



**Auditor of State
Betty Montgomery**

VILLAGE OF NEWTONSVILLE
CLERMONT COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Newtonsville
Clermont County
794 Wright Street
Newtonsville, Ohio 45158

To the Village Council:

We have audited the accompanying financial statement of the Village of Newtonsville, Clermont County, Ohio (the Village), as of and for the year then ended December 31, 2003. This financial statement is the responsibility of the Village's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement 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 statement referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 2003, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2005, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

This report is intended solely for the information and use of the finance committee, 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.

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

Betty Montgomery
Auditor of State

March 17, 2005

VILLAGE OF NEWTONSVILLE
CLERMONT 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, 2003**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Agency</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	5,336	0	0	0	\$5,336
Intergovernmental Receipts	32,746	9,117			41,863
Fines, Licenses, and Permits	42,051	13,758			55,809
Earnings on Investments	886	1,274			2,160
Miscellaneous	2,726	1,105			3,831
Total Cash Receipts	83,745	25,254	0	0	108,999
Cash Disbursements:					
Current:					
Security of Persons and Property	42,441				42,441
Basic Utility Services	6,220				6,220
General Government	69,692	18,234			87,926
Debt Service:					
Principal Payments		5,822			5,822
Interest Payments		162			162
Total Cash Disbursements	118,353	24,218	0	0	142,571
Total Receipts Over/(Under) Disbursements	(34,608)	1,036	0	0	(33,572)
Other Financing Receipts and (Disbursements):					
Other Financing Sources	0	0	0	71,537	71,537
Other Financing Uses				(67,556)	(67,556)
Total Other Financing Receipts/(Disbursements)	0	0	0	3,981	3,981
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(34,608)	1,036	0	3,981	(29,591)
Fund Cash Balances, January 1	89,200	81,570	37,899	6,081	214,750
Fund Cash Balances, December 31	\$54,592	\$82,606	\$37,899	\$10,062	\$185,159
Reserves for Encumbrances, December 31	\$7,089	\$0	\$0	\$0	\$7,089

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

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**VILLAGE OF NEWTONSVILLE
CLERMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Newtonsville, Clermont 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 street maintenance 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 Deposits

Certificates of deposit are valued at cost.

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:

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

Cruiser Replacement Fund - This fund receives 20% of the court costs allocated to the Village for expenditures related to the purchase of new police department cruisers.

**VILLAGE OF NEWTONSVILLE
CLERMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Fund

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Village had the following capital projects fund:

Land and Building Construction Fund - This fund is for capital outlay expenditures for land and building construction projects.

4. Fiduciary Fund (Agency Fund)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following agency fund:

Mayor's Court – This fund collects and distributes court fines to the Village and the State.

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.

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. The budgetary presentations have been adjusted to include material items that should have been encumbered.

A summary of 2003 budgetary activity appears in Note 3.

**VILLAGE OF NEWTONSVILLE
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(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 AND DEPOSITS

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

	2003
Demand deposits	\$147,260
Certificates of deposit	37,899
Total deposits	\$185,159

Deposits: 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, 2003 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$84,180	\$83,745	(\$435)
Special Revenue	15,050	25,254	10,204
Capital Projects	1,800	0	(1,800)
Total	\$101,030	\$108,999	\$7,969

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$140,755	\$125,442	\$15,313
Special Revenue	83,550	24,218	59,332
Capital Projects	35,000	0	35,000
Total	\$259,305	\$149,660	\$109,645

**VILLAGE OF NEWTONSVILLE
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003
(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.

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

The Village entered into a Police Cruiser lease-purchase agreement on August 20, 2002 with 32 Ford Mercury for a 2003 Ford Crown Victoria Police Sedan. The original lease-purchase amount was \$20,100 which consisted of one advance payment of \$13,000, followed by 22 consecutive monthly in advance payments of \$325.96 each (including interest), followed by one final payment of \$325.94, due under this lease. As of January 1, 2003, the Village owed \$5,822 in principal. During 2003, the Village paid the Police Cruiser lease-purchase agreement in full, which amounted to \$5,822 in principal and \$162 in interest

6. RETIREMENT SYSTEMS

The Village has no full-time employees. All part-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 2002 and 2001, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of PERS participants' gross salaries for 2002 and 2001. The Village has paid all contributions required through December 31, 2002.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**VILLAGE OF NEWTONSVILLE
CLERMONT COUNTY**

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

8. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

8. PENDING LITIGATION

The Village has been named as a defendant in a lawsuit. Although the outcome of this suit is not presently determinable, management believes that the resolution of this matter will not materially adversely affect the Village's financial condition.

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Auditor of State Betty Montgomery

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

Village of Newtonsville
Clermont County
794 Wright Street
Newtonsville, Ohio 4515

To the Village Council:

We have audited the financial statements of the Village of Newtonsville, Clermont County, Ohio (the Village), as of and for the year ended December 31, 2003, and have issued our report thereon dated March 17, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 management's assertions in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2003-001 through 2003-006.

A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when 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 material weaknesses. We consider reportable condition 2003-004 listed above to be a material weakness. In a separate letter to the Village's management dated March 17, 2005, we reported other matters involving internal control over financial reporting.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-004 through 2003-006. In a separate letter to the Village's management dated March 17, 2005, we reported other related matters.

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Village of Newtonsville
Clermont County
Independent Accountants' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Required by
Government Auditing Standards
Page 2

We intend this report solely for the information and use of the finance committee, management, and the Village Council. It is not intended for 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

March 17, 2005

**VILLAGE OF NEWTONSVILLE
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2003-001

Internal Control Reportable Condition – Salaries

We noted the following control weakness with regards to the payroll:

- We were unable to recalculate gross payroll for three employees due to a lack of documentation in their personnel files verifying an authorized payroll rate and a lack of documentation in the Minutes verifying Council approval of their rates. We were able to determine through alternative procedures that the employees were paid a reasonable amount.

This control weakness could result in unauthorized overpayments to employees. We recommend Council properly approve the hiring of all employees and establishment of their pay rates. This approval should be documented in the Minutes and in each employee's personnel file.

FINDING NUMBER 2003-002

Internal Control Reportable Condition - Minutes

The following deficiencies were found in the Village Council's minute records, ordinance books, and resolution books:

- The financial report, the report of the Clerk-Treasurer, and a list of bills were not attached with the minutes.
- The Mayor's Court report was not shown to the Village Council monthly.

The minutes are the official proceedings of the Village and should document accurately all significant actions taken by the Council. We recommend that any reports or lists approved by Council should be attached to the minutes. Council should also review, approve and attach the Mayor's Court reports to the minutes.

FINDING NUMBER 2003-003

Internal Control Reportable Condition - Payroll

The Village has delegated payroll processing to Werner Tax Service, which is a significant accounting function. The Village has not established procedures to reasonably determine that payroll processing has been completely and accurately processed in accordance with the Village Council requirements. During our audit, we found:

- Personnel files are not maintained by the Village for employees.
- Withholding forms are completed by the employee and forwarded to the payroll service, but the Village has very few records for its employees.

**FINDING NUMBER 2003-003
(Continued)**

- Increased pay rates for 2003 were not approved in the minutes.
- One employee was paid by check, the check was later voided but the employee still received a w-2 for the amount of the check.

The forms and information act as evidence for authorization of withholdings, document membership with a retirement system, and authorization of pay. Withholdings must be retained at the correct rate for the employees to receive the proper benefits. Documentation of remittance of withholdings should be maintained to provide evidence that all withholdings were remitted to the appropriate entities at the appropriate amounts. Therefore, we recommend:

- The Village should keep on file: copies of withholding forms, the hiring authorization including position and salary or rate, the fund to which the salary will be charged, and any changes to pay or position.
- The Village should update their pay schedule, which should include all positions. They should also document all changes in the minute records.
- The Village should retain all supporting documentation related to payroll.
- The Village should retain all necessary payroll reports to verify the accuracy of pay to employees, the amounts withheld, and the withholdings remitted for taxes and retirement.

The Village should implement procedures to reasonably assure the completeness, and accuracy of payroll processing by the third party administrator. Statement on Auditing Standards No. 70 (SAS 70) as amended by SAS No. 88, prescribes standards for reporting on the processing of transactions by service organizations. An unqualified "Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness" in accordance with SAS No. 70 and SAS No. 88, should provide the Village with an appropriate level of assurance that the payroll is being processed in conformance with the Council approved rates of pay. However, it may be possible for the Village to obtain an appropriate level of assurance by adding monitory controls to the payroll functions performed by the third party.

FINDING NUMBER 2003-004

Material Noncompliance / Material Weakness – Accounting System

Ohio Revised Code, Section 733.28, requires the Village Clerk to maintain the books of the Village and exhibit accurate statements of all monies received and expended. The Clerk maintained a cashbook on Quicken software. However, budgeted receipts and appropriations for 2003 were not maintained in a receipts and appropriations ledger.

Ohio Administrative Code, Section 117-2-02(A), requires governments to maintain an accounting system and accounting records sufficient to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements. Per Ohio Administrative Code, Section 117-2-02(C), accounting records that can help achieve these objectives include:

**FINDING NUMBER 2003-004
(Continued)**

1. Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund.
2. Appropriation ledger, which assembles and classifies disbursements into separate accounts, for at a minimum, each account listed in the appropriation resolution.
3. Ohio Administrative Code, Section 117-9-01, provides suggested account classifications. These accounts classify receipts by source (taxes or charges for services, for example) and classify disbursements by program (security of persons and property, for example) or object (personal services, for example). Using these classifications and the aforementioned accounting records will provide the Village with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

The Village's budgeted receipts ledger and appropriation ledger were incomplete. The Village's current system of internal control does not address the need for the accurate posting and updating of the Village's budgetary records and the consistent monitoring of budgetary financial information. The lack of such controls reduces the Village's ability to determine its financial status accurately at any given time and may result in obligations being incurred without the available resources.

To provide accurate and complete financial information for management to use in the decision making process, and to aid in the accurate classification of receipts and disbursements on the Village's annual financial report, we recommend:

1. The Village maintain receipt and appropriation ledgers as prescribed by the Ohio Administrative Code.
2. Encumbrances and disbursements should be posted to the appropriation ledger resulting in declining unencumbered balances.
3. Receipts should be posted by fund and line item, with a running balance maintained. At year-end, the totals from these ledgers should be carried forward to the annual financial report.

The budgeted receipts and appropriations from the official documents should be accurately recorded and updated in the respective ledgers. On a monthly basis, detailed budget and actual financial statements should be presented to the Council for review. Council members should carefully review this information and make appropriate inquires to help determine the continued integrity of the financial information and accept the information officially in the minutes.

FINDING NUMBER 2003-005

Material Noncompliance / Reportable Condition – Destruction of Records

Ohio Revised Code, Section 149.351, states that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under sections 149.38 to 149.42 of the Revised Code. The Village was unable to locate 35% of invoices and 10% of cancelled checks selected for testing. However, we were able to apply alternative audit procedures to determine these expenditures were proper. We recommend the Village keep all supporting documentation and cancelled checks to validate that the expenditure was for a proper public purpose and amount paid was the amount that was invoiced.

FINDING NUMBER 2003-006

Material Noncompliance/Reportable Condition

Ohio Rev. Code, Section 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

- A. "Then and Now" certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that 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 Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 (\$1,000 prior to April 7, 2003) may be paid by the fiscal officer without a resolution or ordinance 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 Village.

- B. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. (Prior to September 26, 2003, blanket certificates were limited to \$5,000 and three months.) The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
- C. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Village did not certify the availability of funds prior to purchase commitment for 72% of the expenditures tested and there was no evidence that the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

**FINDING NUMBER 2003-006
(Continued)**

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend the Clerk certify that the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used. The Clerk should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Clerk should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

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**VILLAGE OF NEWTONSVILLE
CLERMONT COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2002-005	The Village did not maintain a complete, accurate and reliable appropriation ledger.	No	Not Corrected; Finding has been reissued as Finding No. 2003-002.
2002-001	The Village did not properly certify the availability of funds for expenditures before a purchase was made.	No	Not Corrected. Finding has been reissued as Finding No. 2003-006.
2002-002	The Village had expenditures exceeding appropriations.	No	Partially Corrected. Finding has been reissued as a management letter comment.
2002-003	The Village had negative fund balances	No	Partially Corrected. Finding has been reissued as a management letter comment.
2002-004	The Village had actual receipts and disbursements below budgeted amounts	Yes	
2002-007	The Village had various deficiencies in the minutes	No	Not Corrected. Finding has been reissued as Finding No. 2003-003
2002-006	The Village had numerous deficiencies in the expenditure cycle.	No	Partially Corrected; Part of finding has been reissued as Finding No. 2003-005.
2002-008	The Village had numerous deficiencies in the payroll cycle.	No	Not Corrected. Finding has been reissued as Finding No. 2003-004



**Auditor of State
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VILLAGE OF NEWTONSVILLE

CLERMONT 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
APRIL 5, 2005**