



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

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**STATE OF OHIO**



**VILLAGE OF OCTA  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Octa  
Fayette County  
P. O. Box 63  
Milledgeville, Ohio 43142

To the Village Council:

We have audited the accompanying financial statements of the Village of Octa, Fayette County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998. 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.

Except as discussed below, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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.

Due to the lack of sufficient documentation, we were unable to substantiate the 1998 Park and Recreation Fund receipts which represent 95% of the Special Revenue Fund Type receipts for 1998. We were not able to satisfy ourselves regarding those receipts by means of other auditing procedures.

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, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves about the Park and Recreation Fund receipts, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 1999 and 1998, 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 August 30, 2000, 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.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized loop at the end.

**Jim Petro**  
Auditor of State

August 30, 2000

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

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Agency Fund	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$71,305	\$8,967	\$0	\$0	\$0	\$80,272
Intergovernmental Receipts	5,766	583	0	0	0	6,349
Charges for Services	0	1,327	0	0	0	1,327
Fines, Licenses, and Permits	0	253	0	0	0	253
Earnings on Investments	1,544	0	38	341	0	1,923
Miscellaneous	2,175	8,875	0	0	0	11,050
<b>Total Cash Receipts</b>	<b>80,790</b>	<b>20,005</b>	<b>38</b>	<b>341</b>	<b>0</b>	<b>101,174</b>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	3,412	0	0	0	0	3,412
Public Health Services	305	0	0	0	0	305
Leisure Time Activities	1,058	8,169	0	0	0	9,227
Community Environment	354	0	0	0	0	354
Basic Utility Services	829	0	0	0	0	829
Transportation	1,202	1,553	0	0	0	2,755
General Government	64,710	7,550	0	0	0	72,260
Debt Service:						
Principal Payments	0	0	31,000	0	0	31,000
Interest Payments	0	0	1,395	0	0	1,395
Capital Outlay	14,875	0	0	7,094	0	21,969
<b>Total Disbursements</b>	<b>86,745</b>	<b>17,272</b>	<b>32,395</b>	<b>7,094</b>	<b>0</b>	<b>143,506</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(5,955)</b>	<b>2,733</b>	<b>(32,357)</b>	<b>(6,753)</b>	<b>0</b>	<b>(42,332)</b>
<b>Other Financing Receipts/(Disbursements):</b>						
Sale of Bonds or Notes	0	0	21,000	0	0	21,000
Transfers-In	0	5,650	10,798	0	0	16,448
Transfers-Out	(16,448)	0	0	0	0	(16,448)
Contingencies	(947)	0	0	0	0	(947)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(17,395)</b>	<b>5,650</b>	<b>31,798</b>	<b>0</b>	<b>0</b>	<b>20,053</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>(23,350)</b>	<b>8,383</b>	<b>(559)</b>	<b>(6,753)</b>	<b>0</b>	<b>(22,279)</b>
Fund cash balances, January 1	37,650	6,333	11,431	10,031	64	65,509
<b>Fund Cash Balances, December 31</b>	<b>\$14,300</b>	<b>\$14,716</b>	<b>\$10,872</b>	<b>\$3,278</b>	<b>\$64</b>	<b>\$43,230</b>

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

**VILLAGE OF OCTA  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Agency Fund	
<b>Cash Receipts:</b>						
Property Tax and Other Local Taxes	\$87,612	\$626	\$0	\$0	\$0	\$88,238
Intergovernmental Receipts	6,632	0	0	0	0	6,632
Fines, Licenses, and Permits	123	1,282	0	0	0	1,405
Earnings on Investments	5,797	0	0	0	0	5,797
Miscellaneous	0	5,119	36	31	64	5,250
<b>Total Cash Receipts</b>	<b>100,164</b>	<b>7,027</b>	<b>36</b>	<b>31</b>	<b>64</b>	<b>107,322</b>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	2,855	0	0	0	0	2,855
Leisure Time Activities	2,795	6,542	0	0	0	9,337
Transportation	11,870	725	0	0	0	12,595
General Government	36,100	0	0	0	0	36,100
Capital Outlay	43,103	0	0	0	0	43,103
<b>Total Disbursements</b>	<b>96,723</b>	<b>7,267</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>103,990</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>3,441</b>	<b>(240)</b>	<b>36</b>	<b>31</b>	<b>64</b>	<b>3,332</b>
<b>Other Financing Receipts/(Disbursements):</b>						
Sale of Bonds or Notes	31,000	0	0	0	0	31,000
Transfers-In	0	0	11,395	10,000	0	21,395
Transfers-Out	(21,395)	0	0	0	0	(21,395)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>9,605</b>	<b>0</b>	<b>11,395</b>	<b>10,000</b>	<b>0</b>	<b>31,000</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>13,046</b>	<b>(240)</b>	<b>11,431</b>	<b>10,031</b>	<b>64</b>	<b>34,332</b>
Fund cash balances, January 1	24,604	6,573	0	0	0	31,177
<b>Fund Cash Balances, December 31</b>	<b>\$37,650</b>	<b>\$6,333</b>	<b>\$11,431</b>	<b>\$10,031</b>	<b>\$64</b>	<b>\$65,509</b>

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

**VILLAGE OF OCTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Octa, Fayette County, Ohio (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 street maintenance and park operations (leisure time activities). The Village contracts with the Fayette County Sheriff's department to provide security of persons and property.

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**

Village funds are deposited in a "Now" checking account with a local commercial bank. Interest earnings are distributed to Village funds based upon the Ohio Constitution.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

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

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

*Permissive Motor Vehicle License Fund* - Receives tax money for the maintaining and repairing of Village roads.

*Park and Recreations Fund* - Receives donations for the improvement and maintenance of the Village Park.

**VILLAGE OF OCTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

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

**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:

The *Bond Anticipation Note Fund* was established to account for the payment of a bond anticipation note taken out for the purpose of establishing a local park and ball field.

**4. Capital Project Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of future capital projects for the Village.

**5. Fiduciary Fund - Agency**

This fund is used to account for assets held by the Village in a trustee capacity. The agency funds are purely custodial in nature.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village 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 carried over, and need not be reappropriated. There were no encumbrances outstanding as of December 31, 1999 and 1998. The Village did not properly encumber funds in 1998.

A summary of 1999 and 1998 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 OCTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(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**

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 at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Total Demand Deposits	<u>\$43,230</u>	<u>\$65,509</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation for \$100,000.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 was as follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 109,554	\$ 89,507	\$ (20,047)
Special Revenue	26,260	25,655	(605)
Debt Service	5,698	31,836	26,138
Capital Projects	292	341	49
Total	<u>\$ 141,804</u>	<u>\$ 147,339</u>	<u>\$ 5,535</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 138,337	\$ 112,857	\$ 25,480
Special Revenue	28,660	17,272	11,388
Debt Service	11,395	32,395	(21,000)
Capital Projects	7,100	7,094	6
Total	<u>\$ 185,492</u>	<u>\$ 169,618</u>	<u>\$ 15,874</u>

**VILLAGE OF OCTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 33,609	\$ 131,164	\$ 97,555
Special Revenue	2,068	7,027	4,959
Debt Service	0	11,431	11,431
Capital Projects	0	10,031	10,031
Total	\$ 35,677	\$ 159,653	\$ 123,976

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 58,870	\$ 118,118	\$ (59,248)
Special Revenue	3,450	7,267	(3,817)
Debt Service	0	0	0
Capital Project	0	0	0
Total	\$ 62,320	\$ 125,385	\$ (63,065)

During 1998, expenditures exceeded appropriations in the General Fund and the Parks and Recreation Fund (Special Revenue). During 1999, expenditures exceeded appropriations in the Debt Service Fund.

**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.

**5. DEBT**

Debt outstanding at December 31, 1999 was as follows:

**VILLAGE OF OCTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**5. DEBT (Continued)**

	Principal	Interest Rate
Bond Anticipation Note - Park	\$21,000	3.8%
Kubota Tractor Loan	10,280	6.99%
Total	\$31,280	

The Park Bond Anticipation Note was issued in 1998 in the amount of \$31,000 at 4.5% interest rate by Fifth Third Bank. Another \$21,000 note was issued in 1999, the proceeds were used to retire the original note. The note issued in 1999 was issued at \$21,000 at 3.8% interest and will be due and payable in January 21, 2000.

A loan was acquired in July of 1999 for the purchase of a Kubota tractor in the amount of \$10,280 at 6.99% interest. Amortization schedule of the debt is shown below.

Year ending December 31:	Loan Payment	Interest	Principal	Balance
2000	\$ 2,506	\$ 718	\$ 1,788	\$ 8,492
2001	2,506	593	1,913	6,579
2002	2,506	460	2,046	4,532
2003	2,506	316	2,190	2,343
2004	2,506	163	2,343	0
Subsequent	0			
Total	\$ 12,530	\$ 2,250	\$ 10,280	\$ 0

**6. RETIREMENT SYSTEMS**

The Village officials and full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. This plans provide retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

**7. RISK MANAGEMENT**

The Village carries insurance through private carriers who assume the risk of loss up to the limits of the Village's policies. The Village carries coverage for the following:

- Property
- Vehicle
- Liability
- Inland Marine
- Wrongful Acts
- Officials Surety Bond

**VILLAGE OF OCTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**8. RELATED PARTY TRANSACTIONS**

The Mayor is owner of a company the Village hired during 1998 to clear acreage for the park ball fields. The Village paid \$5,000 for these services.



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 Octa  
Fayette County  
Post Office Box 63  
Milledgeville, Ohio 43142

To the Village Council:

We have audited the accompanying financial statements of the Village of Octa, Fayette County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 30, 2000, which was qualified for lack of supporting documentation for the 1998 Park and Recreation Fund receipts as recorded in the Special Revenue Fund. Except for the items describe above, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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 1999-30624-001 through 1999-30624-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 30, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely effect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 1999-30624-001 through 1999-30624-003.

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated August 30, 2000.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider Finding Number 1999-30624-001 described above to be a material weakness.

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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

August 30, 2000

**VILLAGE OF OCTA  
SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

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

**FINDING NUMBER 1999-30624-001**

**Material Noncompliance/Material Weakness**

Ohio Revised Code, Section 149.351, provides that all records are the property of the public office and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Sections 149.38 to 149.42, Revised Code. The Village Officials did not retain receipt records for the Parks and Recreation Fund (during 1998). Since the Village did not provide sufficient documentation supporting the Park and Recreation Fund receipts, we were not able to audit the financial statements of the Park and Recreation Fund (for 1998) or to satisfy ourselves regarding the validity of the underlying transactions through other auditing procedures. Without maintaining financial documents, monies could be diverted without the knowledge of Village officials. We recommend that all financial documents and records of the Village be maintained and financial transactions be monitored by Village officials.

**FINDING NUMBER 1999-30624-002**

**Noncompliance/Reportable Condition**

Ohio Revised Code, Sections 5705.41 (B), prohibits a subdivision from making an expenditure unless it has been properly appropriated. During 1998, the following funds were found to have expenditures which exceeded appropriations in the General Fund and the Parks and Recreation Fund. During 1999, expenditures exceeded appropriations in the Debt Service Fund.

These amounts represent 50% of the General Fund, 52% of the Special Revenue Fund, and 64% of the Debt Service Fund expenditures. The Village should monitor budgetary variance throughout the year at the legal level of control by comparing actual expenditures to appropriations. Approved modifications should be made to help ensure that the Village does not overspend funds.

**FINDING NUMBER 1999-30624-003**

**Noncompliance/Reportable Condition**

Ohio Revised Code, Section 5705.41(D), requires that no subdivision or taxing unit shall make any contract or order any 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 purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. 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 also provides for two exceptions to the above requirements:

1. Then and Now Certificates - 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 Council 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.
2. If the amount involved is less than \$1,000 dollars, the Clerk may authorize payment through a Then and Now Certificate without affirmation of the Village Council, if such expenditure is otherwise valid.

**VILLAGE OF OCTA  
SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

During 1998 one hundred percent of the expenditures tested greater than \$1000 and were not certified by the Clerk/Treasurer and were not encumbered until the time of payment.

Every effort should be made by the Village to properly utilize the encumbrance method of accounting by certifying funds on purchase orders. Failure to properly certify funds resulted in overspending of Village funds.



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

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**VILLAGE OF OCTA**

**FAYETTE 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 5, 2000**