



**VILLAGE OF WESTON
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**VILLAGE OF WESTON
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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 Weston
Wood County
13234 Main Street
P.O. Box 354
Weston, Ohio 43569-0354

To the Village Council:

We have audited the accompanying financial statements of the Village of Weston, Wood 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.

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 and reserves for encumbrances 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 September 7, 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 audit committee, management, 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

September 7, 2000

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**VILLAGE OF WESTON
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	
	General	Special Revenue
Cash Receipts:		
Property Tax and Other Local Taxes	\$261,207	\$10,532
Special Assessments		11,192
Intergovernmental Receipts	42,306	63,848
Charges for Services	15,000	67,682
Fines, Licenses, and Permits	2,589	
Earnings on Investments	28,107	
Miscellaneous	21,771	
	370,980	153,254
Cash Disbursements:		
Current:		
Security of Persons and Property	84,928	
Public Health Services	532	54,322
Leisure Time Activities	7,511	
Community Environment	236	
Basic Utility Services	2,615	9,671
Transportation		65,411
General Government	88,489	278
Debt Service:		
Principal Payments		
Interest Payments		
Capital Outlay	32,144	
	216,455	129,682
Total Receipts Over/(Under) Disbursements	154,525	23,572
Other Financing Receipts/(Disbursements):		
Sale of Bonds or Notes		
Transfers-In		
Advances-In	22,893	
Transfers-Out	(61,746)	
Advances-Out		(22,893)
	(38,853)	(22,893)
Total Other Financing Receipts/(Disbursements)	(38,853)	(22,893)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	115,672	679
Fund Cash Balances, January 1	318,516	89,387
Fund Cash Balances, December 31	\$434,188	\$90,066
Reserves for Encumbrances, December 31	\$5,466	

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

<u>Governmental Fund Types</u>		
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
		\$271,739
		11,192
		106,154
		82,682
		2,589
		28,107
		21,771
		<u>524,234</u>
		84,928
		54,854
		7,511
		236
		12,286
		65,411
		88,767
\$400,000		400,000
11,746		11,746
		<u>32,144</u>
411,746		<u>757,883</u>
(411,746)		<u>(233,649)</u>
350,000		350,000
61,746		61,746
		22,893
		(61,746)
		<u>(22,893)</u>
411,746		<u>350,000</u>
		116,351
		<u>407,903</u>
		<u>\$524,254</u>
		<u>\$5,466</u>

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**VILLAGE OF WESTON
 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 Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Receipts:			
Charges for Services	\$433,118		\$433,118
Earnings on Investments		\$1,200	1,200
Miscellaneous	222		222
	<u>433,340</u>	<u>1,200</u>	<u>434,540</u>
Operating Cash Disbursements:			
Personal Services	124,211		124,211
Contractual Services	168,110		168,110
Supplies and Materials	28,537	491	29,028
Capital Outlay	25,650	3,585	29,235
	<u>346,508</u>	<u>4,076</u>	<u>350,584</u>
Operating Income/(Loss)	<u>86,832</u>	<u>(2,876)</u>	<u>83,956</u>
Non-Operating Cash Disbursements:			
Debt Service	<u>131,217</u>		<u>131,217</u>
Net Disbursements Over Receipts	(44,385)	(2,876)	(47,261)
Fund Cash Balances, January 1	<u>100,098</u>	<u>34,869</u>	<u>134,967</u>
Fund Cash Balances, December 31	<u>\$55,713</u>	<u>\$31,993</u>	<u>\$87,706</u>
Reserve for Encumbrances, December 31	<u> </u>	<u> </u>	<u> </u>

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

**VILLAGE OF WESTON
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>	
	<u>General</u>	<u>Special Revenue</u>
Cash Receipts:		
Property Tax and Other Local Taxes	\$209,948	\$10,028
Special Assessments		11,109
Intergovernmental Receipts	76,749	59,004
Charges for Services	13,500	61,115
Fines, Licenses, and Permits	3,441	
Earnings on Investments	27,436	
Miscellaneous	20,653	
Total Cash Receipts	<u>351,727</u>	<u>141,256</u>
Cash Disbursements:		
Current:		
Security of Persons and Property	80,431	
Public Health Services	548	52,545
Leisure Time Activities	10,539	
Community Environment	273	
Basic Utility Services	2,685	9,491
Transportation		52,575
General Government	85,115	276
Capital Outlay	29,156	97,893
Total Cash Disbursements	<u>208,747</u>	<u>212,780</u>
Total Receipts Over/(Under) Disbursements	<u>142,980</u>	<u>(71,524)</u>
Other Financing Receipts/(Disbursements):		
Sale of Bonds or Notes		
Transfers-In		
Advances-In		22,893
Transfers-Out	(37,661)	
Advances-Out	(22,893)	
Total Other Financing Receipts/(Disbursements)	<u>(60,554)</u>	<u>22,893</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	82,426	(48,631)
Fund Cash Balances, January 1	<u>236,090</u>	<u>138,018</u>
Fund Cash Balances, December 31	<u>\$318,516</u>	<u>\$89,387</u>
Reserves for Encumbrances, December 31	<u>\$11,149</u>	

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

<u>Governmental Fund Types</u>		<u>Totals</u>
<u>Debt</u>	<u>Capital</u>	<u>(Memorandum</u>
<u>Service</u>	<u>Projects</u>	<u>Only)</u>
		\$219,976
		11,109
		135,753
		74,615
		3,441
		27,436
		20,653
		492,983
		80,431
		53,093
		10,539
		273
		12,176
		52,575
		85,391
	\$407,661	534,710
	407,661	829,188
	(407,661)	(336,205)
	400,000	400,000
	7,661	7,661
		22,893
		(37,661)
		(22,893)
	407,661	370,000
		33,795
		374,108
		\$407,903
		\$11,149

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**VILLAGE OF WESTON
 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 Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Receipts:			
Charges for Services	\$436,863		\$436,863
Earnings on Investments		\$1,512	1,512
Miscellaneous	341		341
	<hr/>		<hr/>
Total Operating Cash Receipts	437,204	1,512	438,716
	<hr/>		<hr/>
Operating Cash Disbursements:			
Personal Services	115,068		115,068
Contractual Services	139,606		139,606
Supplies and Materials	30,939	621	31,560
Capital Outlay	16,755		16,755
	<hr/>		<hr/>
Total Operating Cash Disbursements	302,368	621	302,989
	<hr/>		<hr/>
Operating Income	134,836	891	135,727
	<hr/>		<hr/>
Non-Operating Cash Disbursements:			
Debt Service	131,217		131,217
	<hr/>		<hr/>
Total Non-Operating Cash Disbursements	131,217		131,217
	<hr/>		<hr/>
Excess of Receipts Over Disbursements Before Interfund Transfers	3,619	891	4,510
	<hr/>		<hr/>
Transfers-In	30,000		30,000
	<hr/>		<hr/>
Net Receipts Over Disbursements	33,619	891	34,510
	<hr/>		<hr/>
Fund Cash Balances, January 1	66,479	33,978	100,457
	<hr/>		<hr/>
Fund Cash Balances, December 31	\$100,098	\$34,869	\$134,967
	<hr/> <hr/>		<hr/> <hr/>
Reserve for Encumbrances, December 31			

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Weston, Wood 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 fire services. The Village contracts with the Wood 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 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 WESTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

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

EMS Fund - This fund receives charges for services revenue to fund emergency management services.

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village utilizes this fund to account for the payment of the bond anticipation notes.

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 capital project fund:

Center Street Project Fund - This fund received proceeds of bond anticipation notes. The proceeds were used to resurface Center Street.

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 services from residents to cover the cost of providing this utility.

6. 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 funds:

Cemetery Trust Fund - This fund is classified as a nonexpendable trust fund. Interest from the trust is used for the maintenance of the cemetery.

E. Budgetary Process

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

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function level of control for the general fund and the fund level for all other funds, 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.

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. During the fiscal years ending December 31, 1999 and 1998, the Village did not consistently utilize 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 AND INVESTMENTS

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 and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$61,477	\$18,549
Certificates of deposit	<u>550,483</u>	<u>524,321</u>
Total deposits	<u><u>\$611,960</u></u>	<u><u>\$542,870</u></u>

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

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

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$242,634	\$370,980	\$128,346
Special Revenue	119,389	153,254	33,865
Debt Service	411,746	411,746	
Capital Projects			
Enterprise	429,000	433,340	4,340
Fiduciary	1,000	1,200	200
Total	\$1,203,769	\$1,370,520	\$166,751

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$339,332	\$283,667	\$55,665
Special Revenue	180,500	129,682	50,818
Debt Service	61,746	411,746	(350,000)
Capital Projects			
Enterprise	511,200	477,725	33,475
Fiduciary	9,000	4,076	4,924
Total	\$1,101,778	\$1,306,896	(\$205,118)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$219,729	\$351,727	\$131,998
Special Revenue	125,558	141,256	15,698
Debt Service			
Capital Projects	407,661	407,661	
Enterprise	434,600	467,204	32,604
Fiduciary		1,512	1,512
Total	\$1,187,548	\$1,369,360	\$181,812

VILLAGE OF WESTON
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	\$324,511	\$257,557	\$66,954
Special Revenue	232,053	212,780	19,273
Debt Service			
Capital Projects	407,661	407,661	
Enterprise	488,000	433,585	54,415
Fiduciary	5,000	621	4,379
Total	\$1,457,225	\$1,312,204	\$145,021

The Village's expenditures exceeded appropriations in the Debt Service fund for the period ending December 31, 1999.

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
Ohio Water Development Authority Loan 1	\$757,735	2%
Ohio Water Development Authority Loan 2	408,651	12%
Ohio Water Development Authority Loan 3	1,250	0%
Bond Anticipation Note	350,000	4%
Total	\$1,517,636	

The Ohio Water Development Authority (OWDA) loans relate to (1) the construction of a water main, booster pumping station, metering facilities, (2) a wastewater treatment plant improvement, and (3) the construction of a water supply system. The OWDA has approved up to \$1,595,010 in loans to the Village for this project. The loans (1) and (2) will be repaid in semiannual installments of

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

\$24,165 and \$41,132, respectively, including interest, over 25 years. Loan (3) will be repaid in annual installments of \$625 over 6 years.

The Bond Anticipation Note (BAN) was used to finance the repaving of Center Street. The BAN was originally issued in 1998 for \$400,000 and was repaid in 1999 and rolled over at \$350,000. The note will be repaid with general operating revenue.

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

Year ending December 31:	OWDA Loans	Bond Anticipation Note
2000	\$131,217	\$364,233
2001	131,217	
2002	130,592	
2003	130,592	
2004	130,592	
Subsequent	923,397	
Total	\$1,577,607	\$364,233

6. RETIREMENT SYSTEMS

All Village employees, except the Assistant Fire Chief, belong to the Public Employees Retirement System (PERS) of Ohio. PERS are cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. The Assistant Fire Chief elected to enroll in Social Security.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. For 1999 and 1998, both members and the employer contribute 6.45% of gross salaries to Social Security. 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:

- General liability and casualty
- Public official's liability
- Vehicle

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



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 Weston
Wood County
13234 Main Street
P.O. Box 354
Weston, Ohio 43569-0354

To the Village Council:

We have audited the accompanying financial statements of the Village of Weston, Wood County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated September 7, 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 three instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 1999-30187-001, 1999-30187-002, and 1999-30187-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated September 7, 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. 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 September 7, 2000.

This report is intended for the information and use of the audit 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". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

September 7, 2000

**VILLAGE OF WESTON
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 1999-30187-001

Noncompliance Citation

Ohio Revised Code § 5705.41 (D) states that no subdivision shall make any contract or order any expenditure of money unless there is a certificate of the fiscal officer 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 the appropriate fund and is free from any previous encumbrances. Further, the 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 at the time of the certificate, appropriated and free of any previous encumbrance, the Village 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 Village Council, if such expenditure is otherwise valid.

Seventy-eight percent of the transactions tested did not have prior certification by the Clerk/Treasurer.

We recommend the Village include a certificate of the fiscal officer when any expenditure is made.

FINDING NUMBER 1999-30187-002

Noncompliance Citation

Ohio Administrative Code § 117-5-11 (C) requires encumbrances charged against an appropriation account to be posted to the appropriations ledger and subtracted from the appropriated balance producing a declining unencumbered balance. This procedure is to be initiated by an executed purchase order. Ohio Administrative Code § 117-5-13 requires purchase orders to be used for purchases.

For sixty-two percent of the transactions tested, purchase orders were not used and encumbrances were not posted to the appropriations ledger. Of the transactions that had a purchase order, only 7 had the purchase order numbered. Failure to use purchase orders and post encumbrances could allow the Village to spend funds in excess of appropriations.

We recommend the Village consistently utilize the encumbrance method of accounting for all of its purchase commitments. In addition, we recommend that the purchase orders be numbered.

FINDING NUMBER 1999-30187-003

Noncompliance Citation

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

Expenditures exceeded appropriations in the Debt Service by \$350,000 for fiscal year 1999. This was a result of an audit adjustment required to account for note proceeds and the subsequent expenditure of the proceeds in fiscal year 1999. The Village did not appropriate (budget) for this activity.

We recommend the Village appropriate (budget) and post to the ledgers all debt activity.



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 WESTON

WOOD 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 10, 2000**