



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF SALINEVILLE
COLUMBIANA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types – For the Year Ended December 31, 1999	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary and Similar Fiduciary Fund Types – For the Year Ended December 31, 1999	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types – For the Year Ended December 31, 1998	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Proprietary and Similar Fiduciary Fund Types – For the Year Ended December 31, 1998	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13
Schedule of Findings	15
Schedule of Prior Audit Findings	16

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Salineville
Columbiana County
34 Washington Street
Salineville, Ohio 43945

To the Village Council:

We have audited the accompanying financial statements of the Village of Salineville, Columbiana County, Ohio, (the Village) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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 accompanying financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Salineville as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management, Village Council, and other officials authorized to receive this report under Section 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

November 24, 2000

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**VILLAGE OF SALINEVILLE
COLUMBIANA COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Taxes Receipts	\$182,765	\$86,687			\$269,452
Intergovernmental Receipts	79,171	63,113			142,284
Charges for Services	71	10,056			10,127
Fines, Licenses, and Permits	9,971	2,700			12,671
Earnings on Investments	2,183	1,445		\$71	3,699
Miscellaneous	14,862	1,600		5,000	21,462
Total Cash Receipts	289,023	165,601		5,071	459,695
Cash Disbursements:					
Current:					
Security of Persons and Property	119,970	57,418			177,388
Public Health Services		19,378			19,378
Transportation		75,426			75,426
General Government	117,888	731	\$244		118,863
Debt Service:					
Debt Payments			7,193		7,193
Capital Outlay	15,000				15,000
Total Disbursements	252,858	152,953	7,437		413,248
Total Receipts Over/(Under) Disbursements	36,165	12,648	(7,437)	5,071	46,447
Other Financing Receipts/(Disbursements):					
Transfers-In		11,000	7,845		18,845
Other Financing Receipts	92				92
Transfers-Out	(18,845)				(18,845)
Total Other Financing Receipts/(Disbursements)	(18,753)	11,000	7,845		92
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	17,412	23,648	408	5,071	46,539
Fund Cash Balances, January 1	42,985	83,110	4,020	29,900	160,015
Fund Cash Balances, December 31	\$60,397	\$106,758	\$4,428	\$34,971	\$206,554
Reserves for Encumbrances, December 31	\$6,137	\$4,737			\$10,874

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

VILLAGE OF SALINEVILLE
COLUMBIANA COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCES - ALL PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUNDS -
FOR THE YEAR ENDED DECEMBER 31, 1999

	Proprietary Fund Type	Fiductary Fund Types		Totals (Memorandum Only)
	Enterprise	Non-Expendable Trust	Agency	
Operating cash receipts:				
Special Assessments	\$1,292			\$1,292
Charges for services	221,401			221,401
Miscellaneous	2,521			2,521
Total operating cash receipts	225,214			225,214
Operating cash disbursements:				
Personal services	86,917			86,917
Contractual services	46,170			46,170
Supplies and materials	22,362			22,362
Capital outlay	41,398			41,398
Total operating cash disbursements	196,847			196,847
Operating income/(loss)	28,367			28,367
Non-operating cash receipts:				
Interest	5,915	\$9		5,924
Mayor's court receipts			\$10,110	10,110
Total non-operating cash receipts	5,915	9	10,110	16,034
Non-operating cash disbursements:				
Debt service	114,513			114,513
Mayor's court disbursements			10,110	10,110
Total non-operating cash disbursements	114,513		10,110	124,623
Net receipts over/(under) disbursements	(80,231)	9		(80,222)
Fund cash balances, January 1, 1999	223,616	708		224,324
Fund cash balances, December 31, 1999	\$143,385	\$717		\$144,102

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

**VILLAGE OF SALINEVILLE
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Taxes Receipts	\$146,311	\$62,824			\$209,135
Intergovernmental Receipts	54,542	66,488			121,030
Charges for Services	6,602	11,771			18,373
Fines, Licenses, and Permits	16,827	52			16,879
Earnings on Investments	1,868	1,592			3,460
Water Improvement	12,087				12,087
Miscellaneous	30,573				30,573
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	268,810	142,727			411,537
Cash Disbursements:					
Current:					
Security of Persons and Property	91,894	179,855			271,749
Transportation		48,001			48,001
General Government	117,647	24,605	\$235		142,487
Debt Service:					
Debt Payments		5,212	22,392		27,604
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Disbursements	209,541	257,673	22,627		489,841
Total Receipts Over/(Under) Disbursements	59,269	(114,946)	(22,627)		(78,304)
Other Financing Receipts/(Disbursements):					
Sale of Notes		139,964			139,964
Transfers-In		2,467	26,647		29,114
Advances-In	4,027		4,027		8,054
Transfers-Out	(29,114)				(29,114)
Advances-Out	(4,027)		(4,027)		(8,054)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(29,114)	142,431	26,647		139,964
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	30,155	27,485	4,020		61,660
Fund Cash Balances, January 1	12,830	55,625		\$29,900	98,355
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Fund Cash Balances, December 31	\$42,985	\$83,110	\$4,020	\$29,900	\$160,015

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

**VILLAGE OF SALINEVILLE
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN FUND CASH
BALANCES - ALL PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUNDS -
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Proprietary Fund Type	Fiduciary Fund Types		(Memorandum Only) Total
	Enterprise	Non-Expendable Trust	Agency	Total
Operating cash receipts:				
Charges for services	\$213,649			\$213,649
Miscellaneous	1,272			1,272
Total operating cash receipts	214,921			214,921
Operating cash disbursements:				
Personal services	88,278			88,278
Contractual services	12,069			12,069
Supplies and materials	42,032			42,032
Capital outlay	218,796			218,796
Total operating cash disbursements	361,175			361,175
Operating income/(loss)	(146,254)			(146,254)
Non-operating cash receipts:				
Interest	7,627	\$15		7,642
Mayor's court receipts			\$18,586	18,586
Intergovernmental receipts	197,997			197,997
Total non-operating cash receipts	205,624	15	18,586	224,225
Non-operating cash disbursements:				
Debt service	55,598			55,598
Mayor's court disbursements			18,586	18,586
Total non-operating cash disbursements	55,598		18,586	74,184
Net receipts over/(under) disbursements	3,772	15		3,787
Fund cash balances, January 1, 1998	219,844	693		220,537
Fund cash balances, December 31, 1998	<u>\$223,616</u>	<u>\$708</u>		<u>\$224,324</u>

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

**VILLAGE OF SALINEVILLE
COLUMBIANA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Salineville, Columbiana 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, street maintenance, water and sewer utilities, and police protection. The Village contracts with Salineville Volunteer Fire Department for fire protection.

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

The Village has interest and non-interest bearing checking accounts and certificates of deposit. Interest earned is recognized and recorded when received. Investment procedures are restricted by the provisions of the Ohio Revised Code. No other investments were held by the Village.

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 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 intergovernmental receipts for the improvement and maintenance of the Village streets.

Fire Levy Fund - This fund receives tax levy receipts to provide fire protection for the residents of the village.

**VILLAGE OF SALINEVILLE
COLUMBIANA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Fund:

Debt Service Fund - This fund is used to account for monies received from other funds for the payment of debt principal and interest.

4. Enterprise Fund

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

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

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

5. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant Fiduciary Funds:

Cemetery Expendable Trust Fund - This fund is used to account for the money received to maintain the cemetery within the Village.

Mayor's Court Fund - This fund receives fines and costs from the Village's Mayor's court which are disbursed to the State of Ohio or to the Village's general fund.

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. 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 SALINEVILLE
COLUMBIANA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$207,280	\$251,100
Certificates of deposit	<u>143,376</u>	<u>133,239</u>
Total	<u>\$350,656</u>	<u>\$384,339</u>

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

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 286,728	\$ 289,115	\$ 2,387
Special Revenue	148,797	176,601	27,804
Debt Service	20,221	7,845	(12,376)
Enterprise	246,000	231,129	(14,871)
Fiduciary	<u>0</u>	<u>5,080</u>	<u>5,080</u>
Total	<u>\$ 701,746</u>	<u>\$ 709,770</u>	<u>\$ 8,024</u>

**VILLAGE OF SALINEVILLE
COLUMBIANA COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 353,185	\$ 277,840	\$ 75,345
Special Revenue	220,549	157,690	62,859
Debt Service	10,589	7,437	3,152
Enterprise	261,215	311,360	(50,145)
Fiduciary	0	0	0
Total	<u>\$ 845,538</u>	<u>\$ 754,327</u>	<u>\$ (91,211)</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 240,127	\$ 268,810	\$ 28,683
Special Revenue	247,521	285,158	37,637
Debt Service	23,516	26,647	3,131
Enterprise	246,000	420,545	243,905
Fiduciary	0	15	15
Total	<u>\$ 757,164</u>	<u>\$ 1,001,175</u>	<u>\$ 313,371</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 253,070	\$ 238,655	\$ 14,415
Special Revenue	303,147	257,673	45,474
Debt Service	23,516	22,627	889
Enterprise	260,589	416,773	(156,184)
Fiduciary	693	0	693
Total	<u>\$ 841,015</u>	<u>\$ 935,728</u>	<u>\$ (94,713)</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.

**VILLAGE OF SALINEVILLE
COLUMBIANA COUNTY**

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

4. PROPERTY TAX (Continued)

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Fire Truck Loan	\$ 129,408	6.05%
Building Loan	63,053	5.88%
Water and Sewer General Obligation Bonds	643,000	5.00%
Ohio Public Works Commission Loan	243,000	.00%
Ohio Water Development Authority Loan	<u>25,000</u>	.00%
Total	<u>\$1,103,461</u>	

The proceeds of the Fire Truck Loan were used to purchase a fire truck for the Village. The original loan amount of \$139,964 was approved in 1998.

The proceeds of the Building Loan were to purchase a building for the Village. The original loan amount of \$70,000 was approved in 1996.

The Water and Sewer General Obligation Bonds relate to a water and sewer plant expansion and improvement project. The original bond amount of \$887,000 was approved in 1979.

The Ohio Public Works Commission (OPWC) Loan was used for a water line replacement project in the Village. The original loan amount of \$243,000 was approved in 1999.

The Ohio Water Development Authority (OWDA) Loan was used to plan a water system for the Village. The original loan amount of \$25,000 was approved in 1996.

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

Year ending December 31:	Fire Truck Loan	Buildng Loan	Water and Sewer Bonds	OPWC Loan	OWDA Loan
2000	\$ 19,142	\$ 7,193	\$ 53,150	\$ 2,419	\$ 0
2001	19,142	7,193	53,100	4,837	0
2002	19,142	7,193	53,000	4,837	2,500
2003	19,142	7,193	52,850	4,838	2,500
2004	19,142	7,193	53,650	4,838	2,500
Subsequent	<u>76,565</u>	<u>53,501</u>	<u>745,100</u>	<u>221,231</u>	<u>17,500</u>
Total	<u>\$ 172,275</u>	<u>\$ 89,466</u>	<u>\$1,010,850</u>	<u>\$ 243,000</u>	<u>\$ 25,000</u>

**VILLAGE OF SALINEVILLE
COLUMBIANA COUNTY**

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

6. RETIREMENT SYSTEM

The employees of the Village were covered by 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 1999, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- Comprehensive liability
- Public officials liability
- Vehicle
- Building and contents



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

Village of Salineville
Columbiana County
34 Washington Street
Salineville, Ohio 43945

To the Village Council:

We have audited the accompanying financial statements of the Village of Salineville, Columbiana County, Ohio, (the Village), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated November 24, 2000. 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 finding as items 1999-31215-001 and 1999-31215-002. We also noted certain immaterial instances of noncompliance, which we have reported to management of the Village in a separate letter dated November 24, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting. that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 1999-31215-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe the reportable condition described above is a material weakness. We also 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 of Salineville in a separate letter dated November 24, 2000.

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

November 24, 2000

VILLAGE OF SALINEVILLE

SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998

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

Finding Number	1999-31215-001
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Ohio Revised Code § 733.28 and 733.45 provide that the village clerk/treasurer shall keep the books of the village, exhibit accurate statements of all monies received and expended. The clerk/treasurer shall keep an accurate record of all moneys received by him/her, showing the amount thereof, from whom and on which account received. The clerk/treasurer shall keep an accurate account of all disbursements made by him/her, showing the amount thereof, to whom and on what account paid. The books shall be arranged so the amounts received and the amounts paid on account be exhibited in separate funds.

The Clerk/Treasurer did not record any of transactions of the Water and Sewer Funds, the Cemetery Funds or the Issue II Fund during 1999 and 1998. Though, the Clerk of the Board of Public Affairs recorded receipts and expenditures of the Water and Sewer Funds and the Cemetery Clerk recorded financial transactions of the Cemetery Fund, none of the money received or expended by these funds was recorded in the receipt ledger, the appropriation ledger or the cash journal, maintained by the Village Clerk/Treasurer. None of the activity of these funds was included in the Village's annual financial report for either year. Failure to include all Village financial activity in a central set of accounting records and failure to submit periodic reports to Council which reflect all financial activity of the Village, may inhibit Council's and management's ability to monitor Village financial activities.

The Clerk/Treasurer should record all financial activity of the Village in the receipts ledger, appropriation ledger and the cash journal, as appropriate, so that accurate statements of all moneys received and expended can be prepared. Periodically, financial reports including all activity of the Village should be submitted to Council for review.. Adjustments to include activity of the aforementioned funds were made to the financial statements and are reflected in this report.

Finding Number	1999-31215-002
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Ohio Revised Code § 5705.41 (D) provides that no subdivision or taxing unit shall make any contract or order any 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.

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 fo the certificate, appropriated and free of any previous encumbrances, the Village Council 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 issues a certificate, but may authorize it to be paid without the affirmation of the legislative authority.

During 1999, certificates of the fiscal officer were not furnished for 91% of the liabilities, contracts, or open purchase commitments tested and neither condition provided in the exceptions was met. During 1998, certificates of the fiscal officer were not furnished for 61% of the liabilities, contracts, or open purchase commitments tested and neither condition provided in the exceptions was met. A certificate of the fiscal officer should be issued for all liabilities, contracts and open purchase commitments.

**VILLAGE OF SALINEVILLE
COLUMBIANA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 1999 AND 1998**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
1997-31215-01	Ohio Revised Code Section 733.28 and 733.45 The records did not contain all funds of the Village.	No	Not Corrected.
1997-31215-02	Ohio Revised Code Section 5705.41(B) No appropriations approved.	Yes	Corrected.
1997-31215-03	Ohio Revised Code Section 5705.41(D) Disbursements not properly certified.	No	Not Corrected.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF SALINEVILLE

COLUMBIANA 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
JANUARY 30, 2001**