



**Auditor of State  
Betty Montgomery**



VILLAGE OF NEVADA  
WYANDOT COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Village of Nevada  
Wyandot County  
P.O. Box 430  
Nevada, Ohio 44849

To the Village Council:

We have audited the accompanying financial statements of the Village of Nevada, Wyandot County, Ohio, (the Village) as of and for the years ended December 31, 2003, and December 31, 2002. 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 *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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Village as of December 31, 2003, and December 31, 2002, 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 May 17, 2004, 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 audit.

Village of Nevada  
Wyandot County  
Independent Accountants' Report  
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This report is intended solely for the information and use of management, the audit committee, 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.

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

**Betty Montgomery**  
Auditor of State

May 17, 2004

**VILLAGE OF NEVADA  
WYANDOT COUNTY**

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

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property Tax	\$15,668	\$0	\$0	\$15,668
Intergovernmental Receipts	18,288	50,693	0	68,981
Fines, Licenses, and Permits	205	0	0	205
Earnings on Investments	187	188	0	375
Miscellaneous	1,798	0	0	1,798
	<u>36,146</u>	<u>50,881</u>	<u>0</u>	<u>87,027</u>
Total Cash Receipts				
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	750	0	0	750
Public Health Services	1,624	0	0	1,624
Leisure Time Activities	4,275	0	0	4,275
Community Environment	24	0	0	24
Basic Utility Services	6,481	0	0	6,481
Transportation	0	42,084	0	42,084
General Government	23,361	0	0	23,361
Debt Service:				
Principal Payments	0	0	23,199	23,199
Interest Payments	0	0	60,324	60,324
	<u>36,515</u>	<u>42,084</u>	<u>83,523</u>	<u>162,122</u>
Total Cash Disbursements				
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(369)</u>	<u>8,797</u>	<u>(83,523)</u>	<u>(75,095)</u>
<b>Other Financing Receipts:</b>				
Transfers-In	0	0	109,587	109,587
	<u>0</u>	<u>0</u>	<u>109,587</u>	<u>109,587</u>
Total Other Financing Receipts				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(369)	8,797	26,064	34,492
Fund Cash Balances, January 1	<u>69,300</u>	<u>51,252</u>	<u>15,112</u>	<u>135,664</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$68,931</u></b>	<b><u>\$60,049</u></b>	<b><u>\$41,176</u></b>	<b><u>\$170,156</u></b>
Reserves for Encumbrances, December 31	<u>\$2,275</u>	<u>\$29,854</u>	<u>\$328</u>	<u>\$32,457</u>

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

**VILLAGE OF NEVADA  
WYANDOT COUNTY**

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

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$216,421
Miscellaneous	124
	216,545
Total Operating Cash Receipts	216,545
<b>Operating Cash Disbursements:</b>	
Personal Services	14,327
Contractual Services	59,336
Supplies and Materials	9,934
	83,597
Total Operating Cash Disbursements	83,597
Operating Income	132,948
<b>Non-Operating Cash Receipts:</b>	
Interest	1,274
	1,274
Total Non-Operating Cash Receipts	1,274
Excess of Cash Receipts Over Cash Disbursements Before Interfund Transfers	134,222
Transfers-Out	(109,587)
Net Receipts Over Disbursements	24,635
Fund Cash Balances, January 1	49,582
<b>Fund Cash Balances, December 31</b>	<b>\$74,217</b>
Reserve for Encumbrances, December 31	\$20,332

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



**VILLAGE OF NEVADA  
WYANDOT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property Tax	\$19,423	\$0	\$0	\$19,423
Intergovernmental Receipts	12,311	30,916	0	43,227
Fines, Licenses, and Permits	546	0	0	546
Earnings on Investments	320	270	0	590
Miscellaneous	3,099	0	0	3,099
Total Cash Receipts	<u>35,699</u>	<u>31,186</u>	<u>0</u>	<u>66,885</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	1,196	0	0	1,196
Public Health Services	1,960	0	0	1,960
Leisure Time Activities	1,004	0	0	1,004
Community Environment	345	0	0	345
Basic Utility Services	6,728	0	0	6,728
Transportation	0	18,278	0	18,278
General Government	19,012	0	0	19,012
Total Cash Disbursements	<u>30,245</u>	<u>18,278</u>	<u>0</u>	<u>48,523</u>
Total Cash Receipts Over Cash Disbursements	<u>5,454</u>	<u>12,908</u>	<u>0</u>	<u>18,362</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In	0	0	15,112	15,112
Advances-In	17,000	0	0	17,000
Advances-Out	(17,000)	0	0	(17,000)
Total Other Financing Receipts/(Disbursements)	<u>0</u>	<u>0</u>	<u>15,112</u>	<u>15,112</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	5,454	12,908	15,112	33,474
Fund Cash Balances, January 1	<u>63,846</u>	<u>38,344</u>	<u>0</u>	<u>102,190</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$69,300</b></u>	<u><b>\$51,252</b></u>	<u><b>\$15,112</b></u>	<u><b>\$135,664</b></u>
Reserves for Encumbrances, December 31	<u>\$1,500</u>	<u>\$300</u>	<u>\$0</u>	<u>\$1,800</u>

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

**VILLAGE OF NEVADA  
WYANDOT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$193,022
Miscellaneous	100
	193,122
Total Operating Cash Receipts	193,122
<b>Operating Cash Disbursements:</b>	
Personal Services	15,475
Contractual Services	75,230
Supplies and Materials	11,619
	102,324
Total Operating Cash Disbursements	102,324
Operating Income	90,798
<b>Non-Operating Cash Receipts:</b>	
Interest	1,876
	1,876
Total Non-Operating Cash Receipts	1,876
<b>Non-Operating Cash Disbursements:</b>	
Debt Service - Principal	21,668
Debt Service - Interest	61,396
	83,064
Total Non-Operating Cash Disbursements	83,064
Excess of Cash Receipts Over Cash Disbursements Before Interfund Transfers and Advances	9,610
Advances-In	17,000
Transfers-Out	(15,112)
Advances-Out	(17,000)
	(5,502)
Net Receipts (Under) Disbursements	(5,502)
Fund Cash Balances, January 1	55,084
<b>Fund Cash Balances, December 31</b>	<b>\$49,582</b>

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

**VILLAGE OF NEVADA  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Nevada, Wyandot County, Ohio, (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 water and sewer utilities, park operations, and general government services. The Village contracts with the Wyandot County Sheriff's department to provide security of persons and property. Wyandot East Fire District provides 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**

The Village maintains two interest-bearing depository accounts.

**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 Funds**

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 license tax money for constructing, maintaining and repairing Village streets.

**3. Debt Service Funds**

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

VILLAGE OF NEVADA  
WYANDOT COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

*Water Debt Fund* - This fund receives transfers from the water operating fund for debt payments related an Ohio Water Development Authority loan.

*Sewer Debt Fund* – This fund receives transfers from the sewer operating fund for debt payments related to outstanding sewer bonds.

**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 the following significant Enterprise Funds:

*Water Fund* - This fund receives charges for services from residents to cover the cost of providing this utility and to repay debt related to the water plant.

*Sewer Fund* - This fund receives charges for services from residents to cover the cost of providing this utility and to repay debt related to the sewer plant.

**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 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.

**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 2003 and 2002 budgetary activity appears in Note 3.

**VILLAGE OF NEVADA  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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:

	2003	2002
Demand deposits	\$244,373	\$185,246

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$36,800	\$36,146	(\$654)
Special Revenue	32,200	50,881	18,681
Debt Service	83,801	109,587	25,786
Enterprise	212,000	217,819	5,819
Total	\$364,801	\$414,433	\$49,632

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$104,600	\$38,790	\$65,810
Special Revenue	83,452	71,938	11,514
Debt Service	98,913	83,851	15,062
Enterprise	261,580	213,516	48,064
Total	\$548,545	\$408,095	\$140,450

**VILLAGE OF NEVADA  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$32,672	\$35,699	\$3,027
Special Revenue	30,200	31,186	986
Debt Service	0	15,112	15,112
Enterprise	172,690	194,998	22,308
Total	\$235,562	\$276,995	\$41,433

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$97,507	\$31,745	\$65,762
Special Revenue	67,454	18,578	48,876
Debt Service	0	0	0
Enterprise	233,343	200,500	32,843
Total	\$398,304	\$250,823	\$147,481

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the 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.

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, 2003 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$260,316	5.50%
Mortgage Revenue Bonds	991,000	4.50%
Total	\$1,251,316	

**VILLAGE OF NEVADA  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**6. DEBT (Continued)**

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant expansion project that was mandated by the Ohio Environmental Protection Agency. The OWDA approved a \$300,000 loan to the Village for this project. The loans will be repaid in semiannual installments of \$12,672, including interest, over 20 years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Mortgage Revenue Bonds relate to the construction of the Village sewer system and wastewater treatment plant. The bonds will be repaid in annual installments as set forth on the amortization schedule over 40 years. The bonds are secured by an Indenture of Mortgage on the properties of the Utility.

As required by the Mortgage Revenue Bond covenant, the Village has established and funded a sewer debt service fund, included as a debt service fund. The balance in the fund at December 31, 2003 is \$39,063. The Village has not established the required sewer reserve fund.

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

	OWDA Loan	Mortgage Revenue Bonds
Year ending December 31:		
2004	\$25,344	\$58,595
2005	25,344	57,965
2006	25,344	58,335
2007	25,344	58,660
2008	25,344	57,940
2009-2013	126,720	291,045
2014-2018	126,720	290,275
2019-2023	25,344	290,880
2024-2028	0	290,465
2029-2033	0	292,275
2034-2036	0	174,625
Total	\$405,504	\$1,921,060

**7. 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 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 2003 and 2002, 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, 2003.

During 2003 two of the Village Council members and one of the Board of Public Affairs members elected to belong to Social Security. In 2002 three of the Village Council members and three of the Board of Public Affairs members elected to belong to Social Security. The Village's liability is 6.2 percent of wages paid.

**VILLAGE OF NEVADA  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**8. RISK MANAGEMENT**

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.





**Auditor of State  
Betty Montgomery**

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

Village of Nevada  
Wyandot County  
P.O. Box 430  
Nevada, Ohio 44849

To the Village Council:

We have audited the financial statements of the Village of Nevada, Wyandot County, Ohio, (the Village) as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated May 17, 2004. 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 *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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2003-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 17, 2004.

**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. 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 May 17, 2004.

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This report is intended solely for the information and use of management, the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

May 17, 2004

VILLAGE OF NEVADA  
WYANDOT COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002

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

Finding Number	2003-001
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**Proper Certification by Village Clerk/Treasurer**

Ohio Rev. Code Section 5705.41(D) states that no order or contract involving the expenditure of money is to be made unless there is attached thereto a certificate of the fiscal officer certifying 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. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two "exceptions" to the above requirement:

- a. Then and Now Certificate – If no certificate is issued 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 of the certificate, appropriated and free of any previous encumbrances, the 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 \$3,000 or less, the Clerk/Treasurer may authorize it be paid without the affirmation of the Council, if such expenditure is otherwise valid.

Seventy-four percent of the transactions tested were not certified by the Clerk/Treasurer at the time the commitment was incurred and neither of the exceptions provided for were used. Certification of expenditures is not only required by Ohio law, but it is a key control in the disbursement process to assure that purchase commitments receive prior approval, and to help reduce the possibility of Village funds being over expended or exceeding budgetary spending limitations as set by Council. To improve controls over disbursements, we recommend the Clerk/Treasurer issue purchase orders for all expenditures and properly certify all that the funds are or will be available prior to the commitment being incurred.

**VILLAGE OF NEVADA  
WYANDOT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003, AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2001-30288-001	Ohio Rev. Code Section 5705.41(B) – Expenditures exceed appropriations	Yes	Fully corrected.
2001-30288-002	Ohio Rev. Code Section 5705.41 (D) – Lack of proper certification by Village Clerk/Treasurer	No	Not Corrected – This citation is being repeated in the current audit as finding number 2003-001.
2001-30288-003	Ordinance No. 1996-08 – Noncompliance with debt covenant	No	Partially Corrected – The Village established a Sewer Debt Service Fund but not a Sewer Reserve Fund. This citation is being repeated in the current audit management letter.
2001-30288-004	Estimated revenues not posted or monitored.	No	Partially corrected – This recommendation is being repeated in the current audit management letter.



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
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Facsimile 614-466-4490

**VILLAGE OF NEVADA**

**WYANDOT 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  
JUNE 22, 2004**