



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF CLINTON
SUMMIT COUNTY

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Village of Clinton
Summit County
7871 Main Street
Clinton, Ohio 44216

To the Village Council:

We have audited the accompanying financial statements of the Village of Clinton, Summit County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 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 audits.

We conducted our audits 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 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 and reserves for encumbrances of the Village as of December 31, 1999 and 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 August 15, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management and 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, appearing to read "Jim Petro".

Jim Petro
Auditor of State

August 15, 2000

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VILLAGE OF CLINTON

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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property Tax and Other Local Taxes	\$48,522	\$134,202	\$0	\$0	\$182,724
Intergovernmental	123,063	104,268		33,576	260,907
Charges for Services	450	9,565			10,015
Fines, Licenses, and Permits	8,949				8,949
Earnings on Investments	3,693	2,819			6,512
Miscellaneous	1,836	616			2,452
Total Cash Receipts	186,513	251,470	0	33,576	471,559
Cash Disbursements:					
Current:					
Security of Persons and Property	51,507	81,151			132,658
Public Health Services	13,151				13,151
Leisure Time Activities	3,176				3,176
Community Environment	3,639				3,639
Basic Utility Services		6,915			6,915
Transportation	26,428	41,462			67,890
General Government	62,834				62,834
Debt Service:					
Principal Payments		25,584			25,584
Interest Payments		9,430			9,430
Capital Outlay	51,489	71,159		314,427	437,075
Total Cash Disbursements	212,224	235,701	0	314,427	762,352
Total Cash Receipts Over/(Under) Cash Disbursements	(25,711)	15,769	0	(280,851)	(290,793)
Other Financing Receipts:					
Proceeds of Notes				265,256	265,256
Sale of Fixed Assets	27,000	6,263			33,263
Total Other Financing Receipts	27,000	6,263	0	265,256	298,519
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	1,289	22,032	0	(15,595)	7,726
Fund Cash Balances, January 1	156,738	105,972	13,373	(27,299)	248,784
Fund Cash Balances, December 31	\$158,027	\$128,004	\$13,373	(\$42,894)	\$256,510
Reserves for Encumbrances, December 31	\$18,907	\$9,330	\$0	\$0	\$28,237

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

VILLAGE OF CLINTON

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

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash Receipts:					
Property Tax and Other Local Taxes	\$45,661	\$127,918	\$0	\$0	\$173,579
Intergovernmental	174,674	88,295		51,396	314,365
Charges for Services	525	1,058			1,583
Fines, Licenses, and Permits	12,632				12,632
Earnings on Investments	6,284				6,284
Miscellaneous	8,223	144			8,367
Total Cash Receipts	247,999	217,415	0	51,396	516,810
Cash Disbursements:					
Current:					
Security of Persons and Property	48,887	69,895			118,782
Public Health Services	14,308				14,308
Leisure Time Activities	1,835				1,835
Community Environment	8,170				8,170
Transportation	18,956	31,073			50,029
General Government	46,597	1,685			48,282
Debt Service:					
Principal Payments			19,275		19,275
Interest Payments			6,680		6,680
Capital Outlay	2,837	65,505		33,576	101,918
Total Cash Disbursements	141,590	168,158	25,955	33,576	369,279
Total Cash Receipts Over/(Under) Cash Disbursements	106,409	49,257	(25,955)	17,820	147,531
Other Financing Receipts/(Disbursements):					
Transfers-In			25,968		25,968
Transfers-Out		(25,968)			(25,968)
Total Other Financing Receipts/(Disbursements)	0	(25,968)	25,968	0	0
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	106,409	23,289	13	17,820	147,531
Fund Cash Balances, January 1	50,329	82,683	13,360	(45,119)	101,253
Fund Cash Balances, December 31	\$156,738	\$105,972	\$13,373	(\$27,299)	\$248,784
Reserves for Encumbrances, December 31	\$43,463	\$31,614	\$0	\$144,856	\$219,933

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

VILLAGE OF CLINTON

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 AGENCY FUND TYPE
 FOR THE YEARS ENDED DECEMBER 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating Cash Receipts:		
Rental Deposits	\$0	\$725
Operating Cash Disbursements:		
Returned Deposits	<u> </u>	<u>850</u>
Net Receipts (Under) Disbursements	0	(125)
Fund Cash Balances, January 1	<u>1,673</u>	<u>1,798</u>
Fund Cash Balances, December 31	<u><u>\$1,673</u></u>	<u><u>\$1,673</u></u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>

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

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**VILLAGE OF CLINTON
SUMMIT COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Clinton, Summit 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 general governmental services, including park operations (leisure time activities) and fire services. The Village contracts with Franklin Township for 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 cash basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and cash 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

Investments are included in the cash fund balance. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

The investment in STAR Ohio (the State of Ohio Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

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 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 Funds:

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

Fire Fund - This fund receives tax levy money for providing fire protection to the Village.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects 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 significant Capital Projects Fund:

Capital Projects Fund - This fund receives intergovernmental grants and note proceeds which are used to pay for capital asset purchases.

4. Debt Service Fund

This fund is used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service fund:

Debt Retirement Fund - This fund is used to accumulate resources for the payment of principal and interest on the Village's debt issues.

5. Agency Fund

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

Rental Deposit Fund - This fund is used to record the collection of park rental deposits and refunds of deposits in accordance with Village ordinances.

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 fund, function or object level of control, and appropriations may not exceed estimated resources. The Village 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 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.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investment 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>1999</u>	<u>1998</u>
Demand deposits	\$162,672	\$159,608
STAR Ohio	<u>95,511</u>	<u>90,849</u>
Total deposits and investments	<u><u>\$258,183</u></u>	<u><u>\$250,457</u></u>

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

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 222,637	\$ 213,513	\$ (9,124)
Special Revenue	221,691	257,733	36,042
Debt Service	0	0	0
Capital Projects	298,832	298,832	0
Agency	0	0	0
Total	\$ 743,160	\$ 770,078	\$ 26,918

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 222,722	\$ 231,131	\$ (8,409)
Special Revenue	277,598	245,031	32,567
Debt Service	11,989	0	11,989
Capital Projects	279,856	314,427	(34,571)
Agency	0	0	0
Total	\$ 792,165	\$ 790,589	\$ 1,576

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 238,016	\$ 247,999	\$ 9,983
Special Revenue	213,831	217,415	3,584
Debt Service	26,282	25,968	(314)
Capital Projects	203,432	51,396	(152,036)
Agency	1,200	725	(475)
Total	\$ 682,761	\$ 543,503	\$ (139,258)

**VILLAGE OF CLINTON
SUMMIT 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	\$ 190,725	\$ 185,053	\$ 5,672
Special Revenue	255,631	225,740	29,891
Debt Service	27,321	25,955	1,366
Capital Projects	204,432	178,432	26,000
Agency	1,200	850	350
Total	\$ 679,309	\$ 616,030	\$ 63,279

- Contrary to Ohio Rev. Code Section 5705.10, the Village had negative cash fund balances in 1999 and 1998 in the Capital Projects Fund of \$42,894 and \$27,299, respectively.
- Contrary to Ohio Rev. Code Section 5705.41(D), the Village did not always certify the availability of funds for expenditures during 1999 and 1998.
- Contrary to Ohio Rev. Code Section 5705.41(B), the Village had expenditures in excess of appropriations in 1999 for the General Fund and the Capital Projects Fund by \$8,409 and \$34,571, respectively. There were also numerous variances at the legal level of control.

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.

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

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission	\$ 5,365	3.00%
Fire Truck Note	57,240	4.75%
Tractor and Mower Note	5,697	5.70%
Dump Truck Note	32,504	5.20%
Fire Truck Note	139,658	5.25%
Village Hall Mortgage	120,000	6.50%
Total	\$ 360,464	

The Village obtained an Ohio Public Works Commission project loan in 1993 for the purpose of re-paving Cleveland-Massillon Road. This loan will be repaid in semiannual installments over 10 years. The Village obtained a general obligation note in 1993 for the purpose of obtaining a fire truck. This note will be repaid in quarterly installments over 10 years. The Village obtained a general obligation note in 1995 for the purpose of obtaining a tractor and mower. This note will be repaid in annual installments over 5 years. The Village obtained a general obligation note in 1996 for the purpose of obtaining a dump truck. This note will be repaid in quarterly installments over 5 years, with a balloon payment in 2002. The Village obtained a general obligation note in 1999 for the purpose of obtaining a fire truck. This note will be repaid in quarterly installments over 10 years. The Village obtained a mortgage loan in 1999 for the purposes of financing the acquisition of a building to be used as a village hall. This mortgage will be repaid in quarterly installments over 10 years.

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

Year ending December 31:	OPWC Loan	1993 Fire Truck Note	Tractor and Mower Note	Dump Truck Note	1999 Fire Truck Note	Village Hall Mortgage
2000	\$ 942	\$ 11,989	\$ 6,022	\$ 5,412	\$ 18,769	\$ 16,412
2001	1,883	11,989		5,412	18,769	16,412
2002	1,883	11,989		25,041	18,769	16,412
2003	942	11,989			18,769	16,412
2004		11,989			18,769	16,412
Subsequent		5,356			84,458	82,059
Total	\$ 5,650	\$ 65,301	\$ 6,022	\$ 35,865	\$ 178,303	\$ 164,119

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

6. RETIREMENT SYSTEMS

The Village's full-time firefighter and part-time firefighters 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 for the following risks:

- Comprehensive property and general liability
- Vehicles
- Commercial inland marine
- EDP
- Public officials' liability
- Employer's liability
- Employee benefits liability

The Village also provides health and life insurance to full-time employees through the Medical Mutual of Ohio Benefit Plan.

8. RELATED ORGANIZATION

The Clinton Canal Association was created by the Clinton Village Council to develop, improve, interpret and preserve the canal land within the Village and has been incorporated as a non profit organization in Ohio. The Canal Association is governed by a nine member Board of Trustees with six members elected by the Canal Association membership, one member appointed by the Clinton Village Council, one member appointed by the Clinton Village Planning Commission, and one member appointed by Metro Parks Serving Summit County. The Board of Trustees has the authority to exercise all of the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to select and remove all other officers, agents, and employees of the Association, prescribe powers and duties for them, and to compensate such persons as the Board sees fit; to conduct, manage, and control the activities of the Canal Association and to make rules and regulations therefor as they see best; to acquire, construct, operate, manage, and maintain canal land; the authority to buy and sell real and personal property; and to borrow money and incur indebtedness for the purposes of the Association and to execute promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, and other evidences of securities in the Canal Association name. The Canal Association serves as custodian of its own funds and maintains all records and accounts independent of the Village of Clinton.

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

8. RELATED ORGANIZATION (Continued)

The Village acted as fiscal agent for the Canal Association during 1999 until the Canal Association formally established its own fiscal procedures. The Village has no obligation to provide financial resources to the Canal Association. The Village has entered into agreements with the Canal Association and Metro Parks Serving Summit County for the development of the Ohio & Erie Canal Towpath Trail.

9. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. 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.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

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

Village of Clinton
Summit County
7871 Main Street
Clinton, Ohio 44216

To the Village Council:

We have audited the accompanying financial statements of the Village of Clinton, Summit County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998 and have issued our report thereon dated August 15, 2000. We conducted our audits 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 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 1999-30977-001, 1999-30977-002, and 1999-30977-003.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated August 15, 2000.

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 August 15, 2000.

Village of Clinton
Summit 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.

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

Jim Petro
Auditor of State

August 15, 2000

**VILLAGE OF CLINTON
SUMMIT COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

Material Noncompliance

Finding #1999-30977-001

Ohio Rev. Code Section 5705.10 states in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Village had negative cash fund balances in the Capital Projects Fund of \$42,894 in 1999 and \$27,299 in 1998 indicating that revenue from other sources were used to pay obligations of this fund.

We recommend that the Village maintain positive cash fund balances for all funds. Advances should be made prior to year end to ensure that negative cash fund balances do not occur.

Finding #1999-30977-002

Ohio Rev. Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two exceptions to the above requirements:

Then and Now Certificate- If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.

If the amount involved is less than \$1,000, the Clerk-Treasurer may authorize payment through a Then and Now Certificate without affirmation of the Village Council, if such expenditure is otherwise valid.

We noted that fifteen out of the sixty expenditures tested during the audit period were not certified by the Clerk/Treasurer prior to the purchase commitment being made. There was no evidence that Then and Now Certificates were used. We recommend that the Clerk/Treasurer certify the availability of funds for all purchases prior to entering into the commitment.

Finding #1999-30977-003

Ohio Revised Code Section 5705.41(B) requires that no subdivision or taxing unit is to expend money unless it has been appropriated.

During our nonpayroll disbursement substantive testing, we noted that in 6 of 60 transactions selected for testing, the expenditures exceeded available appropriations at the legal level of control at the time of the expenditure.

**Material Noncompliance
(Continued)**

Finding #1999-30977-003 (Continued)

In addition, the following variances existed at the fund type level at December 31, 1999:

	Appropriations	Expenditures	Variance
General Fund	\$222,722	\$231,131	\$8,409
Special Revenue Fund:			
Street Construction, Maintenance, and Repair Fund	59,807	62,558	2,751
Capital Projects Fund	279,856	314,427	34,571

During our scan of the appropriations ledgers at December 31, 1999, we noted the following variances at the legal level of control:

Fund/Function/Object	Appropriations	Expenditures	Variance
General Fund:			
Street Lighting - Contract Services	\$3,800.00	\$4,257.15	\$457.15
Mosquito Control - Contract Services	0.00	200.00	200.00
Street Maintenance - Personal Service	21,000.00	26,428.35	5,428.35
Mayor's Office- Operations & Maintenance	800.00	852.68	52.68
Clerk/Treasurer - Operation & Maintenance	700.00	1,125.21	425.21
Workers Compensation - Contract Services	10,019.57	13,184.93	3,165.36
Lands & Building - Operations & Maintenance	1,000.00	1,624.94	624.94
Lands & Buildings - Capital Outlay	1,000.00	13,474.39	12,474.39
Lands & Building- Contractual Services	1,500.00	4,635.07	3,135.07
Copier - Capital Outlay	200.00	353.85	153.85
Special Revenue Funds:			
Street Construction Fund - Personal Services	0.00	3,279.59	3,279.59
Street Construction Fund - Capital Outlay	23,296.11	26,133.55	2,837.44
Fire Fund - Personal Services	50,000.00	52,355.86	2,355.86
Fire Fund - Operations & Maintenance	11,000.00	16,706.13	5,706.13
Fire Fund - Capital Outlay	53,768.00	56,142.50	2,374.50
Capital Projects Fund:			
Capital Projects Fund - Capital Outlay	279,856.00	314,426.67	34,570.67

**Material Noncompliance
(Continued)**

Finding #1999-30977-003 (Continued)

Expenditures in excess of appropriations could increase the likelihood of funds being obligated for a commitment when those funds are not available to pay the obligation, thereby resulting in deficit fund balances.

We recommend that the Clerk-Treasurer and Village Council compare appropriations to expenditures in all funds which are legally required to be budgeted, to ensure compliance with this requirement. This comparison should be performed on a monthly basis, at a minimum.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

VILLAGE OF CLINTON

SUMMIT 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
SEPTEMBER 12, 2000**