



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Sherrodsville
Carroll County
P.O. Box 31
15 Sherrod Avenue
Sherrodsville, Ohio 44675

To the Village Council:

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

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.

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 accompanying financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Sherrodsville as of December 31, 1999 and December 31, 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 February 11, 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, Village Council, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

February 11, 2000

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

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$5,190			\$5,190
Intergovernmental Receipts	49,822	9,759		59,581
Earnings on Investments	696	123		819
Donations	10			10
Miscellaneous	4,953			4,953
Total Cash Receipts	60,671	9,882		70,553
Cash Disbursements:				
Current:				
Security of Persons and Property	15,219			15,219
Basic Utility Services	438	332		770
Transportation		4,798		4,798
General Government	10,557			10,557
Debt Service	8,021		1,056	9,077
Total Cash Disbursements	34,235	5,130	1,056	40,421
Total Receipts Over/(Under) Disbursements	26,436	4,752	(1,056)	30,132
Other Financing Sources/(Uses):				
Transfers-In	4,948		4,539	9,487
Transfers-Out	(4,539)		(3,483)	(8,022)
Other Financing Uses	(24,579)			(24,579)
Total Other Financing Sources/(Uses)	(24,170)		1,056	(23,114)
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	2,266	4,752		7,018
Fund Cash Balances, January 1	5,388	13,023		18,411
Fund Cash Balances, December 31	\$7,654	\$17,775		\$25,429

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

**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 Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$29,095	\$15,604	\$44,699
Donations	1,430		1,430
Total Operating Cash Receipts	30,525	15,604	46,129
Operating Cash Disbursements:			
Miscellaneous	1,959		1,959
Contractual Services	5,497		5,497
Supplies and Materials	4,036		4,036
Total Operating Cash Disbursements	11,492		11,492
Operating Income/(Loss)	19,033	15,604	34,637
Non-Operating Cash Receipts:			
Intergovernmental Receipts	1,035		1,035
Total Non-Operating Cash Receipts	1,035		1,035
Non-Operating Cash Disbursements:			
Debt Payments	8,520		8,520
Total Non-Operating Cash Disbursements	8,520		8,520
Excess of Receipts Over Disbursements Before Interfund Transfers and Advances	11,548	15,604	27,152
Transfers-Out		(1,465)	(1,465)
Net Receipts Over Disbursements	11,548	14,139	25,687
Fund Cash Balances, January 1	12,518	2,171	14,689
Fund Cash Balances, December 31	<u>\$24,066</u>	<u>\$16,310</u>	<u>\$40,376</u>

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

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

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$18,864		\$18,864
Intergovernmental Receipts	33,265	11,134	44,399
Interest	415	73	488
Donations	283		283
Miscellaneous	430		430
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	53,257	11,207	64,464
Cash Disbursements:			
Current:			
Security of Persons and Property	10,882		10,882
Public Health Services			
Basic Utility Services	3,205	317	3,522
Transportation		4,795	4,795
General Government	9,643		9,643
Debt Service	12,684		12,684
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	36,414	5,112	41,526
Total Receipts Over Disbursements	16,843	6,095	22,938
Other Financing Sources (Uses):			
Transfers-In	7,000		7,000
Other Financing Uses	(28,842)		(28,842)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources(Uses)	(21,842)		(21,842)
Excess of Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	(4,999)	6,095	1,096
Fund Cash Balances, January 1	10,387	6,928	17,315
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$5,388</u>	<u>\$13,023</u>	<u>\$18,411</u>

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

**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, 1998**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$21,822		\$21,822
Miscellaneous	25		25
	<hr/>		<hr/>
Total Operating Cash Receipts	21,847		21,847
Operating Cash Disbursements:			
Miscellaneous	2,496		2,496
Contractual Services	4,444		4,444
Supplies and Materials	9,977		9,977
Capital Outlay	89,000		89,000
	<hr/>		<hr/>
Total Operating Cash Disbursements	105,917		105,917
Operating Income/(Loss)	(84,070)		(84,070)
Non-Operating Cash Receipts:			
Mayor's Court Receipts		115	115
Intergovernmental Receipts	2,500		2,500
Donations	2,721		2,721
	<hr/>		<hr/>
Total Non-Operating Cash Receipts	5,221	115	5,336
Non-Operating Cash Disbursements:			
Debt Service	4,243		4,243
	<hr/>		<hr/>
Total Non-Operating Cash Disbursements	4,243		4,243
Excess of Receipts Over/(Under) Disbursements Before Transfers and Other Financing Uses	(83,092)	115	(82,977)
Note Proceeds	64,693		64,693
Transfers-Out		(7,000)	(7,000)
	<hr/>	<hr/>	<hr/>
Net Receipts (Under) Disbursements	(18,399)	(6,885)	(25,284)
Fund Cash Balances, January 1	30,917	9,056	39,973
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$12,518	\$2,171	\$14,689

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Sherrodsville, Carroll 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, street maintenance, emergency medical services, and police protection. The Village contracts with Sherrodsville 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

The Village has an interest bearing checking account. Interest earned is recognized and recorded when received. Investment procedures are restricted by the provisions of the Ohio Revised Code. No other investments were held by the Village.

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 fund:

Street Construction, Maintenance and Repair Fund - This fund receives intergovernmental receipts for the improvement and maintenance of the Village streets.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service fund:

Debt Service Fund - This fund is used to account for monies received from other funds for the payment of debt principal and interest.

4. Enterprise Fund

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 fund:

Emergency Medical Services (EMS) Fund - This fund receives charges for services for emergency medical services.

5. Fiduciary Funds (Trust and Agency Funds)

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

Mayor's Court Fund - This fund receives fines and costs from the Village's Mayor's court which are disbursed to the State of Ohio or to the Village's general fund.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, 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. 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 required by Ohio law.

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.

2. EQUITY IN POOLED CASH

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

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$65,805</u>	<u>\$33,100</u>

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

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 61,025	\$ 65,619	\$ 4,594
Special Revenue	4,662	9,882	5,220
Debt Service	8,977	4,539	(4,438)
Enterprise	45,500	31,560	(13,940)
Total	\$ 120,164	\$ 111,600	\$ (8,564)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 70,550	\$ 63,353	\$ 7,197
Special Revenue	1,950	5,130	(3,180)
Debt Service	0	4,539	(4,539)
Enterprise	13,920	20,012	(6,092)
Total	\$ 86,420	\$ 93,034	\$ (6,614)

**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	\$ 56,098	\$ 60,257	\$ 4,159
Special Revenue	6,627	11,207	4,580
Enterprise	25,000	91,761	66,761
Total	\$ 87,725	\$ 163,225	\$ 75,500

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 81,800	\$ 65,256	\$ 16,544
Special Revenue	9,500	5,112	4,388
Enterprise	56,000	110,160	(54,160)
Total	\$ 147,300	\$ 180,528	\$ (33,228)

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.

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.

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Truck Lease	\$31,879	5.97%
Bank Loan	46,043	5.50%
Total	\$77,922	

The truck lease was used to purchase a village truck. The lease agreement debt will mature on October 21, 2003.

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

5. DEBT (Continued)

The bank loan was used to purchase an ambulance for emergency medical services. The original loan amount was \$64,693 dated July 10, 1998 and will mature on July 10, 2005.

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

Year ending December 31:	Truck Lease	Bank Loan
2000	\$ 9,077	\$ 8,532
2001	9,077	8,532
2002	9,077	8,532
2003	9,077	8,532
2004	0	8,532
Subsequent	<u>0</u>	<u>12,087</u>
Total	<u>\$36,308</u>	<u>\$54,747</u>

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 1999, 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.

7. RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self 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:

- Comprehensive liability
- Public officials liability
- Vehicle
- Building and contents

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

Village of Sherrodsville
Carroll County
P.O. Box 31
15 Sherrod Avenue
Sherrodsville, Ohio 44675

To the Village Council:

We have audited the accompanying financial statements of the Village of Sherrodsville, Carroll County, Ohio, (the Village), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated February 11, 2000. 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 finding as items 1999-31210-001 and 1999-31210-002. We also noted certain immaterial instances of noncompliance, which we have reported to management of the Village in a separate letter dated February 11, 2000.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect 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 1999-31210-003, 1999-31210-004 and 1999-31210-005.

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, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that, we have reported to management of the Village in a separate letter dated February 11, 2000.

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.

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

Jim Petro
Auditor of State

February 11, 2000

**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	1999-31210-001
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Ohio Revised Code § 5705.41 (D) provides 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 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 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, if such expenditure is otherwise valid.

- B. If the amount involved is less than one thousand dollars the fiscal officer may authorize it to be paid without the affirmation of the Council.

During 1999, 22% of the liabilities, contracts, or open purchase commitments tested were not certified by the clerk/treasurer and were not encumbered until the time of payment. These commitments were not subsequently approved by the Council within the aforementioned 30 day time period. During 1998, 74% of the liabilities, contracts, or open purchase commitments tested were not certified by the clerk/treasurer and were not encumbered until the time of payment. These commitments were not subsequently approved by the Council within the aforementioned 30 day time period.

Each disbursement should be certified prior to making the order or contract to expend Village money.

Finding Number	1999-31210-002
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Ohio Revised Code § 5705.41 (B) prohibits a subdivision from making an expenditure unless it has been properly appropriated.

In 1999, the Street Construction, Maintenance and Repair Fund (63%), Debt Service Fund (100%), and the E-Van Fund (44%) had expenditures which exceeded appropriations. In 1998, the E-Van Fund had 97% expenditures which exceeded appropriations.

The Village should monitor disbursements throughout the year so that they are all within total fund appropriations.

Finding Number	1999-31210-003
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Estimated Receipts

During 1999, the estimated receipts exceeded actual receipts in the Debt Service Fund by 50% and the E-Van Fund by 31%. During 1998, the estimated receipts exceeded actual receipts in the State Highway Fund by 12%.

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

Since appropriations are based on these estimated receipts, this increases the possibility that funds will be overappropriated or overspent.

The Clerk/Treasurer should periodically compare estimated receipts with actual receipts. If actual receipts are significantly less than original estimates, the Clerk/Treasurer should request an amendment to the certificate of estimated revenue and monitor the expenditures closely to ensure budgetary compliance. This will add a measure of control to the budgetary process by guarding against overappropriating and/or overspending.

Finding Number	1999-31210-004
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Income Tax Receipts

The Village did not obtain copies of each individual's W-2 form(s) to verify taxable wages as reported on the income tax forms. Also the village has no system in place to ensure that all eligible individuals or businesses within the village are paying their income tax to the Village. The lack of supporting documentation could result in a loss or overpayment of income tax receipts to the Village.

The Village should uphold the requirement, stated on the individual returns, that a copy of the W-2 be filed with the return. The Village should document that the income tax forms were recalculated and verified to W-2 and other supporting documentation. The Village should establish a system to help ensure that all eligible taxpayers are filing returns. This will help to verify that all income tax receipts that should be collected are collected by the Village.

Finding Number	1999-31210-005
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Emergency Medical Service (EMS) Receipts

The Village did not always maintain documentation to support the EMS receipts. Also the Village records were not reconciled to the billing company records. The lack of supporting documentation could result in errors being made which could go undetected. Failure to reconcile amounts received from customers or insurance companies to the billing company records could result in improper billing statements.

The Village should maintain copies of insurance statements received with the payments prior to sending them to the billing company. The Village Clerk/Treasurer should also reconcile receipts to the billing company records on a monthly basis to help ensure accurate billing.

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 1999 AND 1998**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
1997-31210-001	OAC Rule 117-5-05 Proper classification of disbursements.	No	Not corrected.
1997-31210-002	OAC Rule 117-5-07 Proper classification of receipts.	No	Not corrected.
1997-31210-003	OAC Rule 117-5-09 Maintain an accurate cash journal.	Yes	
1997-31210-004	OAC Rule 117-5-10 Post estimated receipts in receipt ledger.	Yes	
1997-31210-005	OAC Rule 117-5-11 Maintain an accurate appropriation ledger.	Yes	
1997-31210-006	Annual Financial Report should be accurate and complete.	Yes	



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF SHERRODSVILLE

CARROLL 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
MAY 16, 2000**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF SHERRODSVILLE

CARROLL COUNTY

CLERK'S CERTIFICATION

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