



**VILLAGE OF PITTSBURG  
DARKE COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



VILLAGE OF PITSBURG  
DARKE COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Pittsburg  
Darke County  
P.O. Box 247  
Pittsburg, Ohio 45358-0247

To the Village Council:

We have audited the accompanying financial statements of the Village of Pittsburg, Darke County, (the Village) as of and for the years ended December 31, 2000 and 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 of the Village as of December 31, 2000 and 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 April 12, 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 the 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

April 12, 2001

**VILLAGE OF PITSBURG  
DARKE 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>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$13,379	\$13,824	\$4,575	\$31,778
Intergovernmental Receipts	49,139	16,757	603	66,499
Charges for Services	24,698			24,698
Earnings on Investments	3,253			3,253
Miscellaneous	8,780	800		9,580
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	99,249	31,381	5,178	135,808
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	36,474			36,474
Leisure Time Activities	5,381	4,016		9,397
Transportation		10,055		10,055
General Government	34,650	311	107	35,068
Debt Service:				
Principal Payments			10,070	10,070
Interest Payments			3,756	3,756
	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	76,505	14,382	13,933	104,820
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	22,744	16,999	(8,755)	30,988
<b>Other Financing Receipts/(Disbursements):</b>				
Other Financing Sources	2,334			2,334
Transfers-In		500	6,000	6,500
Transfers-Out	(6,500)			(6,500)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(4,166)	500	6,000	2,334
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	18,578	17,499	(2,755)	33,322
Fund Cash Balances January 1	<hr/>	<hr/>	<hr/>	<hr/>
	49,146	92,371	5,074	146,591
<b>Fund Cash Balances, December 31</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>\$67,724</b>	<b>\$109,870</b>	<b>\$2,319</b>	<b>\$179,913</b>

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

**VILLAGE OF PITSBURG  
DARKE 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>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$12,186	\$13,397	\$4,433	\$30,016
Intergovernmental Receipts	46,611	19,994	625	67,230
Charges for Services	26,085	750		26,835
Earnings on Investments	2,735			2,735
Miscellaneous	8,915			8,915
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	96,532	34,141	5,058	135,731
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	29,550			29,550
Public Health Services	1,296			1,296
Leisure Time Activities	4,250	7,549		11,799
Transportation		11,017		11,017
General Government	35,689	300	99	36,088
Debt Service:				
Principal Payments			17,752	17,752
Interest Payments			4,701	4,701
	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	70,785	18,866	22,552	112,203
Total Receipts Over/(Under) Disbursements	25,747	15,275	(17,494)	23,528
<b>Other Financing Receipts/(Disbursements):</b>				
Other financing sources	2,592			2,592
Transfers-In			16,000	16,000
Transfers-Out	(16,000)			(16,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(13,408)		16,000	2,592
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	12,339	15,275	(1,494)	26,120
Fund Cash Balances January 1	36,807	77,096	6,568	120,471
<b>Fund Cash Balances, December 31</b>	<b><u>\$49,146</u></b>	<b><u>\$92,371</u></b>	<b><u>\$5,074</u></b>	<b><u>\$146,591</u></b>

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



**VILLAGE OF PITSBURG  
DARKE 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 Pittsburg, Darke 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, park operations (leisure time activities). The Village contracts with the Darke 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.

**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:

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

**Park Fund** -This fund receives local grant funds and general fund transfers to fund maintenance of the Park.

**Storm Drain Fund** - This fund receives proceeds from a tax levy for the maintenance of the storm drainage system in the Village.

**VILLAGE OF PITSBURG  
DARKE COUNTY**

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

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

**Storm Sewer Fund** - This fund receives proceeds from a tax levy for the maintenance of the storm sewer system in the Village.

**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 funds:

**Fire Truck Fund** - This fund receives proceeds from a tax levy for the payment of notes issued to purchase a fire truck for 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.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments as required by Ohio law.

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.

**VILLAGE OF PITSBURG  
DARKE COUNTY**

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

**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	\$ 173,913	\$ 140,591
Certificates of deposit	<u>6,000</u>	<u>6,000</u>
Total deposits and investments	<u>\$ 179,913</u>	<u>\$ 146,591</u>

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

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

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 92,505	\$ 101,583	\$ 9,078
Special Revenue	38,074	31,881	(6,193)
Debt Service	<u>11,213</u>	<u>11,178</u>	<u>(35)</u>
Total	<u>\$ 141,792</u>	<u>\$ 144,642</u>	<u>\$ 2,850</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 128,337	\$ 83,005	\$ 45,332
Special Revenue	127,420	14,382	113,038
Debt Service	<u>16,287</u>	<u>13,933</u>	<u>2,354</u>
Total	<u>\$ 272,044</u>	<u>\$ 111,320</u>	<u>\$ 160,724</u>

**VILLAGE OF PITSBURG  
DARKE COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 92,509	\$ 99,124	\$ 6,615
Special Revenue	33,366	34,141	775
Debt Service	<u>21,230</u>	<u>21,058</u>	<u>(172)</u>
Total	<u>\$ 147,105</u>	<u>\$ 154,323</u>	<u>\$ 7,218</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 126,475	\$ 86,785	\$ 39,690
Special Revenue	110,243	18,866	91,377
Debt Service	<u>27,798</u>	<u>22,552</u>	<u>5,246</u>
Total	<u>\$ 264,516</u>	<u>\$ 128,203</u>	<u>\$ 136,313</u>

**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.

**VILLAGE OF PITSBURG  
DARKE COUNTY**

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

**5. DEBT**

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Fire Equipment Note	\$ 50,350	6.2%

The 1999 Fire Equipment note relates to the consolidation of two previous loans with Greenville National Bank dating to 1995 and 1996 for fire equipment. The two loans were consolidated into one loan for \$70,490 on March 10, 1999.

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

Year ending December 31:	Fire Equipment Note
2001	\$ 13,192
2002	12,567
2003	11,943
2004	11,322
2005	10,694
Total	\$ 59,718

**6. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Commercial Vehicles
- Contractors Equipment
- Errors and omissions

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

Village of Pittsburg  
Darke County  
P.O. Box 247  
Pittsburg, Ohio 45358-0247

To the Village Council:

We have audited the accompanying financial statements of the Village of Pittsburg, Darke County, (the Village), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated April 12, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2000-30319-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated April 12, 2001.

**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 April 12, 2001.

Village of Pittsburg  
Darke County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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.

**Jim Petro**  
Auditor of State

April 12, 2001



VILLAGE OF PITSBURG  
DARKE 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 2000-30319-001

**Noncompliance Citation**

**Ohio Rev. Code Section 5705.41 (D)**, provides that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money without attaching thereto the certificate of the fiscal officer of the subdivision that the amount required to meet the same in the fiscal year in which the contract is made 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. Contracts and orders for expenditures lacking prior certification should be null and void.

This section also provides an exception to this requirement:

If no certificate is issued at the time the contract or order is entered into, the fiscal officer may later certify that these funds were properly appropriated and in the treasury or in the process of collection and such funds are free from previous encumbrance both at the time the contract or order was entered into and at the time of payment. After certifying this, the fiscal officer may proceed to pay for such order or contract. If the amount involved is over \$1,000, the taxing authority must approve of such payment within 30 days of the date of the fiscal officer's certification.

Twenty Seven percent of the disbursement transactions for 1999 were not certified prior to incurring the obligation and the exception was not utilized. The failure to certify the availability of funds prior to incurring the obligation could result in negative fund balances and/or deficit spending by the Village.

The Village should develop polices to improve compliance with the certification requirement.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILLAGE OF PITSBURG**

**DARKE 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 8, 2001**