

VILLAGE OF NEW WESTON

DARKE COUNTY

REGULAR AUDIT

January 1, 2009 through December 31, 2010

Years Audited Under GAGAS: 2010 and 2009



Caudill & Associates, CPA

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Dave Yost • Auditor of State

Members of Council
Village of New Weston
PO Box 2A
New Weston, Ohio 45348

We have reviewed the *Independent Auditor's Report* of the Village of New Weston, Darke County, prepared by Caudill & Associates, CPA, for the audit period January 1, 2009 through December 31, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of New Weston is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 17, 2011

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**VILLAGE OF NEW WESTON
DARKE COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Village of New Weston
P.O. Box 2A
New Weston, OH 45348

To the Village Council:

We have audited the accompanying financial statements of Village of New Weston, Darke County, (the Village) as of and for the years ended December 31, 2010 and 2009. 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. 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. 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 GAAP presentation requirements. The Auditor of State permits, but does not require Village's to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. 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.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 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, 2010 and 2009, or its changes in financial position for the years then ended.

Village of New Weston
Independent Auditor's Report

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Village of New Weston, Darke County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 August 20, 2011, 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.

Caudill & Associates, CPA

Caudill & Associates, CPA

August 20, 2011

**VILLAGE OF NEW WESTON
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, 2010**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	
<u>Cash Receipts:</u>					
Property and Other Taxes	\$ 4,966	\$ 2,995	\$ -	\$ -	\$ 7,961
Intergovernmental	30,743	13,099	-	-	43,842
Special Assessments	-	-	26,153	-	26,153
Miscellaneous	326	59	-	-	385
Total Cash Receipts	<u>36,035</u>	<u>16,153</u>	<u>26,153</u>	<u>-</u>	<u>78,341</u>
<u>Disbursements:</u>					
Security of Persons and Property	4,601	2,100	-	-	6,701
Public Health	574	-	-	-	574
Basic Utility Service	8,348	-	-	-	8,348
Leisure Time Activities	5,089	996	-	-	6,085
Transportation	3,064	-	-	-	3,064
General Government	15,288	43	-	-	15,331
Redemption of Debt Principal	-	3,750	26,153	-	29,903
Total Cash Disbursements	<u>36,964</u>	<u>6,889</u>	<u>26,153</u>	<u>-</u>	<u>70,006</u>
Total Receipts Over (Under) Disbursements	<u>(929)</u>	<u>9,264</u>	<u>-</u>	<u>-</u>	<u>8,335</u>
Fund Cash Balance, January 1	<u>80,144</u>	<u>129,472</u>	<u>-</u>	<u>90</u>	<u>209,706</u>
Fund Cash Balance, December 31	<u>\$ 79,215</u>	<u>\$ 138,736</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 218,041</u>

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

**VILLAGE OF NEW WESTON
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, 2009**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	
<u>Cash Receipts:</u>					
Property and Other Taxes	\$ 5,107	\$ 3,209	-	-	\$ 8,316
Intergovernmental	29,377	14,329	-	-	43,706
Special Assessments	-	-	26,693	-	26,693
Miscellaneous	5,020	71	-	-	5,091
Total Cash Receipts	<u>39,504</u>	<u>17,609</u>	<u>26,693</u>	<u>-</u>	<u>83,806</u>
<u>Disbursements:</u>					
Security of Persons and Property	4,634	2,100	-	-	6,734
Public Health	622	-	-	-	622
Basic Utility Service	12,787	-	-	-	12,787
Leisure Time Activities	2,652	-	-	-	2,652
Transportation	1,429	-	-	-	1,429
General Government	32,142	46	-	-	32,188
Capital Outlay	2,447	-	-	-	2,447
Redemption of Debt Principal	-	3,750	26,693	-	30,443
Total Cash Disbursements	<u>56,713</u>	<u>5,896</u>	<u>26,693</u>	<u>-</u>	<u>89,302</u>
Total Cash Receipts Over (Under) Disbursements	<u>(17,209)</u>	<u>11,713</u>	<u>-</u>	<u>-</u>	<u>(5,496)</u>
Fund Cash Balance, January 1	<u>97,353</u>	<u>117,759</u>	<u>-</u>	<u>90</u>	<u>215,202</u>
Fund Cash Balance, December 31	<u>\$ 80,144</u>	<u>\$ 129,472</u>	<u>-</u>	<u>\$ 90</u>	<u>\$ 209,706</u>

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

**VILLAGE OF NEW WESTON
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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 New Weston, Darke County, (the Village) as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides general government services, including park operations. The Village contracts with Burkettsville Community Fire Department for fire protection service and the Ansonia Area Local Rescue for rescue/ambulance 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 basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements. The Village 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.

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

2. Special Revenue Fund

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.

Fire Protection Fund – This fund receives the proceeds from a tax levy to pay for fire protection.

**VILLAGE OF NEW WESTON
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

D. Fund Accounting (Continued)

3. Capital Project Fund

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects.

4. Debt Service Fund

These funds are used to accumulate resources for the payment of the Village's indebtedness. The Village had one debt service fund which was used to receive assessments and repay the sanitary sewer bonds.

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. Village 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 carried over, and need not be reappropriated. There were no encumbrances for 2010 and 2009.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2010	2009
Demand deposits	<u>\$ 218,041</u>	<u>\$ 209,706</u>

**VILLAGE OF NEW WESTON
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Cont'd)

Deposits: Deposits are either (1) 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, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 37,264	\$ 36,035	\$ (1,229)
Special Revenue	11,680	16,153	4,473
Debt Service	26,693	26,153	(540)
Total	\$ 75,637	\$ 78,341	\$ 2,704

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 56,050	\$ 36,964	\$ 19,086
Special Revenue	5,915	6,889	(974)
Debt Service	26,693	26,153	540
Total	\$ 88,658	\$ 70,006	\$ 18,652

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 38,224	\$ 39,504	\$ 1,280
Special Revenue	10,530	17,609	7,079
Debt Service	26,693	26,693	-
Total	\$ 75,447	\$ 83,806	\$ 8,359

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 55,950	\$ 56,713	\$ (763)
Special Revenue	5,937	5,896	41
Debt Service	26,693	26,693	0
Total	\$ 88,580	\$ 89,302	\$ (722)

**VILLAGE OF NEW WESTON
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Trustees 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.

5. DEBT

Debt outstanding at December 31, 2010 was as follows:

	2010
Ohio Public Works Loan (Main St)	\$ 52,500
Ohio Water Development Authority (Sewer Project)	387,585
Total	\$ 440,085

The Main Street OPWC Loan was provided by the State to assist in the cost of the Village's Main Street project and will be retired with semi-annual payments of \$1,875 starting July 1, 2005 and ending January 2024.

The Ohio Water Development Authority (OWDA) loan relates to the construction of the New Weston-Burkettsville Sanitary Sewer System that was mandated by the Ohio Environmental Protection Agency. This is a joint sewer project with the Village of Burkettsville. On January 27, 2004, the Village obtained a loan in the amount of \$533,855 for the sewer system project which will be retired with semi-annual payments of \$13,346 starting January 1, 2006 and ending July 2025.

Year ending December 31,	OPWC Loan	OWDA Loan	Total
2011	\$ 3,750	\$ 26,693	\$ 30,443
2012	3,750	26,693	30,443
2013	3,750	26,693	30,443
2014	3,750	26,693	30,443
2015	3,750	26,693	30,443
2016 - 2020	18,750	133,465	152,215
2021 - 2025	15,000	120,655	135,655
Total	\$ 52,500	\$ 387,585	\$ 440,085

**VILLAGE OF NEW WESTON
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

6. RETIREMENT SYSTEMS

A. Public Employees Retirement system

The Village has one Council member, and the Deputy Clerk, who 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 2010 and 2009, OPERS members contributed 10 percent of their gross wages, respectively, and the Village contributed an amount equal to 14 percent, of participants' gross salaries. The Village has paid all contributions required through December 31, 2010.

B. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the Public Employee Retirement System have an option to choose Social Security or the Public Retirement Service System. As of December 31, 2010, six of the Council members, Clerk/Treasurer, and Mayor have elected to pay Social Security. The Village liability is 6.2 percent of the wages paid.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks through EMC Insurance Companies:

- Comprehensive Property and General Liability; and
- Vehicles
- Errors and omissions

8. COMPLIANCE

Contrary to Ohio Rev. Code Section 1052.03(D) and (E), Village council approved an in-term increase during 2006 that resulted in a continuance of overpayments for 2009.

Contrary to Ohio Rev. Code Section 5705.41(D), the Village did not properly certify disbursements in 2009 or 2010.

9. Miscellaneous Revenue

Miscellaneous revenue primarily consists of refunds, donations, and insurance proceeds from damages, and may vary on a yearly basis, based on the activity of the Village. In 2009, the Village received \$4,321 from an insurance claim for damages to the lift station, which was posted to the General Fund.

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

Village of New Weston
Darke County
P.O. Box 2A
New Weston, Ohio 45348

To the Village Council:

We have audited the financial statements of Village of New Weston, Darke County, (the Village) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated August 20, 2011, wherein we noted Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits, rather than accounting principles generally accepted in the United States of America. 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not for opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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. The results of our tests disclosed two instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are, described in the accompanying schedule of findings responses as items 2010-001 through 2010-002.

We did note certain matters not requiring inclusion in this report that we reported to Village Management in a separate letter dated August 20, 2011.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Village's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the Village Council, Auditor of State and others within the Village. We intend it for no one other than these specified parties.

Caudill & Associates, CPA

Caudill & Associates, CPA

August 20, 2011

**VILLAGE OF NEW WESTON
DARKE COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2010 AND 2009**

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

FINDING NUMBER 2010-001

Noncompliance Citation – Ohio Rev. Code Section 1052.03(D) and (E), and Ohio Ethics Commission Advisory Opinions 93-006 and 96-001

Ohio Revised Code Section 102.03(D) and (E) and Ohio Ethics Commission Advisory Opinions 93-006 and 96-001, prohibit the members of village council from enacting an ordinance granting an in-term increase in compensation for the current members of council and prohibits a village council member from accepting, fro the duration of his present term, an increase in compensation enacted by council while he was a member thereof, regardless of whether he votes for or against the increase, or whether he abstains from participating in the issue.

The Village provided minutes of the May 1, 2006 Council meeting documenting approval of a motion “to do payroll in June” stating “new payroll amounts for council are \$40.00 per meeting and \$50.00 per meeting for the President of Council.” After being notified that the effective date of June, 2006 would result in a prohibitive in-term increase for Council members, the Village subsequently provided minutes from the December 5, 2005 Council meeting showing a motion for the compensation increases. Prior to this increase, the salary for all Village Council members was \$20 per meeting.

Prior to enacting an ordinance granting an in-term increase in compensation for the current members of council, we recommend the Village review **Ohio Ethics Commission Advisory Opinions 93-006 and 96-001**, and consider the potential for violation of Ohio Ethics Law.

FINDING NUMBER 2010-002

Noncompliance Citation – Ohio Rev. Code Section 5705.41 (D)

Ohio Rev. Code Section 5705.41 (D) (1) states no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer attached 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.

The following exceptions to this basic requirement are provided by Ohio Rev. Code Section 5705.41 (D)

(1): Then and Now Certificate: If the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has 30 days from the receipt of the “then and now” certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

**VILLAGE OF NEW WESTON
DARKE COUNTY**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2010 AND 2009**

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

FINDING NUMBER 2010-002 (Continued)

Amounts of less than \$100 for counties, or less than \$3,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

(2): Blanket certificate – Fiscal officer may prepare “blanket” certificates not exceeding 44,000 (an amount established by resolution or ordinance adopted by the legislative authority, effective September 26, 2003) against any specific line item account over a period not exceeding three month (three month limitation was eliminated effective September 26, 2003) or running beyond the current year. The blanket certificates may be outstanding at one particular time for any one particular line item appropriation.

(3): Super Blanket certification – 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 one line item appropriation.

Thirty-three percent (33%) and seventeen percent (17%) of the expenditures tested in 2009 and 2010, respectfully, were not properly certified. Failure to properly certify the availability of funds can result in overspending and negative cash fund balances.

We recommend the Village implement policies to improve controls over disbursements and to help reduce the possibility of the Village’s funds exceeding budgetary spending limitations.

Village Response:

The Village is working hard to comply with this requirement.

Village of New Weston
Darke County
Schedule of Prior Audit Findings
For the Fiscal Years Ended December 31, 2010 and 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2008-001	Ohio Revised Code Section 731.13, 102.03(D), & (E) failure to fix compensation of officials	No	Not corrected, reissued as Finding 2010-001
2008-002	Ohio Revised Code Section 5705.36, failure to file amended certificates for debt Service fund and capital projects fund	Yes	Finding no longer Valid
2008-003	Revised Code Section 5705.41 (D), failure to certify the availability of funds prior to incurring obligations.	No	Not corrected, reissued as Finding 2010-002
2008-004	Failure to properly classify Revenue and Expenditures	Yes	Finding no longer Valid

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Dave Yost • Auditor of State

VILLAGE OF NEW WESTON

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
NOVEMBER 10, 2011