



**VILLAGE OF PANDORA
PUTNAM COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF PANDORA
TABLE OF CONTENTS**

TITLE	PAGE
Report of Independent Accountants	1
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, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type – For the Year Ended December 31, 1999	4
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	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type – For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	15
Schedule of Findings	17

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Pandora
Putnam County
102 South Jefferson Street
PO Box 193
Pandora, Ohio 45877-0193

To the Village Council:

We have audited the accompanying financial statements of the Village of Pandora, Putnam 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 audits.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 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 May 18, 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 the finance committee, 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.

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Jim Petro
Auditor of State

May 18, 2000

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**VILLAGE OF PANDORA
 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, 1999**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$116,666			\$191,035	\$307,701
Special Assessments				484	484
Intergovernmental Receipts	90,241	\$80,840			171,081
Fines, Licenses, and Permits	2,305				2,305
Miscellaneous	32,451	1,597	\$550	11,836	46,434
	<u>241,663</u>	<u>82,437</u>	<u>550</u>	<u>203,355</u>	<u>528,005</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	117,762				117,762
Public Health Services	1,464				1,464
Leisure Time Activities		6,839			6,839
Basic Utility Services	8,829				8,829
Transportation	3,414	37,464			40,878
General Government	54,505			8,252	62,757
Debt Service			68,953		68,953
Capital Outlay		42,998		178,511	221,509
	<u>185,974</u>	<u>87,301</u>	<u>68,953</u>	<u>186,763</u>	<u>528,991</u>
Total Receipts Over/(Under) Disbursements	55,689	(4,864)	(68,403)	16,592	(986)
Other Financing Receipts/Disbursements:					
Transfers-In		7,000			7,000
Transfers-Out	(7,000)				(7,000)
Other Uses				(3,963)	(3,963)
	<u>(7,000)</u>	<u>7,000</u>		<u>(3,963)</u>	<u>(3,963)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	48,689	2,136	(68,403)	12,629	(4,949)
Fund Cash Balances, January 1	123,188	26,733	68,403	183,403	401,727
Fund Cash Balances, December 31	<u>\$171,877</u>	<u>\$28,869</u>		<u>\$196,032</u>	<u>\$396,778</u>

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

**VILLAGE OF PANDORA
 COMBINED STATEMENT OF CASH RECEIPTS, CASH
 DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
 PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$220,959
Miscellaneous	<u>1,095</u>
Total Operating Cash Receipts	<u>222,054</u>
Operating Cash Disbursements:	
Personal Services	84,201
Contractual Services	42,095
Supplies and Materials	20,814
Capital Outlay	<u>97,054</u>
Total Operating Cash Disbursements	<u>244,164</u>
Operating Loss	(22,110)
Non-Operating Cash Disbursements:	
Debt Service	23,435
Other Non-Operating Cash Disbursements	<u>5,744</u>
Total Non-Operating Cash Disbursements	<u>29,179</u>
Net Disbursements Over Receipts	(51,289)
Fund Cash Balances, January 1	<u>264,155</u>
Fund Cash Balances, December 31	<u><u>\$212,866</u></u>

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

**VILLAGE OF PANDORA
 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**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$109,838			\$174,062	\$283,900
Special Assessments				6,129	6,129
Intergovernmental Receipts	93,004	\$34,199	\$24,000		151,203
Fines, Licenses, and Permits	2,382				2,382
Miscellaneous	28,318	575	2,633	19,153	50,679
	<u>233,542</u>	<u>34,774</u>	<u>26,633</u>	<u>199,344</u>	<u>494,293</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	106,323				106,323
Public Health Services	2,238				2,238
Leisure Time Activities		10,332			10,332
Basic Utility Services	3,953				3,953
Transportation	1,387	29,492			30,879
General Government	56,127			8,166	64,293
Debt Service			44,583	300,000	344,583
Capital Outlay				78,975	78,975
	<u>170,028</u>	<u>39,824</u>	<u>44,583</u>	<u>387,141</u>	<u>641,576</u>
Total Receipts Over/(Under) Disbursements	63,514	(5,050)	(17,950)	(187,797)	(147,283)
Other Financing Disbursements:					
Sale of Notes				200,000	200,000
Transfers-In		10,000			10,000
Transfers-Out	(10,000)				(10,000)
Other Uses				(732)	(732)
	<u>(10,000)</u>	<u>10,000</u>	<u></u>	<u>199,268</u>	<u>199,268</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	53,514	4,950	(17,950)	11,471	51,985
Fund Cash Balances, January 1	69,674	21,783	86,353	171,932	349,742
Fund Cash Balances, December 31	<u>\$123,188</u>	<u>\$26,733</u>	<u>\$68,403</u>	<u>\$183,403</u>	<u>\$401,727</u>

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

**VILLAGE OF PANDORA
 COMBINED STATEMENT OF CASH RECEIPTS, CASH
 DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES
 PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$205,570
Miscellaneous	2,358
	<hr/>
Total Operating Cash Receipts	207,928
	<hr/>
Operating Cash Disbursements:	
Personal Services	74,042
Contractual Services	39,123
Supplies and Materials	25,549
Capital Outlay	576
	<hr/>
Total Operating Cash Disbursements	139,290
	<hr/>
Operating Income	68,638
	<hr/>
Non-Operating Cash Disbursements:	
Debt Service	16,993
Other Non-Operating Cash Disbursements	4,845
	<hr/>
Total Non-Operating Cash Disbursements	21,838
	<hr/>
Net Receipts Over Disbursements	46,800
	<hr/>
Fund Cash Balances, January 1	217,355
	<hr/>
Fund Cash Balances, December 31	<u><u>\$264,155</u></u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Pandora, Putnam County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), and police services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued at cost.

D. Fund Accounting

The Village uses fund accounting to segregate cash 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.

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

Park Fund -This fund receives donations and general fund transfers to fund construction of the Park.

Park Grant Fund - This fund received a grant for the construction of the pedestrian bridge.

3. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Sewer Construction Fund - This fund receives proceeds of issue 2 money. The proceeds are being used to update the sewer lines and pay off debt.

4. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

5. Fiduciary Fund (Trust Fund)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Village had the following significant fiduciary fund:

Income Tax Fund - Receives revenue from income taxes levied on residents and businesses of the Village.

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 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.

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

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. The Village did not use the encumbrance method of accounting.

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.

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$450,318	\$513,897
Certificates of deposit	159,326	151,985
Total deposits	\$609,644	\$665,882

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

At December 31, 1999 and 1998, \$5,040 and \$221,553 of deposits were not insured or collateralized, contrary to Chapter 135, Ohio Revised Code.

3. BUDGETARY ACTIVITY

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

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

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$198,371	\$241,663	\$43,292
Special Revenue	49,858	89,437	39,579
Capital Projects		550	550
Enterprise	220,000	222,054	2,054
Fiduciary	200,000	203,355	3,355
Total	<u>\$668,229</u>	<u>\$757,059</u>	<u>\$88,830</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$321,560	\$192,974	\$128,586
Special Revenue	76,591	87,301	(10,710)
Capital Projects	68,404	68,953	(549)
Enterprise	484,154	273,343	210,811
Fiduciary	383,403	190,726	192,677
Total	<u>\$1,334,112</u>	<u>\$813,297</u>	<u>\$520,815</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$192,695	\$233,542	\$40,847
Special Revenue	48,921	44,774	(4,147)
Capital Projects		26,633	26,633
Enterprise	140,000	207,928	67,928
Fiduciary	200,000	399,344	199,344
Total	<u>\$581,616</u>	<u>\$912,221</u>	<u>\$330,605</u>

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

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$261,369	\$180,028	\$81,341
Special Revenue	75,687	39,824	35,863
Capital Projects	86,353	44,583	41,770
Enterprise	351,355	161,128	190,227
Fiduciary	371,932	387,873	(15,941)
Total	\$1,146,696	\$813,436	\$333,260

4. COMPLIANCE

The Clerk did not certify funds as required by Ohio Revised Code § 5705.41(D).

Expenditures exceeded appropriations in several funds contrary to Ohio Revised Code § 5705.41(B).

5. PROPERTY TAX

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

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

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

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

6. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$88,287	6.25%
Ohio Public Works Commission Loan	148,750	0%
Sanitary Sewer Note	137,801	5.50%
Total	\$374,838	

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

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project. The OWDA has approved up to \$157,447 in loans to the Village for this project in 1971. The loans will be repaid in semiannual installments of \$5,663, including interest, over 40 years.

The Ohio Public Works Commission (OPWC) loan relates to a storm and sanitary sewer separation project. The OPWC has approved \$170,000 in loans to the Village for this project. The loans are being repaid in semiannual installments of \$4,250, over 20 years.

The Sanitary Sewer Note was used to finance the Village's portion of the cost related to the storm and sanitary sewer separation. The principal amount of this three year note is \$200,000. The Village will pay this note off in monthly installments of \$6,093, including interests.

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

Year ending December 31:	OWDA Loan	OPWC Loan	Sanitary Sewer Note
2000	\$5,663	\$4,250	\$72,513
2001	11,326	8,500	72,513
2002	11,326	8,500	
2003	11,326	8,500	
2004	11,326	8,500	
Subsequent	73,617	110,500	
Total	<u>\$124,584</u>	<u>\$148,750</u>	<u>\$145,026</u>

7. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

8. RISK MANAGEMENT

The Village is a member of the Ohio Public Risk Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- Property, building and contents and inland marine
- Legal liability

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

- Vehicle liability
- Wrongful acts coverage
- Law enforcement operations

The Village also provides health insurance coverage to full-time employees through a private carrier.

9. RELATED PARTY TRANSACTIONS

A Village Council Member is owner of a company from which the Village acquired paint and supplies during 1998 and 1999. The Village paid \$1,816 for this acquisition. In addition, the Village contracted with a Council Member's father for a roof replacement for \$13,342 and a Council Member's father-in-law for excavating services for \$14,351.

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

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

Village of Pandora
Putnam County
102 South Jefferson Street
PO Box 193
Pandora, Ohio 45877-0193

To the Village Council:

We have audited the accompanying financial statements of the Village of Pandora, Putnam County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 18, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed several instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 1999-30269-001, 1999-30269-002, and 1999-30269-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 18, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, 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. 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 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 May 18, 2000.

This report is intended for the information and use of the finance committee, management, and 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

May 18, 2000

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 1999-30269-001

Noncompliance Citation

Ohio Revised Code § 135.18 states the treasurer of a political subdivision must require the depository to provide as security an amount equal to the funds on deposit at all times. Such security may consist of federal deposit insurance, surety company bonds, or pledged securities.

The Village's deposits exceeded depository insurance and pledged collateral throughout the audit period including deposits of \$221,553 at December 31, 1998 and \$5,040 at December 31, 1999 that were uninsured and uncollateralized.

It is recommended that the Clerk monitor deposits and collateral and request additional collateral when necessary.

FINDING NUMBER 1999-30269-002

Noncompliance Citation

Ohio Revised Code § 5705.41(D) states that no subdivision or taxing unit 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. Further, contracts and orders for expenditures lacking prior certification should be considered null and void.

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 purchase order or contract and at the time of the certificate, appropriated and free of any previous encumbrance, the Council may authorize the issuance of a check 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 \$1,000, the fiscal officer may authorize it to be paid without the affirmation of the Council, if such expenditure is otherwise valid.

None of the transactions tested had received prior certification and were not certified using a then-and-now certificate. Certification is not only required by Ohio law but is a key control in the disbursement process to assure that purchase commitments receive prior approval, and to help reduce the possibility of Village funds being over expended or exceeding budgetary spending limitations as set by the Council.

To improve controls over disbursements it is recommended that all Village disbursements, receive prior certification of the Clerk and that the Council periodically review the expenditures made to ensure they are within appropriations adopted by the Council certified by the Clerk and recorded against appropriations.

FINDING NUMBER 1999-30269-003

Noncompliance Citation

Ohio Revised Code § 5705.41(B) states that no subdivision shall make any expenditure of money unless it has been lawfully appropriated as provided in such chapter.

Expenditures exceeded appropriations in the following funds by the following amounts:

<u>Fund</u>	<u>Excess of Expenditures Over Appropriations</u>
As of December 31, 1999:	
Park Grant Fund	\$42,998
State Highway Improvement Fund	796
Sewer Construction Fund	549
As of December 31, 1998:	
Income Tax Fund	\$15,941

In addition, expenditures exceeded appropriations throughout the year and at year end at the object codes, which is the Village's legal level of control.

It is recommended that the Village monitor appropriations to ensure they are sufficient to support planned expenditures and make any adjustments necessary to ensure expenditures do not exceed appropriations.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

VILLAGE OF PANDORA

PUTNAM 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
JUNE 15, 2000