



**VILLAGE OF RUSSIA
SHELBY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF RUSSIA
SHELBY COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Russia
Shelby County
P.O. Box 305
Russia, Ohio 45363

To the Village Council:

We have audited the accompanying financial statements of the Village of Russia, Shelby 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 financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village 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 September 20, 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 the management, the Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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Jim Petro
Auditor of State

September 20, 2000

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**VILLAGE OF RUSSIA
SHELBY 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**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Local Taxes	\$100,654			\$250,849	\$86,538	\$438,041
Special Assessments		\$14,765	\$17,733			32,498
Intergovernmental Receipts	99,914	18,341		99,274		217,529
Fines, Licenses, and Permits	2,434					2,434
Miscellaneous	14,942	3,577		12,131		30,650
Total Cash Receipts	<u>217,944</u>	<u>36,683</u>	<u>17,733</u>	<u>362,254</u>	<u>86,538</u>	<u>721,152</u>
Cash Disbursements:						
Current:						
Security of Persons and Property		6,390				6,390
Public Health Services	2,569					2,569
Leisure Time Activities	14,954					14,954
Community Environment	4,582					4,582
Basic Utility Services	4,020					4,020
Transportation		5,365				5,365
General Government	110,749					110,749
Debt Service		21,573	19,014	39,188	40,575	120,350
Capital Outlay				177,116	19,122	196,238
Total Disbursements	<u>136,874</u>	<u>33,328</u>	<u>19,014</u>	<u>216,304</u>	<u>59,697</u>	<u>465,217</u>
Total Receipts Over/(Under) Disbursements	<u>81,070</u>	<u>3,355</u>	<u>(1,281)</u>	<u>145,950</u>	<u>26,841</u>	<u>255,935</u>
Fund Cash Balances, January 1	20,092	17,003	8,460	80,535	(5,081)	121,009
Fund Cash Balances, December 31	<u>\$101,162</u>	<u>\$20,358</u>	<u>\$7,179</u>	<u>\$226,485</u>	<u>\$21,760</u>	<u>\$376,944</u>

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

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**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**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$104,261	\$0	\$104,261
Total Operating Cash Receipts	<u>104,261</u>	<u>0</u>	<u>104,261</u>
Operating Cash Disbursements:			
Personal Services	19,001		19,001
Contractual Services	4,348		4,348
Supplies and Materials	22,435		22,435
Total Operating Cash Disbursements	<u>45,784</u>	<u>0</u>	<u>45,784</u>
Operating Income/(Loss)	<u>58,477</u>	<u>0</u>	<u>58,477</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		1,172	1,172
Total Non-Operating Cash Receipts	<u>0</u>	<u>1,172</u>	<u>1,172</u>
Non-Operating Cash Disbursements:			
Debt Service	40,575		40,575
Other Non-Operating Cash Disbursements		1,172	1,172
Total Non-Operating Cash Disbursements	<u>40,575</u>	<u>1,172</u>	<u>41,747</u>
Net Receipts Over/(Under) Disbursements	17,902	0	17,902
Fund Cash Balances, January 1	<u>243,311</u>	<u>0</u>	<u>243,311</u>
Fund Cash Balances, December 31	<u>\$261,213</u>	<u>\$0</u>	<u>\$261,213</u>

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

**VILLAGE OF RUSSIA
SHELBY 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**

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Local Taxes	\$116,954			\$332,571	\$76,310	\$525,835
Special Assessments		\$10,887	\$18,925			29,812
Intergovernmental Receipts	43,500	33,151				76,651
Fines, Licenses, and Permits	1,325					1,325
Miscellaneous	14,228	4,970		3,660		22,858
Total Cash Receipts	<u>176,007</u>	<u>49,008</u>	<u>18,925</u>	<u>336,231</u>	<u>76,310</u>	<u>656,481</u>
Cash Disbursements:						
Current:						
Security of Persons and Property		6,378				6,378
Public Health Services	2,271					2,271
Leisure Time Activities	37,092					37,092
Community Environment	9,910					9,910
Basic Utility Services	3,580					3,580
Transportation	0	4,667				4,667
General Government	97,546				17,457	115,003
Debt Service		22,641	18,867	40,875	81,151	163,534
Capital Outlay	57,250			217,074		274,324
Total Disbursements	<u>207,649</u>	<u>33,686</u>	<u>18,867</u>	<u>257,949</u>	<u>98,608</u>	<u>616,759</u>
Total Receipts Over/(Under) Disbursements	<u>(31,642)</u>	<u>15,322</u>	<u>58</u>	<u>78,282</u>	<u>(22,298)</u>	<u>39,722</u>
Fund Cash Balances, January 1	51,734	1,681	8,402	2,253	17,217	81,287
Fund Cash Balances, December 31	<u><u>\$20,092</u></u>	<u><u>\$17,003</u></u>	<u><u>\$8,460</u></u>	<u><u>\$80,535</u></u>	<u><u>(\$5,081)</u></u>	<u><u>\$121,009</u></u>

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

**VILLAGE OF RUSSIA
SHELBY COUNTY**

**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**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$100,180	\$0	\$100,180
Miscellaneous	1,201		1,201
Total Operating Cash Receipts	<u>101,381</u>	<u>0</u>	<u>101,381</u>
Operating Cash Disbursements:			
Personal Services	18,610		18,610
Contractual Services	2,543		2,543
Supplies and Materials	20,947		20,947
Capital Outlay	6,619		6,619
Total Operating Cash Disbursements	<u>48,719</u>	<u>0</u>	<u>48,719</u>
Operating Income/(Loss)	<u>52,662</u>	<u>0</u>	<u>52,662</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		\$1,225	1,225
Total Non-Operating Cash Receipts	<u>0</u>	<u>1,225</u>	<u>1,225</u>
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements		1,195	1,195
Total Non-Operating Cash Disbursements	<u>0</u>	<u>1,195</u>	<u>1,195</u>
Net Receipts Over/(Under) Disbursements	52,662	30	52,692
Fund Cash Balances, January 1	<u>190,649</u>	<u>(30)</u>	<u>190,619</u>
Fund Cash Balances, December 31	<u>\$243,311</u>	<u>\$0</u>	<u>\$243,311</u>

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

**VILLAGE OF RUSSIA
SHELBY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Village of Russia, Shelby 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 including sewer utilities, park operations (leisure time activities) and police 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 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 maintains an interest bearing checking account, which is valued at cost.

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 Fund:

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

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service funds:

West Main Street Special Assessment Fund - This fund receives special assessment monies to be used to pay West Main Street Debt.

**VILLAGE OF RUSSIA
SHELBY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting(Continued)

3. Debt Service Fund (Continued)

East Main Street Special Assessment Fund - This fund receives special assessment monies to be used to pay East Main Street Debt.

North Street Special Assessment Fund - This fund receives special assessment monies to be used to pay North Street Debt.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

Capital Improvement Fund - This fund receives income tax revenues for Village capital improvements.

Issue II Fund - This fund records the money that the State paid to vendors for street paving.

5. Enterprise Funds

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 Fund:

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

6. 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:

Income Tax Fund - This expendable trust fund receives the proceeds of the Village income tax levied against the village residents.

Mayor's Court Fund (Agency Fund) - This fund records the activity of the Village Mayor's Courts transactions.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**VILLAGE OF RUSSIA
SHELBY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund and program level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. The Village did not use the encumbrance method of accounting.

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 capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$638,157</u>	<u>\$364,320</u>

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

**VILLAGE OF RUSSIA
SHELBY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$213,343	\$217,944	\$4,601
Special Revenue	59,684	36,683	(23,001)
Debt Service	18,023	17,733	(290)
Capital Projects	355,334	362,254	6,920
Expendable Trust	75,000	86,538	11,538
Enterprise Fund	104,265	104,261	(4)
Total	<u>\$825,649</u>	<u>\$825,413</u>	<u>(\$236)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$222,317	\$136,874	\$85,443
Special Revenue	35,515	33,328	2,187
Debt Service	25,122	19,014	6,108
Capital Project	432,737	216,304	216,433
Expendable Trust	109,184	59,697	49,487
Enterprise Fund	348,462	86,359	262,103
Total	<u>\$1,173,337</u>	<u>\$551,576</u>	<u>\$621,761</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$178,485	\$176,007	(2,478)
Special Revenue	49,080	49,008	(72)
Debt Service	22,250	18,925	(3,325)
Capital Projects	335,445	336,231	786
Expendable Trust	75,000	76,310	1,310
Enterprise Fund	101,380	101,381	1
Total	<u>\$761,640</u>	<u>\$757,862</u>	<u>(\$3,778)</u>

**VILLAGE OF RUSSIA
SHELBY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY(Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$211,236	\$207,649	\$3,587
Special Revenue	43,267	33,686	9,581
Debt Service	30,652	18,867	11,785
Capital Projects	255,103	257,949	(2,846)
Expendable Trust	99,217	98,608	609
Enterprise Fund	286,598	48,719	237,879
Total	<u>\$926,073</u>	<u>\$665,478</u>	<u>\$260,595</u>

The Village did not obtain the required certification prior to the expenditure of funds in violation of Ohio Rev. Code Section 5705.41(D).

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
North Street Bonds	\$30,699	8.75%
West Main Street Bonds	\$12,891	7.75%
East Main Street Bonds	\$36,380	6.75%
Ohio Public Works Commission	\$14,078	0.00%
Ohio Water Development Authority	\$794,456	7.21%

**VILLAGE OF RUSSIA
SHELBY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT (Continued)

The North Street, West Main Street, and East Main Street Bonds were issued to pay for road improvements and the loan principal is repaid in annual installments of \$2,791, \$4,297, and \$7,276 respectively with interest being paid bi-annually. Ohio Public Works Commission and Ohio Water Development Authority were issued to pay for sewer improvement within the Village and the loan principal is repaid in bi-annual installments of \$485 and \$40,090 respectively.

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

Year Ending December 31	North Street Bonds	West Main Street Bonds	East Main Street Bonds	OPWC	OWDA
2000	\$5,477	\$5,296	\$9,732	\$485	\$80,180
2001	5,233	4,963	9,241	485	80,180
2002	4,989	4,630	8,749	485	80,180
2003	4,744		8,258	485	80,180
2004	4,500		7,767	485	80,180
2005-2009	18,838			2,425	400,900
2010-2014	3,035			2,425	400,900
2015-2019				2,425	240,577
2020-2024				2,425	
2025-2029				1,953	
Total	<u>\$46,816</u>	<u>\$14,889</u>	<u>\$43,747</u>	<u>\$14,078</u>	<u>\$1,443,277</u>

6. RETIREMENT SYSTEM

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide 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 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. 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 has obtained commercial insurance from a private carrier for the following risks:

- Commercial Property Coverage
- Commercial General Liability Coverage
- Commercial Auto Coverage
- Law Enforcement Liability
- Public Officials Liability
- Commercial Umbrella Liability



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

Village of Russia
Shelby County
P.O. Box 305
Russia, Ohio 45363

To the Village Council:

We have audited the financial statements of the Village of Russia, Shelby 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 September 20, 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 findings as item 1999-30375-001 and 1999-30375-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated September 20, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated September 20, 2000.

Village of Russia
Shelby County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of management and the Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large loop at the end.

Jim Petro
Auditor of State

September 20, 2000

**VILLAGE OF RUSSIA
SHELBY COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	1999-30375-001
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Ohio Rev. Code Section 5705.41 (D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

Exceptions, provided by statute, to this basic requirement is as follows:

Then and Now Certificate: This exception provides that, 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. The taxing authority has 30 days from the receipt of such 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.

Amounts of less than \$100 for counties, or less than \$1,000 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.

The Village did not obtain the required certification prior to the expenditure of Village funds for 100% of transactions in 1998 and 1999.

The Village should obtain the required certification prior to purchasing goods or services for the Village. When certification has not been obtained prior to the obligation, the Clerk should obtain a "Then and Now Certificate" and get subsequent approval within thirty days by the Village Council for all amounts over one thousand dollars.

Finding Number	1999-30375-002
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Ohio Rev. Code Section 733.28 states that the village clerk shall keep the books of the village, exhibit accurate statements of all moneys received and expended, of all the property owned by the village and the income derived therefrom, and of all taxes and assessments.

In 1998 the village did not record \$40,575 of expenditures from the income tax fund and \$3,751 of expenditures from the sewer fund until 1999. The checks on which these expenditures were issued were dated December 1998 and cleared December 31, 1998.

Income taxes received December 1999 and December 1998 in the amount of \$26,991 and \$3,438, respectively, were not recorded on the Village financial records until the following year.

The accompanying financial statements have been adjusted to reflect these transactions.

The Village should timely post all transactions in order to accurately reflect the financial activity and position of the Village.

**VILLAGE OF RUSSIA
SHELBY 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 Plan Taken; or No Longer Valid; Explain
1997-30375-001	Ohio Rev. Code 5705.41 (D)	No	See 1999-30375-001
1997-30375-002	Year 2000 Compliance	Yes	



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OFFICE OF THE AUDITOR

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VILLAGE OF RUSSIA

SHELBY 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
OCTOBER 10, 2000