



**VILLAGE OF CONGRESS  
WAYNE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



VILLAGE OF CONGRESS  
WAYNE COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Congress  
Wayne County  
216 W. Mill Street  
West Salem, Ohio 44287

To the Village Council:

We have audited the accompanying financial statements of the Village of Congress, Wayne 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 December 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, Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

December 15, 2000

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**VILLAGE OF CONGRESS  
WAYNE COUNTY**

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

	<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$11,747	\$0	\$11,747
Intergovernmental	8,887	7,965	16,852
Earnings on Investments	506	0	506
Total Cash Receipts	21,140	7,965	29,105
<b>Cash Disbursements:</b>			
Security of Persons and Property	6,104	0	6,104
Public Health Services	350	0	350
Leisure Time Activities	153	0	153
Transportation	0	13,433	13,433
General Government	6,275	0	6,275
Total Cash Disbursements	12,882	13,433	26,315
Total Cash Receipts Over/(Under) Cash Disbursements	8,258	(5,468)	2,790
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	4,718	4,718
Transfers-Out	(4,718)	0	(4,718)
Total Other Financing Receipts/(Disbursements)	(4,718)	4,718	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	3,540	(750)	2,790
Fund Cash Balances, January 1	8,632	15,105	23,737
<b>Fund Cash Balances, December 31</b>	<b>\$12,172</b>	<b>\$14,355</b>	<b>\$26,527</b>
Reserves for Encumbrances, December 31	\$0	\$0	\$0

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

**VILLAGE OF CONGRESS  
WAYNE COUNTY**

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

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$13,387	\$0	\$13,387
Intergovernmental	5,125	9,911	15,036
Earnings on Investments	698	0	698
Miscellaneous	228	0	228
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	19,438	9,911	29,349
<b>Cash Disbursements:</b>			
Security of Persons and Property	6,244	0	6,244
Public Health Services	312	0	312
Leisure Time Activities	938	0	938
Transportation	0	7,734	7,734
General Government	8,289	0	8,289
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	15,783	7,734	23,517
Total Cash Receipts Over Cash Disbursements	<hr/>	<hr/>	<hr/>
	3,655	2,177	5,832
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In		2,151	2,151
Transfers-Out	(2,151)	0	(2,151)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(2,151)	2,151	0
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	1,504	4,328	5,832
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	7,128	10,777	17,905
<b>Fund Cash Balances, December 31</b>	<hr/> <b>\$8,632</b> <hr/>	<hr/> <b>\$15,105</b> <hr/>	<hr/> <b>\$23,737</b> <hr/>
Reserves for Encumbrances, December 31	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$0	\$0	\$0

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



**VILLAGE OF CONGRESS  
WAYNE 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 Congress, Wayne 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. The Village contracts with the Wayne County Sheriff's Department 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 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**

The Village invests in certificates of deposit which are valued at cost.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash that is restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue 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 tax money for constructing, maintaining, and repairing Village streets.

**VILLAGE OF CONGRESS  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

**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. Appropriations lapse at year end.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. 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 1999 and 1998 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**2. EQUITY IN POOLED CASH**

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:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$23,527	\$20,737
Certificates of deposit	<u>3,000</u>	<u>3,000</u>
Total deposits	<u>\$26,527</u>	<u>\$23,737</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**VILLAGE OF CONGRESS  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 13,700	\$ 21,140	\$ 7,440
Special Revenue	4,300	12,683	8,383
Total	\$ 18,000	\$ 33,823	\$ 15,823

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 26,353	\$ 17,600	\$ 8,753
Special Revenue	17,462	13,433	4,029
Total	\$ 43,815	\$ 31,033	\$ 12,782

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 14,000	\$ 19,438	\$ 5,438
Special Revenue	4,500	12,062	7,562
Total	\$ 18,500	\$ 31,500	\$ 13,000

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 26,256	\$ 17,934	\$ 8,322
Special Revenue	17,100	7,734	9,366
Total	\$ 43,356	\$ 25,668	\$ 17,688

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 5705.39, the Village had appropriations in excess of total certified resources in the Street, Construction, Maintenance and Repair Fund of \$8,872 and \$3,500 for 1999 and 1998, respectively.

**VILLAGE OF CONGRESS  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

Contrary to Ohio Rev. Code Section 5705.41(B), the Village had expenditures in excess of appropriation in the General Fund of \$8,405 and \$9,012 for 1999 and 1998, respectively.

**4. NONCOMPLIANCE**

Contrary to Ohio Rev. Code Section 5705.09, the Village has not established a Motor Vehicle License Tax Special Revenue Fund to record such revenue.

Contrary to Ohio Rev. Code Section 149.43, the Village did not provide certain records for audit.

Contrary to 26 C.F.R. Section 1.6041-1, the Village did not prepare a Form 1099 for certain contractors which provided services during 1999 in excess of \$600.

**5. 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.

**6. RETIREMENT SYSTEMS**

The Mayor, Clerk-Treasurer and Council Members 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 1999 and 1998, 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.

**VILLAGE OF CONGRESS  
WAYNE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**7. RISK MANAGEMENT**

The Village is insured for the following risks:

- Computer equipment, theft or damage
- Errors and omissions

The Village is uninsured for the following risks:

- Comprehensive property and general liability

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

Village of Congress  
Wayne County  
216 W. Mill Street  
West Salem, Ohio 44287

To the Village Council:

We have audited the accompanying financial statements of the Village of Congress, Wayne County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998 and have issued our report thereon dated December 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 1999-30985-001 through 1999-30985-006.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated December 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. 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 the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 1999-30985-007 through 1999-30985-009.

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. 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 to be material weaknesses. However, of the reportable conditions described above, we consider item 1999-30985-007 to be a material weakness.

We also 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 December 15, 2000.

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

**Jim Petro**  
Auditor of State

December 15, 2000



VILLAGE OF CONGRESS  
WAYNE 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 #1999-30985-001**

Ohio Rev. Code Section 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment 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 encumbrance. Further, contracts and other orders for expenditure lacking prior certification should 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 requirements:

1. 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.
2. If the amount involved is less than \$1,000, the fiscal officer may authorize it to be paid without the affirmation of the Village Council if such expenditure is otherwise valid.

Ninety-eight percent of the expenditures, contracts, and/or open purchase commitments tested were not properly certified by the Clerk-Treasurer. The certification was either signed after entering into the obligation or was never signed by the Clerk-Treasurer. It was found that neither of the two exceptions above were utilized for the items found to be in noncompliance.

We recommend the Clerk-Treasurer execute and sign all certificates prior to incurring obligations. Also, the Village could implement the use of so called Then and Now Certificates and Blanket Certificates as further permitted by Ohio Rev. Code Section 5705.41.

**Material Noncompliance**  
(Continued)

**Finding #1999-30985-002**

Ohio Rev. Code Section 5705.39 states that the total appropriations from each fund should not exceed the total estimated fund resources from each fund. This section also states that no appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

The Village had appropriations that exceeded total estimated resources for the following funds. In addition, the Village did not present for audit any certificates from the County Auditor stating that the total appropriations from each fund did not exceed the total official estimate or amended official estimate.

<u>Fund</u>	<u>Total Certified Resources</u>	<u>Total Appropriations</u>	<u>Variance</u>
1999 Street, Construction, Maintenance and Repair Fund	\$8,478	\$17,350	\$8,872
1998 Street, Construction, Maintenance and Repair Fund	7,600	11,100	3,500

Appropriations in excess of total estimated resources could allow the Village to over spend available resources.

Village Council should monitor appropriations versus estimated resources to help avoid overspending. In addition, the Clerk-Treasurer should obtain the required certificate from the County Auditor when amending appropriations and estimated resources.

**Finding #1999-30985-003**

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

At December 31, 1999 and 1998, expenditures exceeded appropriations within the following funds:

<u>Fund</u>	<u>Total Appropriations</u>	<u>Total Expenditures</u>	<u>Variance</u>
1999 General Fund	\$14,477	\$22,882	\$8,405
1998 General Fund	13,705	22,717	9,012

The Clerk/Treasurer should frequently compare actual expenditures plus outstanding encumbrances (if any) to appropriations to avoid potential overspending.

**Material Noncompliance**  
(Continued)

**Finding #1999-30985-004**

Ohio Rev. Code Section 5705.09 requires each subdivision to establish a special fund for each class of revenue derived from a source other than the general property tax, which the law requires to be used for a particular purpose.

The Village has not established a Motor Vehicle License Tax Special Revenue Fund to record such revenue received from the Wayne County Auditor. Motor Vehicle License Tax revenue is restricted as to use by Ohio Rev. Code Section 5705.10. These moneys were recorded in the General Fund and then transferred to the Street Construction, Maintenance and Repair Special Revenue Fund, where they were spent for their appropriate purpose. The 1998 amount was \$4,709 and the 1999 amount was \$5,282. Recording these revenues in the General Fund may lead the user of the financial statements to believe these revenues could be used for any purpose. The Village has made adjustments to record this activity in the Special Revenue Fund Type and such adjustments are reflected in the financial statements.

The Village should establish a Motor Vehicle License Tax Special Revenue Fund to account for the revenues received from the Wayne County Auditor that are earmarked for a particular purpose.

**Finding #1999-30985-005**

Ohio Rev. Code Section 149.43, availability of public records states in part: "A public record" means any record that is kept by any public office, including, but not limited to, state, county, city, village, township, and school district units, with the exception of certain medical, adoption, probation, and parole proceeding records.

All public records shall be promptly prepared and made available for inspection to any person at all reasonable times during regular business hours. Upon request, a person responsible for public records shall make copies available at cost, within a reasonable period of time.

The following items were not presented when requested during the audit:

- W-2's or 1099 forms for the Clerk-Treasurer and Council Members' salaries for 1999 and 1998
- Official Certificate of Estimated Resources for 1998
- Appropriation resolutions for 1999 and 1998
- Tax Budget for 1999 and 1998
- Bank statements and cancelled checks for January and February, 2000
- Council minutes from March through November 2000

Although we were able to satisfy our audit objectives using available information, the Village should develop formal procedures for the proper filing and storage of the Village's public records. The procedures should include clear labeling of records, assignment of storage areas by department and assignment of personnel having access to the records. Developing such procedures will reduce the likelihood of records being misplaced and/or discarded.

**Material Noncompliance**  
(Continued)

**Finding #1999-30985-006**

26 C.F.R. Section 1.6041-1 requires governments to report on Form 1099 “fees and other forms of compensation for services rendered aggregating \$600 or more.”

The Village did not prepare a Form 1099 for certain contractors which provided services during 1999 in excess of the \$600 limit as follows:

Equipment rental and misc. labor and mileage	\$1,650
Snow plowing	\$1,120

The Village should prepare a Form 1099 for all vendors who annually provide more than \$600 of services to the Village.

**Material Weakness**

**Finding #1999-30985-007**

The following conditions were noted during our testing of non-payroll disbursements: 60 transactions were detail tested however all 240 warrants were examined for propriety.

- a. 57 checks were voided on the warrants report, but were not marked as “void” on the actual check, nor was the signature portion cut out. Also nine of these voided checks could not be located for inspection.
- b. Three of the checks marked as “void” on the warrants report were not voided, but used for payment.
- c. Five checks were used for payment of another check number located on the warrants report.
- d. Seven transactions had no voucher package, ten transactions had no invoice, and three transactions had blank checks that were included with the other check’s voucher package.
- e. Three of the transactions with no invoice and six of the transactions with an invoice were difficult to determine if the expenditure was for a “proper public purpose.”
- f. One check was missing; however, it never cleared the bank account.
- g. The records were not filed in a logical fashion (i.e. vouchers, checks, purchase orders, etc. were not in sequential or alphabetical order) which made it difficult for retrieval of data.

These conditions could allow for the unauthorized or improper expenditure of Village monies which might not be detected in a timely period.

To help improve these conditions and accountability over the Village’s non-payroll disbursements, we recommend:

- a. Voided checks should be retained by the Village, marked as “void” and the signature portion cut out to prevent unauthorized use of the voided check.
- b. Checks marked as “void” on the warrants report should not subsequently be used for payment.
- c. Checks used for payment should correspond with the check numbers on the warrants report to ensure accuracy and accountability.
- d. Each disbursement transaction should have a voucher package, including a purchase order and an original invoice.
- e. All transactions should contain sufficient documentation and clearly indicate the purpose or use of the items or services acquired so as to support “proper public purpose” of funds.

### **Material Weakness (Continued)**

#### **Finding #1999-30985-007 (Continued)**

- f. All checks should be retained even if they are not used so that they may be inspected for accountability purposes.
- g. All disbursement records should be organized in a manner so that each transaction's data can be retrieved easily and timely.

### **Reportable Conditions**

#### **Finding #1999-30985-008**

The Village does not maintain a detailed inventory record of fixed assets. The Village does not own a Village Hall and uses the Congress Township Hall as a meeting place. Therefore, most Village fixed assets are located at the home of the Clerk-Treasurer. These fixed assets lose their identity by not being tagged or maintained on a Village master listing. This could allow the loss or theft of Village property to go undetected.

We recommend the following:

- A complete inventory record should be prepared;
- The inventory record should be updated as items are received and sold; and,
- Each item listed in the inventory record should include acquisition cost, date of purchase, date of disposal, serial number, identification tag number, and location.
- A periodic physical inventory should be taken and reconciled to the inventory record. The physical inventory should be administered by an individual not responsible for the custody of the fixed assets being observed.

An inventory record maintained in this manner will reduce the likelihood that items are lost or stolen, will assist the Village in determining the insurance coverage required, and will aid in filing an insurance claim for losses incurred.

#### **Finding #1999-30985-009**

The Village was not covered by general liability insurance during 1999 and 1998. Not maintaining liability insurance could increase the Village's financial exposure to lawsuits or other legal actions which may arise.

The Village should maintain liability insurance coverage.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILLAGE OF CONGRESS**

**WAYNE 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  
JANUARY 30, 2001**