



**Auditor of State
Betty Montgomery**

VILLAGE OF CRAIG BEACH
MAHONING COUNTY

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**Auditor of State
Betty Montgomery**

Village of Craig Beach
Mahoning County
2538 Grandview Road
P.O. Box 99
Lake Milton, Ohio 44429

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

January 13, 2006

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Village of Craig Beach
Mahoning County
2538 Grandview Road, P.O. Box 99
Lake Milton, Ohio 44429

To the Village Council:

We have audited the accompanying financial statements of Village of Craig Beach, Mahoning County, (the Village) as of and for the years ended December 31, 2004 and 2003. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2004, or its changes in financial position for the year then ended.

Also, 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 Village of Craig Beach, Mahoning County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2004. The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2006, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

January 13, 2006

**VILLAGE OF CRAIG BEACH
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$36,487	\$57,023	\$93,510
Intergovernmental Receipts	34,047	115,064	149,111
Charges for Services	24	400	424
Fines, Licenses, and Permits	12,720		12,720
Earnings on Investments	341		341
Miscellaneous	18,223	100	18,323
	<u>101,842</u>	<u>172,587</u>	<u>274,429</u>
Total Cash Receipts			
	<u>101,842</u>	<u>172,587</u>	<u>274,429</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	28,163	19,257	47,420
Public Health Services	4,552		4,552
Community Environment	12,292		12,292
Basic Utility Services	9,908	1,150	11,058
Transportation	18,145	35,305	53,450
General Government	30,618	4,201	34,819
Capital Outlay		15	15
	<u>103,678</u>	<u>59,928</u>	<u>163,606</u>
Total Cash Disbursements			
	<u>103,678</u>	<u>59,928</u>	<u>163,606</u>
Total Receipts Over/(Under) Disbursements	<u>(1,836)</u>	<u>112,659</u>	<u>110,823</u>
Other Financing Receipts and (Disbursements):			
Advances-In		20,259	20,259
Advances-Out		(20,259)	(20,259)
	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(1,836)</u>	<u>112,659</u>	<u>110,823</u>
Fund Cash Balances, January 1	<u>10,901</u>	<u>70,308</u>	<u>81,209</u>
Fund Cash Balances, December 31	<u>\$9,065</u>	<u>\$182,967</u>	<u>\$192,032</u>
Reserves for Encumbrances, December 31	<u>\$99</u>	<u>\$56</u>	<u>\$155</u>

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

VILLAGE OF CRAIG BEACH
MAHONING COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

Fiduciary
Fund Type

Agency

Fund Cash Balances, January 1

\$499

Fund Cash Balances, December 31

\$499

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

**VILLAGE OF CRAIG BEACH
MAHONING COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$34,839	\$53,295		\$88,134
Intergovernmental Receipts	7,874	96,241		104,115
Charges for Services		647		647
Fines, Licenses, and Permits	11,203			11,203
Earnings on Investments	354			354
Miscellaneous	3,014	4,355	\$401	7,770
Total Cash Receipts	<u>57,284</u>	<u>154,538</u>	<u>401</u>	<u>212,223</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	25,062	17,956		43,018
Public Health Services	2,600			2,600
Leisure Time Activities		52,884		52,884
Community Environment	1,525			1,525
Basic Utility Services	8,619	1,088		9,707
Transportation		30,917		30,917
General Government	29,219			29,219
Capital Outlay		30,912	401	31,313
Total Cash Disbursements	<u>67,025</u>	<u>133,757</u>	<u>401</u>	<u>201,183</u>
Total Receipts Over/(Under) Disbursements	<u>(9,741)</u>	<u>20,781</u>	<u>0</u>	<u>11,040</u>
Other Financing Receipts and (Disbursements):				
Transfers-In	15			15
Advances-In	20,000	26,592		46,592
Transfers-Out		(15)		(15)
Advances-Out	(4,000)	(42,592)		(46,592)
Other Financing Uses	(129)	(469)		(598)
Total Other Financing Receipts/(Disbursements)	<u>15,886</u>	<u>(16,484)</u>	<u>0</u>	<u>(598)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>6,145</u>	<u>4,297</u>	<u>0</u>	<u>10,442</u>
Fund Cash Balances, January 1	<u>4,756</u>	<u>66,011</u>	<u>0</u>	<u>70,767</u>
Fund Cash Balances, December 31	<u><u>\$10,901</u></u>	<u><u>\$70,308</u></u>	<u><u>\$0</u></u>	<u><u>\$81,209</u></u>
Reserves for Encumbrances, December 31	<u><u>\$879</u></u>	<u><u>\$240</u></u>	<u><u>\$0</u></u>	<u><u>\$1,119</u></u>

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

VILLAGE OF CRAIG BEACH
MAHONING COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
Operating Cash Receipts:	
Miscellaneous	<u>\$499</u>
Total Operating Cash Receipts	<u>499</u>
Operating Income/(Loss)	<u>499</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	<u>499</u>
Net Receipts Over/(Under) Disbursements	499
Fund Cash Balances, January 1	<u> </u>
Fund Cash Balances, December 31	<u><u>\$499</u></u>

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

**VILLAGE OF CRAIG BEACH
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Craig Beach, Mahoning County, (the Village) as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides general governmental services, park operations, and police services. The Village contracts with the Craig Beach Volunteer Fire Department to receive fire protection services.

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

B. Basis of Accounting

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 adequately disclose material matters the Auditor of State prescribes.

C. Cash and Investments

The Village's accounting basis includes investments as assets. This basis does not report disbursements for investment purchases or receipts for investment sales. The Village reports gains or losses at the time of sale as receipts or disbursements, respectively.

The Village maintained only a general operating bank account.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds 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 CRAIG BEACH
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

2. Special Revenue Funds – (Continued)

Fire Levy Fund -This fund receives tax money from a special levy passed by the electors for fire and emergency medical services.

Sidewalk Grant Fund – This fund is used to account for the activity regarding the sidewalk project on Grandview Road from funds acquired through the Mahoning County Development Program.

3. Capital Project Fund

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Veterans Memorial Fund - This fund receives monies from an outside source to maintain the memorial.

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. Village 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. The Village did not encumber all commitments required by Ohio law.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

**VILLAGE OF CRAIG BEACH
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

F. Property, Plant, and Equipment

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH

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

	2004	2003
Demand Deposits	\$192,531	\$81,708

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and December 31, 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$67,699	\$101,842	\$34,143
Special Revenue	87,500	172,587	85,087
Total	\$155,199	\$274,429	\$119,230

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$140,961	\$103,777	\$37,184
Special Revenue	212,563	59,984	152,579
Capital Projects	435	0	435
Total	\$353,959	\$163,761	\$190,198

**VILLAGE OF CRAIG BEACH
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. BUDGETARY ACTIVITY – (Continued)

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$57,299	\$57,299
Special Revenue	0	154,538	154,538
Capital Projects	0	401	401
Total	\$0	\$212,238	\$212,238

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$130,320	\$68,033	\$62,287
Special Revenue	187,930	134,481	53,449
Capital Projects	435	401	34
Total	\$318,685	\$202,915	\$115,770

Budgetary Compliance – Contrary to Ohio Revised Code Section 5705.36, in 2003, the Village did not certify to the county auditor the total amount from all sources which is available for expenditures from each fund. Consequently, all Village funds in 2003 had appropriations greater than estimated revenue, which is contrary to Ohio Revised Code Section 5705.39.

Contrary to Ohio Revised Code Section 5705.39, in 2004, the General Fund had appropriations in excess of the amount certified as available by the budget commission.

Contrary to Ohio Revised Code Section 5705.41(D), in 2003 and 2004, the Village had invoice dates that preceded the purchase order dates.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State pays the Village amounts equaling these deductions. The Village includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment 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.

Property owners assess tangible personal property tax. They must file a list of tangible 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 the Village's behalf.

**VILLAGE OF CRAIG BEACH
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

5. RETIREMENT SYSTEMS

The Village's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plans' retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OPERS members contributed 8.5 percent of their wages. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2004.

6. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of Craig Beach
Mahoning County
2538 Grandview Road
P.O. Box 99
Lake Milton, Ohio 44429

To the Village Council:

We have audited the financial statements of the Village of Craig Beach, Mahoning County, (the Village) as of and for the years ended December 31, 2004 and December 31, 2003, and have issued our report thereon dated January 13, 2006, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Village's management dated January 13, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion.

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The results of our tests disclosed instances of noncompliance we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2004-001 through 2004-003. In a separate letter to the Village's management dated January 13, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and Village Council. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

January 13, 2006

**VILLAGE OF CRAIG BEACH
MAHONING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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* - Indicates a repeat citation from the prior audit.

FINDING NUMBER 2004-001

Noncompliance Citation *

Ohio Revised Code § 5705.36 requires that on or about the first day of each fiscal year, the fiscal officer is to certify to the county auditor the total amount from all sources which is available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

Ohio Revised Code § 5705.39 provides that the total appropriation from each fund should not exceed the total estimated revenue as certified by the county budget commission. This section further provides that no appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

For fiscal year 2003, the Village did not make the certification required by Ohio Revised Code § 5705.36. As a result the budget commission did not certify any estimated revenue for the Village and all appropriations were greater than estimated revenue, in violation of Ohio Revised Code §5705.39.

FINDING NUMBER 2004-002

Noncompliance Citation

Ohio Revised Code § 5705.39 provides that the total appropriation from each fund should not exceed the total estimated revenue as certified by the county budget commission.

In 2004, the General Fund had appropriations in excess of the amount certified as available by the budget commission in the amount of \$61,138.

The Village could not have gotten an amended certificate, as actual fund receipts were not sufficient to obtain one.

FINDING NUMBER 2004-003

Noncompliance Citation

Ohio Revised Code § 5705.41(D) states that no subdivision or taxing unit shall make any contract or order involving the expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The amount so certified shall be recorded against the applicable appropriation account.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. **Then and Now Certificate** - If no certificate is furnished as required, upon request 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 Village 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 the amount involved is less than three thousand dollars the fiscal officer issues a certificate, but may authorize it to be paid without the affirmation of Council, if such expenditure is otherwise valid.

2. **Blanket Certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blanket certificates were limited to \$5,000 and three months.) The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super Blanket Certificate** – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonable predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The substantive test of non-payroll disbursements in 2003 and 2004 revealed that in 24 out of 30 vouchers and in 21 out of 30 vouchers tested, respectively, purchase orders were dated after the dates of the invoices.

**VILLAGE OF CRAIG BEACH
MAHONING COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2002-001	Ohio Revised Code § 5705.36 and § 5705.39 – Appropriations exceeded estimated resources in all funds.	No	Certificate of Estimated Resources not filed in 2003. Finding 2004-001 Certificate of Estimated Resources was filed in 2004.
2002-002	Ohio Revised Code § 5705.41(B) – Disbursements in excess of appropriations.	Yes	
2002-003	Ohio Revised Code § 5705.28 – Adoption of tax budget.	Yes	



**Auditor of State
Betty Montgomery**

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VILLAGE OF CRAIG BEACH

MAHONING 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
MARCH 21, 2006**