



**VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of New Holland  
Pickaway County  
10 East Front Street,  
New Holland, Ohio 43145

To the Village Council:

We have audited the accompanying financial statements of the Village of New Holland, Pickaway County, Ohio, (the Village) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of New Holland, Pickaway County, Ohio as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

March 23, 2001

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**VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY**

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

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$16,409	\$37,353	\$53,762
Intergovernmental Receipts	40,373	25,644	66,017
Charges for Services	10,290	313	10,603
Fines, Licenses, and Permits	7,567	2,011	9,578
Earnings on Investments	4,075	1,098	5,173
Miscellaneous	3,248	487	3,735
	<u>81,962</u>	<u>66,906</u>	<u>148,868</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	45,992	17,159	63,151
Public Health Services	1,470	13,963	15,433
Leisure Time Activities	0	8,070	8,070
Community Environment	135	0	135
Basic Utility Services	2,468	0	2,468
Transportation	9,346	38,904	48,250
General Government	38,202	149	38,351
Debt Service:			
Principal Payments	0	4,470	4,470
	<u>97,613</u>	<u>82,715</u>	<u>180,328</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>(15,651)</u>	<u>(15,809)</u>	<u>(31,460)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	4,470	4,470
Transfers-Out	<u>(4,470)</u>	<u>0</u>	<u>(4,470)</u>
Total Other Financing Receipts/(Disbursements)	<u>(4,470)</u>	<u>4,470</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(20,121)	(11,339)	(31,460)
Fund Cash Balances, January 1	<u>28,806</u>	<u>46,687</u>	<u>75,493</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$8,685</b></u>	<u><b>\$35,348</b></u>	<u><b>\$44,033</b></u>

**VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY**

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

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$178,172	\$0	\$178,172
Miscellaneous	431	0	431
	<u>178,603</u>	<u>0</u>	<u>178,603</u>
Total Operating Cash Receipts	178,603	0	178,603
<b>Operating Cash Disbursements:</b>			
Personal Services	50,879	0	50,879
Fringe Benefits	8,808	0	8,808
Contractual Services	28,645	0	28,645
Supplies and Materials	23,777	0	23,777
Capital Outlay	917	0	917
Miscellaneous	1,050	0	1,050
	<u>114,076</u>	<u>0</u>	<u>114,076</u>
Total Operating Cash Disbursements	114,076	0	114,076
Operating Income/(Loss)	<u>64,527</u>	<u>0</u>	<u>64,527</u>
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Receipts	0	12,375	12,375
	<u>0</u>	<u>12,375</u>	<u>12,375</u>
Total Non-Operating Cash Receipts	0	12,375	12,375
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	(51,850)	0	(51,850)
Other Non-Operating Cash Disbursements	0	(11,527)	(11,527)
	<u>(51,850)</u>	<u>(11,527)</u>	<u>(63,377)</u>
Total Non-Operating Cash Disbursements	(51,850)	(11,527)	(63,377)
Net Receipts Over/(Under) Disbursements	12,677	848	13,525
Fund Cash Balances, January 1	<u>91,373</u>	<u>1,761</u>	<u>93,134</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$104,050</u></b>	<b><u>\$2,609</u></b>	<b><u>\$106,659</u></b>

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



**VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY**

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

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$15,227	\$39,544	\$54,771
Intergovernmental Receipts	46,212	27,903	74,115
Charges for Services	7,774	225	7,999
Fines, Licenses, and Permits	11,955	2,063	14,018
Miscellaneous	6,112	0	6,112
	<u>87,280</u>	<u>69,735</u>	<u>157,015</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	46,686	6,665	53,351
Public Health Services	1,554	14,301	15,855
Leisure Time Activities	0	4,797	4,797
Community Environment	255	0	255
Transportation	1,510	21,547	23,057
General Government	29,875	0	29,875
Debt Service:			
Principal Payments	0	4,470	4,470
Capital Outlay	0	21,106	21,106
	<u>79,880</u>	<u>72,886</u>	<u>152,766</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>7,400</u>	<u>(3,151)</u>	<u>4,249</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	4,470	4,470
Transfers-Out	(4,470)	0	(4,470)
	<u>(4,470)</u>	<u>4,470</u>	<u>0</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	2,930	1,319	4,249
Fund Cash Balances, January 1	<u>25,876</u>	<u>45,368</u>	<u>71,244</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$28,806</b></u>	<u><b>\$46,687</b></u>	<u><b>\$75,493</b></u>

**VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE AND FIDUCIARY FUND TYPE  
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>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$179,561	\$0	\$179,561
Miscellaneous	3,091	0	3,091
	<u>182,652</u>	<u>0</u>	<u>182,652</u>
Total Operating Cash Receipts			
<b>Operating Cash Disbursements:</b>			
Personal Services	62,416	0	62,416
Contractual Services	34,198	0	34,198
Supplies and Materials	23,275	0	23,275
Capital Outlay	3,096	0	3,096
	<u>122,985</u>	<u>0</u>	<u>122,985</u>
Total Operating Cash Disbursements			
Operating Income/(Loss)	<u>59,667</u>	<u>0</u>	<u>59,667</u>
<b>Non-Operating Cash Receipts:</b>			
Other Non-Operating Receipts	<u>0</u>	<u>17,622</u>	<u>17,622</u>
Total Non-Operating Cash Receipts	<u>0</u>	<u>17,622</u>	<u>17,622</u>
<b>Non-Operating Cash Disbursements:</b>			
Debt Service	(51,378)	0	(51,378)
Other Non-Operating Cash Disbursements	(1,005)	(17,614)	(18,619)
	<u>(52,383)</u>	<u>(17,614)</u>	<u>(69,997)</u>
Total Non-Operating Cash Disbursements			
Net Receipts Over/(Under) Disbursements	7,284	8	7,292
Fund Cash Balances, January 1	<u>84,089</u>	<u>1,753</u>	<u>85,842</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$91,373</u></b>	<b><u>\$1,761</u></b>	<b><u>\$93,134</u></b>

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

**VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of New Holland, Pickaway 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 water and sewer utilities and police and fire protection operations.

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:

**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.

**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 NEW HOLLAND  
PICKAWAY COUNTY**

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

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

**D. Fund Accounting (Continued)**

**Special Revenue Fund (Continued)**

Cemetery Fund - This fund receives levy monies for the maintenance and upkeep of the cemetery.

**Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that 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.

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

Water Debt Fund - This fund is used to repay water system construction loans. Loans will be repaid from the utility charges accounted for in this fund.

Sewer Debt Fund - This fund is used to repay sewer system construction loans. Loans will be repaid from the utility charges accounted for in this fund.

**Fiduciary Fund ( Agency Fund)**

These funds are used to account for resources restricted by legally binding trust agreements and funds for which the Township is acting in an agency capacity. The Township had the following significant fiduciary funds:

Mayor Court Agency Fund - This fund is used to account for the resources provided from fines assessed in the Mayors Court.

**E. Budgetary Process**

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

**Appropriations**

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

**VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY**

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

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

**E. Budgetary Process (Continued)**

**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.

**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.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. They also can request payment to the limit set by Village Ordinance concerning sick leave upon retirement. 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>2000</u>	<u>1999</u>
Demand deposits	\$91,761	\$111,127
Certificates of deposit	<u>58,931</u>	<u>57,500</u>
Total deposits	<u>\$150,692</u>	<u>\$168,627</u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the Village

**VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY**

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

**3. BUDGETARY ACTIVITY**

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

**2000 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 120,071	\$ 81,962	\$ (38,109)
Special Revenue	112,949	71,376	(41,573)
Enterprise	328,029	178,603	(149,426)
Total	<u>\$ 561,049</u>	<u>\$ 331,941</u>	<u>\$ (229,108)</u>

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 120,071	\$ 108,690	\$ 11,381
Special Revenue	125,856	83,310	42,546
Enterprise	286,857	165,926	120,931
Total	<u>\$ 532,784</u>	<u>\$ 357,926</u>	<u>\$ 174,858</u>

**1999 Budgeted vs. Actual Receipts**

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 103,330	\$ 87,280	\$ (16,050)
Special Revenue	72,110	74,205	2,095
Enterprise	242,900	182,652	(60,248)
Total	<u>\$ 418,340</u>	<u>\$ 344,137</u>	<u>\$ (74,203)</u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 117,092	\$ 84,350	\$ 32,742
Special Revenue	111,514	72,886	38,628
Enterprise	280,708	175,368	105,340
Total	<u>\$ 509,314</u>	<u>\$ 332,604</u>	<u>\$ 176,710</u>

The Village did not certify available appropriations at the time of the purchase commitment. This is not in compliance with Ohio Rev. Code Section 5705.41(D).

**VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY**

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

**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, 2000 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Farmer's Home Administration (Revenue Bonds) - Water	\$316,400	5.25%
Farmer's Home Administration (Revenue Bonds) - Sewer	377,000	5.00%
Emergency One, Inc.	<u>18,631</u>	6.39%
Total	<u>\$712,031</u>	

The Farmer's Home Administration Revenue Bonds were initiated for the construction of the water and waste water treatment plants in 1982 and 1994 respectively. These revenue bonds are direct obligations of the Village for which its full faith, credit and resources are pledged and are payable from user charges. The loan for the Fire Truck represents the Village's portion of the debt for the purchase of a new fire truck by the Joint Fire Board. The other Joint Fire Board members (Perry Township - Pickaway County and Marion Township - Fayette County) are responsible for the balance of the debt. All members present their share of the payment to the Village prior to the due date and these payments are forwarded to Emergency One, Inc. This debt is the obligation of the New Holland Joint Fire District and it's members (See Note 9).

**VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY**

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

**5. DEBT (Continued)**

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

<u>Year ending December 31:</u>	<u>FmHA Water</u>	<u>FmHA Sewer</u>	<u>Fire Truck</u>
2001	\$20,411	\$31,850	\$4,470
2002	20,312	31,200	4,470
2003	20,407	31,550	4,470
2004	20,386	31,850	4,470
2005	20,355	31,100	<u>4,470</u>
Subsequent	<u>570,553</u>	<u>436,100</u>	
Total	<u>\$672,424</u>	<u>\$593,650</u>	<u>\$22,350</u>

**6. RETIREMENT SYSTEMS**

The Village's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a 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.

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

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions
- Boiler and machinery

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



**VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY**

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

**8. JOINT VENTURE**

Perry Township, Pickaway County; Marion Township, Fayette County; and the Village of New Holland, Pickaway County have entered into a contractual agreement to provide fire protection and for other purposes designated in Ohio Rev. Code Sections 505.37 through 505.44 to its residents by the creation of the New Holland Joint Fire District.

The New Holland Joint Fire District Board is comprised of one representative from each participating subdivision, with each member having on-going financial interest and responsibility proportion to their interest in the District. Upon dissolution, each member shall receive one-third the value or the proceeds from the sale of assets.

The Village of New Holland is the fiscal agent for the District, therefore, the financial activity of the District is included in the accompanying financial statements.

**9. JOINTLY GOVERNED ORGANIZATION**

The Village jointly governs with Perry Township, Pickaway County, the New Holland Union Cemetery (the Cemetery). The Cemetery Board is comprised of Village of New Holland Council, the Perry Township Trustees, and the New Holland Clerk/Treasurer. There is no apparent equity interest held by either party in the Cemetery. The Cemetery financial statements can be obtained at P.O. Box 55, New Holland, Ohio 43145.

**10. RELATED PARTIES**

Parties to the Joint Venture have issued debt for the purchase of fire equipment for the New Holland Joint Fire District. Each member is responsible for one-third of the annual debt payments. (See Note 5) Perry Township, Pickaway County and Marion Township, Fayette County provide monies to the Village to make the annual debt payments.

The Village received \$1,490 from Perry Township, Pickaway County and Marion Township, Fayette County in both fiscal 2000 and 1999 for their proportional share of the Fire Truck Debt.

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

Village of New Holland  
Pickaway County  
10 East Front Street,  
New Holland, Ohio 43145

To the Village Council:

We have audited the accompanying financial statements of the Village of New Holland, Pickaway County, Ohio (the Village), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated March 23, 2001. 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, 2000-30665-001 and 2000-30665-002. We also, noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated March 23, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated March 23, 2001.

Village of New Holland  
Pickaway County  
Report on Compliance and Internal Control Required  
By *Government Auditing Standards*  
Page 2

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.

**JIM PETRO**  
Auditor of State

March 23, 2001

VILLAGE OF NEW HOLLAND  
PICKAWAY COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999

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

Finding Number	2000-30665-001
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**FINDING FOR ADJUSTMENT**

Resolution 99-13, dated September 7, 1999, resulted from prior audit adjustments and required the Special Revenue, Park and Recreation Fund to return monies received by it to the General Fund in the amount \$1,575. This adjustment has not been made by the Village.

Therefore a finding for adjustment is issued against the Special Revenue, Park and Recreation Fund in favor of the General Fund in the amount of \$1,575. We considered this matter in forming our opinion on the financial statements. We recommend the Park and Recreation Fund transfer the required amount when it receives cash in 2001.

Finding Number	2000-30665-002
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**Fiscal Officer Certification**

Ohio Rev. Code Section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract 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 encumbrances. This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the District 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 legislative authority.

During 1999 none of the expenditures tested had a certification by the fiscal officer prior to the purchase commitment being made. The expenditures tested in fiscal 2000 were certified by the fiscal officer, but after the purchase commitment and prior to payment, but without the proper "then and now" certificate language to comply with Ohio Rev. Code Section 5705.41(D).

We recommend the Village certify expenditures at the time of the purchase commitment, by the preparation of a purchase order. In those cases when the certification can not occur at the time of the purchase commitment, the Village should use the exception permitted under this section, identifying it with the "then and now" language.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILLAGE OF NEW HOLLAND**

**PICKAWAY 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 24, 2001**