                         |                    |                 | 1,579,000           | 1,579,000                      |
| Transfers-In  |                         |                    | 6,000           | 10,475              | 16,475                         |
| Advances-In   | 845                     |                    |                 |                     | 845                            |
| Transfers-Out   | (15,885)                |                    |                 | (1,437)             | (17,322)                       |
| Advances-Out  |                         |                    |                 | (845)               | (845)                          |
|   | (15,040)                |                    | \$6,000         | 1,712,193           | 1,703,153                      |
| <b>Total Other Financing Sources/(Uses)</b>   |                         |                    |                 |                     |                                |
| Excess of Cash Receipts and Other Financing<br>Receipts Over/(Under) Cash Disbursements<br>and Other Financing Uses | (22,168)                | 4,364              |                 | 14,564              | (3,240)                        |
| Fund Cash Balances, January 1   | 72,765                  | 25,448             |                 | 536                 | 98,749                         |
| <b>Fund Cash Balances, December 31</b>  | <b>\$50,597</b>         | <b>\$29,812</b>    |                 | <b>\$15,100</b>     | <b>\$95,509</b>                |
| Reserves for Encumbrances, December 31  | \$648                   | \$4,331            |                 | \$30,020            | \$34,999                       |

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

**VILLAGE OF JEWETT  
HARRISON COUNTY**

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

|  | <u>Proprietary<br/>Fund Types</u> | <u>Fiduciary<br/>Fund Types</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|-----------------------------------|---------------------------------|---|
|  | <u>Enterprise</u>                 | <u>Agency</u>                   |   |
| <b>Operating cash receipts:</b>  |                                   |                                 |   |
| Charges for services   | \$178,403                         |                                 | \$178,403                               |
| <b>Operating cash disbursements:</b>   |                                   |                                 |   |
| Personal services  | 26,284                            |                                 | 26,284                                  |
| Transportation   | 8,758                             |                                 | 8,758                                   |
| Contractual services   | 26,157                            |                                 | 26,157                                  |
| Supplies and materials   | 34,014                            |                                 | 34,014                                  |
| Capital outlay   | 2,500                             |                                 | 2,500                                   |
| Miscellaneous  | 2,064                             |                                 | 2,064                                   |
| Total operating cash disbursements   | 99,777                            |                                 | 99,777                                  |
| Operating income/(loss)  | 78,626                            |                                 | 78,626                                  |
| <b>Non-operating cash receipts:</b>  |                                   |                                 |   |
| Mayor's court receipts   |                                   | \$4,026                         | 4,026                                   |
| Fines, licenses, and permits   | 832                               |                                 | 832                                     |
| Intergovernmental receipts   | 3,386                             |                                 | 3,386                                   |
| Miscellaneous  | 3,952                             |                                 | 3,952                                   |
| Total non-operating cash receipts  | 8,170                             | 4,026                           | 12,196                                  |
| <b>Non-operating cash disbursements:</b>   |                                   |                                 |   |
| Mayor's court disbursements  |                                   | 4,026                           | 4,026                                   |
| Debt service   | 58,958                            |                                 | 58,958                                  |
| Total non-operating cash disbursements   | 58,958                            | 4,026                           | 62,984                                  |
| Excess of receipts over/(under) disbursements  | 27,838                            |                                 | 27,838                                  |
| <b>Other Financing Sources/(Uses):</b>   |                                   |                                 |   |
| Transfers-in   | 28,189                            |                                 | 28,189                                  |
| Transfers-out  | (27,342)                          |                                 | (27,342)                                |
| Total other financing sources/(uses)   | 847                               |                                 | 847                                     |
| Excess of revenues over/(under) expenses<br>including other financing sources/(uses) | 28,685                            |                                 | 28,685                                  |
| Fund cash balances, January 1  | 29,452                            | 45                              | 29,497                                  |
| <b>Fund cash balances, December 31</b>   | <b>\$58,137</b>                   | <b>\$45</b>                     | <b>\$58,182</b>                         |
| Reserve for encumbrances, December 31, 1999  | \$66                              |                                 | \$66                                    |

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

**VILLAGE OF JEWETT  
HARRISON 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 Jewett, Harrison County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities and street maintenance. The Village contracts with Jewett Volunteer Fire Department for fire protection.

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.

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 JEWETT  
HARRISON COUNTY

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

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

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

*Street Levy Fund* - This fund receives local tax money for constructing, maintaining and repairing Village streets.

3. **Debt Service Fund**

This fund is used to accumulate resources for the payment of note indebtedness. The Village had the following significant debt service fund:

*General Debt Service Fund* - This fund receives money transferred from the General Fund to make debt payments.

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 funds:

*USDA/Rural Development Fund* - This fund receives intergovernmental receipts for a sewer project.

*Appalachian Regional Commission Sewer Grant Fund* - This fund receives intergovernmental receipts for a sewer project.

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 service 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 funds:

**VILLAGE OF JEWETT  
HARRISON COUNTY**

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

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

*Unclaimed Monies Fund* - This fund is used to account for monies unclaimed such as outstanding checks not cashed.

*Mayor's Court Fund* - This fund is used to account for all monies collected and disbursed by the mayor's court. Mayor's court was inactive during fiscal year 2000.

**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. Budgetary expenditures exceeded appropriations at the fund and function level, contrary to Ohio law. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village did not encumber all commitments as 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 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.

**VILLAGE OF JEWETT  
HARRISON COUNTY**

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

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

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

|                         | <u>2000</u>       | <u>1999</u>       |
|-------------------------|-------------------|-------------------|
| Demand deposits         | \$ 161,186        | \$ 130,051        |
| Certificates of deposit | 23,813            | 23,640            |
|                         | <u>          </u> | <u>          </u> |
| Total deposits          | <u>\$ 184,999</u> | <u>\$ 153,691</u> |

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

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

| 2000 Budgeted vs. Actual Receipts |                      |                    |                   |
|-----------------------------------|----------------------|--------------------|-------------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance          |
| General                           | \$ 88,812            | \$ 101,224         | \$ 12,412         |
| Special Revenue                   | 43,663               | 57,505             | 13,842            |
| Debt Service                      | 4,041                | 5,580              | 1,539             |
| Capital Project                   | 18,245               | 61,953             | 43,708            |
| Enterprise                        | 344,461              | 304,583            | (39,878)          |
|                                   | <u>          </u>    | <u>          </u>  | <u>          </u> |
| Total                             | <u>\$ 499,222</u>    | <u>\$ 530,845</u>  | <u>\$ 31,623</u>  |

| 2000 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |                   |
|---|----------------------------|---------------------------|-------------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance          |
| General   | \$ 121,696                 | \$ 111,282                | \$ 10,414         |
| Special Revenue                                       | 75,091                     | 66,732                    | 8,359             |
| Debt Service  | 4,041                      | 5,580                     | (1,539)           |
| Capital Project                                       | 32,015                     | 66,943                    | (34,928)          |
| Enterprise  | 279,525                    | 249,704                   | 29,821            |
|   | <u>          </u>          | <u>          </u>         | <u>          </u> |
| Total   | <u>\$ 512,368</u>          | <u>\$ 500,241</u>         | <u>\$ 12,127</u>  |

**VILLAGE OF JEWETT  
HARRISON COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

| 1999 Budgeted vs. Actual Receipts |                      |                    |              |
|-----------------------------------|----------------------|--------------------|--------------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance     |
| General                           | \$ 85,026            | \$ 86,977          | \$ 1,951     |
| Special Revenue                   | 46,812               | 48,470             | 1,658        |
| Debt Service                      | 6,000                | 6,000              | 0            |
| Capital Project                   | 920,119              | 1,984,076          | 1,063,957    |
| Enterprise                        | 215,146              | 214,762            | (384)        |
| Total                             | \$ 1,273,103         | \$ 2,340,285       | \$ 1,067,182 |

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |           |
|---|----------------------------|---------------------------|-----------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance  |
| General   | \$ 148,570                 | \$ 110,638                | \$ 37,932 |
| Special Revenue                                       | 64,622                     | 48,437                    | 16,185    |
| Debt Service  | 6,000                      | 6,000                     | 0         |
| Capital Project                                       | 2,002,231                  | 1,998,687                 | 3,544     |
| Enterprise  | 198,711                    | 186,143                   | 12,568    |
| Total   | \$ 2,420,134               | \$ 2,349,905              | \$ 70,229 |

**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.

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 JEWETT  
HARRISON COUNTY**

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

**5. DEBT**

Debt outstanding at December 31, 2000 was as follows:

|  | Principal          | Interest<br>Rate |
|--|--------------------|------------------|
| Waterline Loan                                       | \$ 104,529         | 7.60%            |
| Sewer System Mortgage Revenue Bond,<br>Series A 1999 | 1,454,000          | 3.25%            |
| Sewer System Mortgage Revenue Bond,<br>Series B 1999 | 3125,000           | 3.25%            |
| Total  | <b>\$1,683,529</b> |                  |

The Waterline Loan relates to start up costs associated with the new water/sewer project. The original loan amount was \$156,000 dated September 30, 1994. The loan is collateralized by water and sewer receipts. This loan is payable in installments of \$1,464.27 per month until paid in full. The maturity date is October 1, 2009.

The Sewer System Mortgage Revenue Bonds were used to pay part of the cost of certain improvements to the sanitary sewer system of the Village. The original bond amounts were \$1,454,000 and \$125,000 dated October 26, 1999. The bonds are to be paid off in annual installments from 2002 to 2039. The bonds are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

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

| Year ending<br>December 31: | Waterline<br>Loan | Mortgage<br>Revenue<br>Bond A | Mortgage<br>Revenue<br>Bond B |
|-----------------------------|-------------------|-------------------------------|-------------------------------|
| 2001                        | \$ 17,571         |                               |                               |
| 2002                        | 17,571            | \$ 66,923                     | \$ 5,737                      |
| 2003                        | 17,571            | 66,913                        | 5,782                         |
| 2004                        | 17,571            | 66,841                        | 5,724                         |
| 2005                        | 17,571            | 66,947                        | 5,764                         |
| Subsequent                  | 105,153           | 2,222,062                     | 194,829                       |
| Total                       | \$ 193,008        | \$ 2,489,686                  | \$ 217,836                    |

**6. RETIREMENT SYSTEMS**

The Village's law enforcement officer belongs 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.

**VILLAGE OF JEWETT  
HARRISON COUNTY**

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

**6. RETIREMENT SYSTEMS (Continued)**

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

**7. 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 insurance and dental coverage to full-time employees through a private carrier.

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STATE OF OHIO  
OFFICE OF THE AUDITOR

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

Village of Jewett  
Harrison County  
P.O. Box 192  
411 East High Street  
Jewett, Ohio 43986-0192

To the Village Council:

We have audited the accompanying financial statements of the Village of Jewett, Harrison County, (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated January 24, 2002. 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 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 2000-31234-001 and 2000-34234-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated January 24, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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 matters involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated January 24, 2002.

Village of Jewett  
Harrison 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 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

January 24, 2002

VILLAGE OF JEWETT  
HARRISON 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 2000-31234-001

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

In fiscal year 2000, expenditures exceeded appropriations in the Parks and Recreation Fund by 53%, in the Fire Levy Fund by 14%, the Backhoe/Tractor Debt Service Fund by 28% and the Issue II Base Repair and Resurfacing Fund by 71%.

Failure to monitor expenditures and to limit expenditures to the amounts appropriated could result in overspending. The Village Clerk/Treasurer should monitor expenditures by comparing the expenditures to appropriations and should approach Village Council to request amendments to the original appropriations as necessary to guard against overspending.

FINDING NUMBER 2000-31234-002

**Ohio Revised Code § 5705.41(D)** states that no subdivision shall make any contract or order any expenditure of money unless the 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. The amount so certified shall be recorded against the applicable appropriation account.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Village may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than one thousand dollars the fiscal officer issues a certificate, but may authorize it to be paid without the affirmation of the Council.

During 2000, 80% of the transactions tested were not properly certified by the fiscal officer and during 1999, 86% of the transactions tested were not properly certified by the fiscal officer. Neither of the abovementioned exceptions available to the Village was used.

Failure to certify the availability of funds and encumber appropriations could result in overspending and negative cash balances. The Village should obtain approved purchase orders which include the fiscal officer's certification that the amount required to meet the obligation has been lawfully appropriated and authorized prior to making a commitment.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILLAGE OF JEWETT**

**HARRISON 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  
MARCH 7, 2002**