



**VILLAGE OF NEY
DEFIANCE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF NEY
DEFIANCE COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Ney
Defiance County
230 East Main Street
P.O. Box 237
Ney, Ohio 43549-0237

To the Village Council:

We have audited the accompanying financial statements of the Village of Ney, Defiance County, Ohio, as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 audits 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 audits provide 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 of Ney, Defiance County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting prescribed in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

July 18, 2001

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**VILLAGE OF NEY
DEFIANCE 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, 2000**

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Cash Receipts:			
Property Tax and Other Local Taxes	\$11,409	\$7,017	
Special Assessments		7,137	
Intergovernmental Receipts	72,380	17,344	\$3,098
Fines, Licenses, and Permits	625		
Earnings on Investments	10,308	541	
Miscellaneous	562		
	95,284	32,039	3,098
Total Cash Receipts	95,284	32,039	3,098
Cash Disbursements:			
Current:			
Security of Persons and Property	8,941	13,095	
Leisure Time Activities	1,107		
Basic Utility Services	5,794		
Transportation	22,184	18,550	
General Government	32,374	148	
Capital Outlay	6,300		3,098
	76,700	31,793	3,098
Total Cash Disbursements	76,700	31,793	3,098
Total Cash Receipts Over Cash Disbursements	18,584	246	
Other Financing Receipts/(Disbursements):			
Transfers-In		1,000	
Transfers-Out	(1,000)		
Other Financing Sources	1,500		
	500	1,000	
Total Other Financing Receipts/(Disbursements)	500	1,000	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	19,084	1,246	
Fund Cash Balances, January 1	161,716	25,436	
Fund Cash Balances, December 31	\$180,800	\$26,682	

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

<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Expendable Trust</u>	
	\$18,426
	7,137
	92,822
	625
\$1,302	12,151
	562
<u>1,302</u>	<u>131,723</u>
	22,036
	1,107
	5,794
	40,734
	32,522
	9,398
	<u>111,591</u>
<u>1,302</u>	<u>20,132</u>
	1,000
	(1,000)
	<u>1,500</u>
	<u>1,500</u>
1,302	21,632
<u>29,193</u>	<u>216,345</u>
<u>\$30,495</u>	<u>\$237,977</u>

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**VILLAGE OF NEY
DEFIANCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Interest	\$2,094
Charges for Services	52,538
Miscellaneous	4,045
Total Operating Cash Receipts	58,677
Operating Cash Disbursements:	
Personal Services	6,055
Fringe Benefits	710
Contractual Services	9,448
Supplies and Materials	3,267
Miscellaneous	225
Total Operating Cash Disbursements	19,705
Operating Income	38,972
Non-Operating Cash Disbursements:	
Debt Service - Principal	9,000
Debt Service - Interest	8,850
Total Non-Operating Cash Disbursements	17,850
Excess of Receipts Over Disbursements	21,122
Fund Cash Balances, January 1	97,207
Fund Cash Balances, December 31	\$118,329

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

**VILLAGE OF NEY
DEFIANCE 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		
	General	Special Revenue	Capital Projects
Cash Receipts:			
Property Tax and Other Local Taxes	\$10,188	\$7,291	
Special Assessments		5,612	
Intergovernmental Receipts	64,143	16,137	\$5,106
Fines, Licenses, and Permits	935		
Earnings on Investments	8,278	435	
Miscellaneous	2,182		
	85,726	29,475	5,106
Total Cash Receipts	85,726	29,475	5,106
Cash Disbursements:			
Current:			
Security of Persons and Property	7,022	10,125	
Public Health Services	1,060		
Leisure Time Activities	1,113		
Basic Utility Services	1,876		
Transportation	5,145	15,676	
General Government	36,890		
Capital Outlay			5,106
	53,106	25,801	5,106
Total Cash Disbursements	53,106	25,801	5,106
Total Cash Receipts Over Cash Disbursements	32,620	3,674	
Other Financing Receipts:			
Other Financing Sources	1,122		
	33,742	3,674	
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	33,742	3,674	
Fund Cash Balances, January 1	127,974	21,762	
Fund Cash Balances, December 31	\$161,716	\$25,436	

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

<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Expendable Trust</u>	
	\$17,479
	5,612
	85,386
	935
\$1,238	9,951
	2,182
<u>1,238</u>	<u>121,545</u>
	17,147
	1,060
	1,113
	1,876
	20,821
	36,890
	5,106
	<u>84,013</u>
<u>1,238</u>	<u>37,532</u>
	1,122
1,238	38,654
<u>27,955</u>	<u>177,691</u>
<u>\$29,193</u>	<u>\$216,345</u>

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**VILLAGE OF NEY
DEFIANCE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Interest	\$2,344
Charges for Services	55,709
Miscellaneous	12
Total Operating Cash Receipts	58,065
Operating Cash Disbursements:	
Personal Services	7,722
Fringe Benefits	1,041
Supplies and Materials	14,305
Miscellaneous	675
Total Operating Cash Disbursements	23,743
Operating Income	34,322
Non-Operating Cash Disbursements:	
Debt Service - Principal	9,000
Debt Service - Interest	9,300
Total Non-Operating Cash Disbursements	18,300
Excess of Receipts Over Disbursements	16,022
Fund Cash Balances, January 1	81,185
Fund Cash Balances, December 31	\$97,207

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

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**VILLAGE OF NEY
DEFIANCE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Ney, Defiance 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 water 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

Certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded 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 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:

**VILLAGE OF NEY
DEFIANCE COUNTY**

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

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

Permissive Motor Vehicle Tax Fund - This fund receives motor vehicle tax money for constructing, maintaining and repairing Village streets.

3. 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 one significant capital project fund:

Issue II Fund - This fund is to account for monies spent on behalf of the Village by the Defiance County Engineer's Office for street pavings.

4. 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 one significant Enterprise Fund

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility and expends monies for principal payments for the retirement of outstanding indebtedness.

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 Expendable Trust Fund:

Park Trust Fund - This fund receives interest earnings from the investment of the principle amount which was donated to the park several years ago.

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 NEY
DEFIANCE COUNTY**

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

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Cash on Hand	\$50	\$50
Demand deposits	\$181,256	\$138,502
Certificates of deposit	175,000	175,000
Total deposits and cash on hand	\$356,306	\$313,552

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

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

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$85,233	\$96,784	\$11,551
Special Revenue	26,150	33,039	6,889
Capital Projects		3,098	3,098
Enterprise	61,250	58,677	(2,573)
Expendable Trust	1,250	1,302	52
Total	\$173,883	\$192,900	\$19,017

**VILLAGE OF NEY
DEFIANCE COUNTY**

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

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$247,700	\$77,700	\$170,000
Special Revenue	46,450	31,793	14,657
Capital Projects		3,098	(3,098)
Enterprise	84,330	37,555	46,775
Expendable Trust			
Total	<u>\$378,480</u>	<u>\$150,146</u>	<u>\$228,334</u>

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$85,599	\$86,848	\$1,249
Special Revenue	36,208	29,475	(6,733)
Capital Projects		5,106	5,106
Enterprise	52,000	58,065	6,065
Expendable Trust	1,250	1,238	(12)
Total	<u>\$175,057</u>	<u>\$180,732</u>	<u>\$5,675</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$205,000	\$53,106	\$151,894
Special Revenue	53,350	25,801	27,549
Capital Projects		5,106	(5,106)
Enterprise	75,300	42,043	33,257
Expendable Trust			
Total	<u>\$333,650</u>	<u>\$126,056</u>	<u>\$207,594</u>

Contrary to the requirements of § 5705.41(B) of the Ohio Revised Code, expenditures exceeded appropriations in the Issue II Capital Project fund by \$5,106 in 1999 and expenditures exceeded appropriations in the Local Transportation Improvement Program Capital Project fund by \$3,098 in 2000.

In 1999, the Village did not post \$5,106 of Issue II monies that it received to the financial statements.

**VILLAGE OF NEY
DEFIANCE COUNTY**

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

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 payments, 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, 2000 was as follows:

	Principal	Interest Rate
Mortgage Revenue Bonds	\$168,000	5%

The Mortgage Revenue Bonds debt relates to the construction of a municipal waterworks system in 1974. The original bonded debt principal amount was \$293,000. Bond principal and interest payments are due annually on January 1. Repayment of the bonds will occur over thirty-eight years from 1977 through 2014. The Village has agreed to set water utility rates sufficient to cover the debt service requirements.

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

Year ending December 31:	Mortgage Revenue Bonds
2000	\$18,400
2001	17,900
2002	18,400
2003	17,850
2004	18,300
Subsequent	141,050
Total	\$231,900

**VILLAGE OF NEY
DEFIANCE COUNTY**

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

6. RETIREMENT SYSTEMS

The Village's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement 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 2000 and 1999, members of PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries for 1999; however, in 2000, the employer contribution rate was rolled back to 10.65% of participants' gross salaries. The Village has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Village is a member of the Ohio Government Risk Management Plan 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:

- General liability and casualty;
- Vehicles;
- Public official's liability; and
- Vehicle.

The Village does not provide health insurance to any of its employees.



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

Village of Ney
Defiance County
230 East Main Street
P.O. Box 237
Ney, Ohio 43549-0237

To the Village Council:

We have audited the accompanying financial statements of the Village of Ney, Defiance County, Ohio, (the Village) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated July 18, 2001. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 audits 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 items 2000-30120-001 and 2000-30120-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated July 18, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated July 18, 2001.

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

This report is intended for the information and use of management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

July 18, 2001

VILLAGE OF NEY
DEFIANCE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999

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

FINDING NUMBER 2000-30120-001

Noncompliance Citation

Ohio Revised Code § 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated. Actual expenditures exceeded appropriations in the following funds by the following amounts:

<u>Fund</u>	<u>Year</u>	<u>Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Issue II Capital Project Fund	1999		\$5,106	\$(5,106)
Local Transportation Improvement Program (LTIP) Capital Project Fund	2000		3,098	(3,098)

Making expenditures in excess of appropriations may result in deficit spending. We recommend that Council comply with Auditor of State Bulletin 2000-008 and amend estimated resources and appropriations when the Village has been notified that it will receive Issue II or LTIP monies.

FINDING NUMBER 2000-30120-002

Noncompliance Citation

Ohio Revised Code § 5705.42 requires that when the United States government of the state or any department, division, agency, authority, or unit thereof makes a grant of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, or enters into an agreement with the subdivision for the making of any such grant of money, the amount thereof is deemed appropriated for such purpose by the taxing authority of the subdivision as provided by law and shall be recorded as such by the fiscal officer of the subdivision and is deemed in process of collection within the meaning of § 5705.41 of the Revised Code.

During 1999, Issue II funds in the amount of \$5,106 were received directly by Defiance County on behalf of the Village for paving projects performed during these years. This activity was not originally reported on the Village's financial statements. Receipts and disbursements were understated in the Capital Projects Fund Type. An adjustment was subsequently made to the financial statements to reflect this activity.

We recommend the Village comply with Auditor of State Bulletin 1997-12 and 2000-08 and MAS Bulletin 89-17 and contact the County Engineer to obtain the amount of Issue II/Local Transportation Improvement Program funds designated to the Village. This amount should be budgeted and posted to the Village books.

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**VILLAGE OF NEY
DEFIANCE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-30120-001	Ohio Revised Code § 5705.42 Failed to post Issue II and Local Transportation Improvement Fund (LTIP) to the financial statements in 1997 and 1998	No	Partially Corrected. Issue II monies were not posted to the financial statements in 1999; however, monies were posted in 2000.
1998-30120-003	Ohio Revised Code § 5705.41 (B) Expenditures exceeded appropriations in 1997 and 1998 in the Permissive Tax Fund	No	Not Corrected. Expenditures exceeded appropriations in the Issue II and LTIP Capital Projects fund in 1999 and 2000, respectively.



STATE OF OHIO
OFFICE OF THE AUDITOR

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VILLAGE OF NEY

DEFIANCE 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
AUGUST 16, 2001**