



**VILLAGE OF MIDLAND  
CLINTON 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 MIDLAND  
CLINTON COUNTY

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## INDEPENDENT ACCOUNTANTS' REPORT

Village of Midland  
Clinton County  
P.O. Box 331  
Midland, Ohio 45148

To the Village Council:

We have audited the accompanying financial statements of the Village of Midland, Clinton 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements present disbursements by fund type only, rather than by disbursement program or object. The Auditor of State requires financial statements to classify disbursements by program or object.

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, except for the omission of disbursement classifications by program or object, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances 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 October 9, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Village of Midland  
Clinton County  
Independent Accountants' Report  
Page 2

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

**Jim Petro**  
Auditor of State

October 9, 2001

**VILLAGE OF MIDLAND  
CLINTON COUNTY**

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

	<b>General</b>	<b>Special Revenue</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$5,872	\$2,828	\$8,700
Intergovernmental Receipts	15,140	23,453	38,593
Charges for Services	8,523		8,523
Earnings on Investments	708		708
Miscellaneous	1,257	213	1,470
 Total Cash Receipts	 31,500	 26,494	 57,994
<b>Cash Disbursements:</b>			
Unclassified Cash Disbursements	39,003	36,529	75,532
 Total Disbursements	 39,003	 36,529	 75,532
 Total Receipts Over/(Under) Disbursements	 (7,503)	 (10,035)	 (17,538)
 Fund Cash Balances, January 1	 11,128	 19,534	 30,662
 <b>Fund Cash Balances, December 31</b>	 <b>\$3,625</b>	 <b>\$9,499</b>	 <b>\$13,124</b>

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

**VILLAGE OF MIDLAND  
CLINTON COUNTY**

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

	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$5,023	\$2,764	\$0	\$7,787
Intergovernmental Receipts	18,870	18,643		37,513
Charges for Services	8,746			8,746
Earnings on Investments	755			755
Miscellaneous	2,332	221		2,553
 Total Cash Receipts	 35,726	 21,628	 0	 57,354
<b>Cash Disbursements:</b>				
Unclassified Cash Disbursements	26,679	17,459	15,000	59,138
 Total Disbursements	 26,679	 17,459	 15,000	 59,138
 Total Receipts Over/(Under) Disbursements	 9,047	 4,169	 (15,000)	 (1,784)
 Fund Cash Balances, January 1	 2,081	 15,365	 15,000	 32,446
 <b>Fund Cash Balances, December 31</b>	 <b>\$11,128</b>	 <b>\$19,534</b>	 <b>\$0</b>	 <b>\$30,662</b>

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



**VILLAGE OF MIDLAND  
CLINTON 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 Midland, Clinton 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 street and highway maintenance and trash pickup. The Village contracts with the Clinton County Sheriff's department to provide security of persons and property.

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, except for the classification of disbursements, 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. The Village does not use the encumbrance method of accounting, therefore budgetary presentations reflect actual disbursements made during the year rather than disbursements plus encumbrances.

The Village prepared unclassified financial statements for disbursements for the years ended December 31, 1999 and 1998. This presentation is a material departure from the presentation prescribed by the Auditor of State in Ohio Administrative Code Section 117-02-02 (effective 7/1/00) and Ohio Administrative Code Section 117-5-11 (effective until 6/30/00). These sections of the Ohio Administrative Code require disbursements to be classified by program or object. Additionally, the Village clerk did not keep records as required by Ohio Rev. Code Section 733.28.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Deposits**

Village funds are pooled in a checking account with a local commercial bank. Interest earned is recognized and recorded when received. The Village did not post all interest to all funds as required by the Ohio Rev. Code and Ohio Constitution.

**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.

**VILLAGE OF MIDLAND  
CLINTON COUNTY**

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

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

**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 Maintenance - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

State Highway - This fund receives gasoline tax and motor vehicle tax money for maintenance of the State Highway in the Village.

Motor Vehicle - This fund receives motor vehicle registration fees to provide street lights and also maintain the Village streets.

Police Protection - This fund receives personal property tax money to provide police protection to the residents of the Village.

**3. Capital Projects Fund**

This fund was used to account for receipts that are restricted for the construction of major capital projects. During 1998, the Village had the following Capital Project Fund:

Sewage System Construction Fund - This fund accounts for monies received from the Ohio Water Development Authority to construct residential sewage lines for the Village.

**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 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. The Village did not use the encumbrance method of accounting; however, no material encumbrances existed at December 31, 1999 and 1998.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

**VILLAGE OF MIDLAND  
CLINTON COUNTY**

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

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

**F. Property, Plant and Equipment**

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

**2. EQUITY IN POOLED CASH**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ <u>13,124</u>	\$ <u>30,662</u>

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

**3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 15,947	\$ 31,500	\$ 15,553
Special Revenue	12,526	26,494	13,968
Total	\$ 28,473	\$ 57,994	\$ 29,521

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 0	\$ 39,003	\$ (39,003)
Special Revenue	0	36,529	(36,529)
Total	\$ 0	\$ 75,532	\$ (75,532)

**VILLAGE OF MIDLAND  
CLINTON COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 0	\$ 35,726	\$ 35,726
Special Revenue	0	21,628	21,628
Capital Projects	0	0	0
Total	\$ 0	\$ 57,354	\$ 57,354

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 0	\$ 26,679	\$ (26,679)
Special Revenue	0	17,459	(17,459)
Capital Projects	0	15,000	(15,000)
Total	\$ 0	\$ 59,138	\$ (59,138)

The Village did not obtain prior certification of the availability of funds from the fiscal officer for all commitments.

The Village did not certify to the County Auditor the amount available for expenditure and balances nor was an amended certificate of estimated resources completed and filed for 1998.

The Village did not adopt and file appropriation measures for 1998 or 1999.

**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 payment, 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 MIDLAND  
CLINTON 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 Water Development Authority Loan	\$ 5,000	0%

The Village received a loan from the Ohio Water Development Authority (OWDA) for \$20,000 in November 1995. The loan was issued to assist the Village in constructing additional sewer lines for residents of the Village. The loan agreement requires that only the principal of the loan is to be repaid. Village officials were under mistaken impression that this loan had been repaid.

Amortization of the above debt is scheduled as follows:

Year ending December 31:	OWDA Loan
2000	\$ 0
2001	0
2002	0
2003	500
2004	1,500
Subsequent	3,000
Total	\$ 5,000

**6. RETIREMENT SYSTEMS**

Full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. 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 not paid all contributions required through December 31, 1999, contrary to Section 145.03, Ohio Rev. Code.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability

**VILLAGE OF MIDLAND  
CLINTON COUNTY**

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

**8. MATERIAL NON-COMPLIANCE**

The Village prepared unclassified financial statements for disbursements for the years ended December 31, 1999 and 1998. This presentation is a material departure from the presentation prescribed by the Auditor of State in Ohio Administrative Code Section 117-02-02 and 117-2-03 (effective 7/1/00) and Ohio Administrative Code Section 117-5-11 (effective until 6/30/00). These sections of the Ohio Administrative Code require disbursements to be classified by program or object.

The Village did not file an annual report, contrary to Ohio law.

The Village had a deficit cash balances in the State Highway Fund, which is contrary to Ohio law.

The Village did not adopt and file a tax budget or publish a notice of a public hearing on the tax budget as required by the Ohio Rev. Code.

The Village did not pass a resolution authorizing the necessary tax levies and certifying said levies to the County Auditor required by Ohio Rev. Code.

The Village did not document all decisions and actions of the Council, nor were all resolutions and ordinances of Village Council maintained as required by Ohio Rev. Code

The Village did not maintain W-4 forms or IT-4 forms for all employees

The Village did not post all receipts to the proper funds as required by the Ohio Rev. Code.

**10. SUBSEQUENT EVENTS**

The financial records of the Village are not posted up-to date. The Village Clerk and Mayor are currently working to post receipts ledger, appropriation ledger and cash journal and reconcile to bank statements. The Village is limiting expenditures until accurate fund cash balances can be determined.



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

Village of Midland  
Clinton County  
P.O. Box 331  
Midland, Ohio 45148

To the Village Council:

We have audited the accompanying financial statements of the Village of Midland, Clinton County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated October 9, 2001, which was qualified since the Village did not classify disbursements in the manner prescribed by the Auditor of State. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 1999-30414-001 through 1999-30414-017. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated October 9, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 1999-30414-004 through 1999-30414-007 and 1999-30414-18 through 1999-30414-022.

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 items 1999-30414-004, 1999-30414-005, 1999-30414-006, 1999-30414-007, 1999-30414-019, 1999-30414-020, 1999-30414-021, 1999-30414-022 to be a material weaknesses. 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 October 9, 2001 .

This report is intended for the information and use of the 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

October 9, 2001



**VILLAGE OF MIDLAND  
CLINTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

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

**FINDING NUMBER 1999-30414-001**

**Finding for Recovery - Illegal Expenditure**

On July 8, 1997, Tami Wainscott was appointed as the Midland Village Clerk/Treasurer. Ms. Wainscott overpaid herself during 1999, by advancing herself an additional paycheck on July 13, 1999, gross earnings of \$450 and again on November 9, 1999, gross earnings of \$450, consequently receiving two additional paychecks during 1999 for overpayment of \$900. Both of these advances are recorded to the payroll register. No evidence was provided that either these advances had ever been repaid. Ms. Wainscott's received 14 paychecks during 1999 for which two of which were advances that were never repaid. Ms. Wainscott's salary based upon 12 checks should have been \$5,400 and she received \$6,300 during 1999.

Former Council President Pro-tem has signed an affidavit that these are not her signatures on these checks. Council minutes did not document any authorization of any salary advance to the Clerk-Treasurer. Council members do not recall approving a salary advance for the former clerk at any time.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Tami Wainscott, former Village Clerk/Treasurer and her bonding company, The Cincinnati Insurance Company, jointly and severally, in the amount of nine hundred dollars (\$900.00), and in favor of the Village's General Fund.

**FINDING NUMBER 1999-30414-002**

**Finding for Recovery - Illegal Expenditure**

Expenditures were made to Tami Wainscott, former Clerk-Treasurer for which there was no supporting documentation and for which Council members and former Council President Pro-tem do not recall authorizing.

Check number	Check date	Amount	Purpose
1048	5/11/99	\$92.35	Mileage/Supplies
1095	8/10/99	\$1,950	Supplies and Mileage
1134	10/12/99	\$125	Office Supplies, stamps, mileage
1170	12/22/99	\$1,200	Office supplies, mileage, computer
1251	5/9/00	\$1,950	Office Machines, Equip, Install
1290	7/11/00	\$1,950	Office Supplies, Computer
1305	8/17/00	\$1,780	Office Supplies, Mileage
1393	12/12/00	\$1,882	Supplies and Mileage
<b>Total</b>		<b>\$10,929.35</b>	

**FINDING NUMBER 1999-30414-002**  
**(Continued)**

1. For several expenditures the former President Pro-tem has signed an affidavit that the signature on the Village check is not hers.
2. The above expenditures made during FY 1999 did not have supporting invoices attached to the voucher.
3. The above expenditures made during FY 2000 did not have a voucher or supporting invoices. These expenditures were not listed with the bills in the minutes; therefore not approved by Council.

We did observe that there was an envelope of various receipts for supplies that the Clerk indicated that she had paid out of her pocket for. Many of them are for batteries, candy, stamps, photo frames, and these type of items. None of these expenses were approved or viewed individually by council. None of these receipt items can be matched to vouchers or warrants issued by the Village. There is no indication that the Village received the computers and office supplies allegedly purchased on behalf of the Village.

Council members never received printed copies of minutes for approval. Council minutes were read by the former Village Clerk detailing disbursements and approved by Council members. Council members do not recall approving the aforementioned expenditures

An envelope was provided for audit which contained a notebook paper indicating a monthly mileage total for the Village Clerk-Treasurer but these were notebook pages indicating mileage and reimbursement. None of these notebook pages documents dates of trips, destination, purpose of trip, and actual mileage driven. As a result, we are unable to identify whether mileage reimbursement was for Village business and cannot be matched to vouchers or warrants issued by the Village.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Tami Wainscott, former Village Clerk/Treasurer and her bonding company, The Cincinnati Insurance Company, jointly and severally, in the amount of ten thousand, nine hundred and twenty-nine dollars and thirty-five cents (\$10,929.35), and in favor of the Village's General Fund.

**FINDING NUMBER 1999-30414-003**

**Finding for Recovery - Illegal Expenditure**

On July 8, 1997, Tami Wainscott was appointed as the Midland Village Clerk/Treasurer. Ms. Wainscott was making regular gasoline purchases using Marathon Card number 4 as indicated on the individual receipts she signed at the gas station. This was verified to the Marathon billing statement which details individual charges, the majority of which were for card number 4. Ms. Wainscott was charging gasoline on this Marathon Credit card even though she had been routinely compensated for undocumented requests for mileage reimbursement by Village Council. Council members did not authorize the aforementioned gasoline card for usage by the Clerk-Treasurer.

<b>Card 4</b>			
<b>Date</b>	<b>Check number</b>	<b>Amount</b>	<b>Purpose</b>
1/11/00	1173	\$30.00	Gasoline
2/8/00	1183	\$40.00	Gasoline
3/14/00	1195	\$52.00	Gasoline
4/11/00	1220	\$10.00	Gasoline
5/11/00	1240	\$40.00	Gasoline
6/13/00	1258	\$50.00	Gasoline
7/11/00	1271	\$60.00	Gasoline
8/17/00	1296	\$40.00	Gasoline
9/12/00	1306	\$20.00	Gasoline
10/10/00	1336	\$50.00	Gasoline
11/14/00	1360	\$40.00	Gasoline
12/12/00	1369	\$60.00	Gasoline
1/15/01	1398	\$32.00	Gasoline
2/13/01	1409	\$20.00	Gasoline
3/13/01	1429	\$30.00	Gasoline
<b>Total</b>		<b>\$574.00</b>	

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Tami Wainscott, former Village Clerk/Treasurer and her bonding company, The Cincinnati Insurance Company, jointly and severally, in the amount of five hundred and seventy-four dollars (\$574.00), and in favor of the Village's General Fund.

**FINDING NUMBER 1999-30414-004**

**Noncompliance Citation/Material Weakness**

Ohio Rev. Code Section 117.38, requires that cash basis entities file an Annual Financial Report with the Auditor of State within 60 days of the fiscal year end. These reports must be on forms prescribed by the Auditor of State. Any public office which does not file the report by the required date shall pay a penalty of twenty-five dollars for each day the report remains unfiled not to exceed seven hundred and fifty dollars. Also, the public office must publish a notice stating that the financial report is available for public inspection.

No Annual Financial Report was filed with the Auditor of State for the years ended December 31, 1998 or 1999. Additionally, no report has been prepared and filed for the year ended December 31, 2000. A similar citation was also issued in the last audit report. In order to avoid unnecessary penalties, Village Council should take measures to insure that the Clerk-Treasurer properly prepares and files the annual financial report on a timely basis. Proper care should be given to the preparation and completion of the annual financial report. Since this report is the presentation of the Village's financial position, it is important that the report fairly and accurately present the Village's true financial position. This report is used by management to make informed decisions in the operations of the Village.

**FINDING NUMBER 1999-30414-005**

**Noncompliance Citation/Material Weakness**

The Village Clerk did not maintain books of the Village as required. Accounting records of the Village, as maintained by the Clerk, were incomplete, contained numerous posting errors, were not reconciled to one another or to the bank, lacked classifications of receipts and expenditures, and lacked month-to-date and year-to-date totals. As a result, those records which were maintained by the Clerk were not an accurate reflection of all monies received and expended.

Ohio Rev. Code Section 733.28 states that the Village Clerk shall keep the books of the Village, exhibit accurate statements of all monies received and expended, of all property owned by the Village, and income derived therefrom, and all taxes and assessments.

Ohio Rev. Code Section 117.43, authorizes the Auditor of State to prescribe by rule a uniform system of accounting and financial reporting for public offices other than state agencies. Prior to 7/1/00, The Auditor of State had prescribed a uniform system of accounting for villages which was set forth in Ohio Administrative Code Chapter 117-5. After 7/1/00, Ohio Admin. Code Section 117-2-02 and 117-2-03 sets forth the accounting and reporting records that all local public offices shall maintain. All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office 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. The Village did not comply in the following instances:

1. 117-5-09, Ohio Admin. Code, requires each village to maintain a cash journal including the fund balances for each fund, the pay-in number for each receipt, the warrant and purchase order number for each expenditure, the fund account code number, and monthly and year-to-date totals for receipts and disbursements. This Code also requires that entries in the cash side agree with entries in the funds side of the cash journal and that entries be posted in chronological order.

**FINDING NUMBER 1999-30414-005**  
**(Continued)**

The cash journals for 1999 and 1998 did not contain account code numbers or monthly and year-to-date totals and the entries in the cash side did not equal entries in the funds side, entries to cash journal were not made in chronological order, nor were individual fund balances totaled for each month of the audit period.. Without maintaining a cash journal as required, the Clerk and Council members could not know accurate fund balances available for operating purposes, as evidence by deficit fund balance in the State Highway fund, and the records needed for informed decision making are not available. A cash journal should be maintained as required by the Ohio Admin. Code.

2. Ohio Admin. Code Section 117-5-09 (D), requires monthly reconciliations of the cash balance to the book balance. Contrary to this provision, the Village's cash balance and book balances were not reconciled during the audit period.
3. Ohio Admin. Code Section 117-5-07 and 117-05-04 prescribes the proper revenue account codes to be used. The Village did not utilize the proper revenue account codes to identify the various sources of receipts for individual funds.
4. 117-5-10, Ohio Admin. Code, requires each village to maintain a receipts ledger. There was no receipts ledger maintained for 1999 or 1998. Failure to maintain a receipts ledger resulted in receipts being reconstructed by Auditor of State for presentation in the accompanying financial statements. Without the detailed information of the sources of Village funds, Council members cannot make informed decisions regarding Village finances. A receipts ledger should be maintained as required by the Ohio Admin. Code.

This section also requires that a village post to each receipts account the estimated amount of money to be received into the account as specified by the County Budget Commission. The Village did not post estimated receipts to the receipt ledger.

5. Ohio Admin. Code Section 117-5-08 and 117-5-05 prescribes the proper appropriation account codes to be used by public offices. The Village did not utilize the proper appropriation account codes to identify the various types of items and services purchased by individual funds.
6. Ohio Admin. Code Section 117-5-11 requires a village to maintain an appropriation ledger in a complete and accurate form as prescribed. The appropriation ledger shall contain separate appropriation accounts. A separate sheet shall be used in the ledger for each account. The name of the fund and account, and the code prescribed for that account, shall be entered on the ledger sheet. Disbursements should be recorded on the ledger and a balance of unencumbered funds should be maintained. The Village did not maintain an appropriation ledger for 1999 or 1998. Failure to maintain an appropriations ledger resulted in unclassified disbursements being presented in the accompanying financial statements.

This section also requires that each village shall post to an appropriation account an amount equal to the amount appropriated in the annual appropriation resolution(s), that each expenditure or encumbrance charged against an appropriation account be posted and subtracted from the appropriated balance producing a declining unencumbered balance, and that appropriate columns be totaled and reconciled monthly and yearly. Without the detailed information of the types of Village expenditures, Council members cannot make informed decisions regarding Village finances. An appropriation ledger should be maintained as required by the Ohio Admin. Code.

**FINDING NUMBER 1999-30414-005**  
**(Continued)**

7. Ohio Admin. Code Section 117-5-18 also requires that the Village prepare and file an annual financial report each fiscal year with the Auditor of State on form AUD-4000 (Cash Basis Annual Financial Report).

Failure to accurately prepare and reconcile the accounting records 1) reduces the accountability over Village funds, 2) reduces the Councils' ability to monitor financial activity; 3) increases the likelihood that monies will be misappropriated and not detected, and 4) increases the likelihood that the Village's financial statements will be misstated. The Auditor of State was contracted to reconstruct the Village's cash journal. Additional cost was incurred by the Village to reconstruct the Village's records. To determine the accuracy of Village ledgers and to ensure the Village is in compliance with the Ohio Administrative Code, periodic reviews should be performed by Village officials. Documents reviewed should be initialed by the reviewer indicating approval. Failure to properly monitor Village activity resulted in overspending funds, negative fund balances, and unauthorized expenditures.

We recommend the Clerk accurately maintain the Village's accounting records in accordance with the uniform accounting system prescribe by the Auditor of State in Ohio Administrative Code Chapter 117-5. In addition, all supporting documentation of receipts, expenditures, and bank reconciliations should be maintained. Village Council should require that the Clerk provide monthly statements of Village fund activity detailing receipts, disbursements, fund balances, and comparisons to budget so that Council can make informed decisions relating to Village finances. For added accountability, we recommend Council review all bank reconciliations for accuracy and ensure that all reconciling items are justified.

These citations were also applicable in the prior audit period.

**FINDING NUMBER 1999-30414-006**

**Noncompliance Citation/Material Weakness**

Ohio Rev. Code, Section 5705.10, provides that money paid into a fund must be used only for the purposes for which such fund has been established. The State Highway Fund had a negative fund balance from September through December 1999, which indicates that money from another fund was used to cover the expenditures of this fund. The fund balance of the State Highway Fund at December 31, 1999 was (\$5,648). This could result in funds not being available in the checking account to pay other fund obligations if already expended to pay State Highway expenditures. Council members should monitor monthly financial statements presented by the Clerk to determine why the negative fund balances are occurring, and if necessary, follow guidance outlined in Auditor of State Bulletin 97-003 to temporarily allocate (advance) cash from one fund to another..

Additionally, Ohio Rev. Code Section 5705.10 requires all revenue derived from a special levy is to be credited to a special fund for the purpose for which the levy was made. The Clerk made posting errors when posting tax settlements and often posted them incorrectly between the General and Police Levy Fund. The necessary adjustments were made to the financial statements. The Village posted tax settlements at net. To properly record tax revenue, we recommend the Clerk-Treasurer post the tax settlements at gross and then post the appropriate disbursements for auditor and treasurer fees. Village officials agreed with all adjustments presented and those adjustments have been made to the Village's books and reflected in the accompanying financial statements. The Clerk should take extra care when posting the Village's receipts to assure they are credited to the proper funds.

**FINDING NUMBER 1999-30414-007**

**Noncompliance Citation/Material Weakness**

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:

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

The Village failed to get the fiscal officer's certification before making commitments. Purchase orders were prepared at the same time the warrant was written; thus, 100 percent of the expenditures and obligations tested were initiated without obtaining the prior certification of the Clerk and neither of the two exceptions provided for were used.

Every effort should be made by the Village to properly utilize the encumbrance method of accounting by certifying funds on purchase orders. This procedure is not only required by Ohio law, but it is also a key control in the disbursement process. Without proper certification of funds, disbursements could be made without adequate current resources being available or disbursements could be made in excess of authorized appropriations. We recommend that prior certifications be provided for all disbursements. In instances when prior certifications are not practical, "then and now" certifications should be made.

**FINDING NUMBER 1999-30414-008**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.28 states that on or before July 15, in each year, the taxing authority of each subdivision or other taxing unit is required to adopt a tax budget for the next succeeding fiscal. The Village did not approve the 1998 tax budget until August 1997 and they were unable to provide a copy of the tax budget for the audit. Minutes records did not document the adoption of tax budget in 1998 or 1999.

In addition, Ohio Rev. Code Section 5705.30 requires the Village hold at least one public hearing on the budget. Public notice shall be given in at least one publication not less than ten days prior to the hearing date. Village records did not substantiate that public hearing were held or notice of the budget hearings published in a newspaper. This citation was also applicable in the prior audit.

**FINDING NUMBER 1999-30414-009**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.34 provides that each taxing authority is to pass a resolution authorizing the necessary tax levies and to certify the levies to the County Auditor before October 1. The Village failed to pass the necessary ordinance and document in the minute records for 1998 or 1999. The 1999 form was filed with the County Auditor on November 16, 1998 and the 2000 form was filed November 19, 1999.

Ohio Rev. Code Section 5705.36 requires that on or about the first day of each fiscal year, the fiscal officers of subdivisions are to certify to the county auditor the "Certificate of the Total Amount From All Sources Available for Expenditures and Balances" from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. The Village failed to complete this certification with the County Auditor for 1998 and 1999.

Ohio Rev. Code Section 5705.36 also allows each subdivision to request amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. For fiscal year 1999, the Village completed an Official Certificate of Estimated Resources on October 21, 1998. No amended certificates were requested during 1999. Since this Certificate was completed before year end, the unencumbered beginning balances are incorrect and estimated receipts are not properly projected. No Official Certificate or any Amended Certificates were completed and filed for 1998.

**FINDING NUMBER 1999-30414-010**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.38 states that on or about the first day of each fiscal year, an appropriation measure is to be passed. A temporary appropriation measure may be passed for meeting ordinary expenses until April 1. During the 2/10/98 council meeting, the minutes reflect the Village passing a Temporary Appropriation Resolution. No appropriation amounts were detailed in the minutes. The appropriation resolution was not presented for audit and is not on file in the Clinton County Auditor's office. During the 10/13/98 council meeting, the minutes reflect the Village approving the 1998 appropriations. No appropriation amounts were presented for audit. During the 1/12/99 council meeting, the minutes reflect Temporary appropriations being approved for 1999. No appropriation amounts were presented for audit and no appropriation resolution is on file with the County Auditor. No final appropriation resolution was ever approved.

**FINDING NUMBER 1999-30414-011**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. Every one of the Village's expenditures were in violation of this requirement. No appropriation figures were provided for audit and they exceeded the time limit on temporary measurers anyway. This citation was also applicable in the prior audit.



**FINDING NUMBER 1999-30414-012**

**Noncompliance Citation**

Pursuant to White v. Clinton Cty. Bd. of Commrs., 76 Ohio St.3d 416 (1996), Ohio Rev. Code Sections 121.22, 149.43 and 733.27, when read together impose a duty on the Village to maintain a full and accurate record of their proceedings. Minutes of meetings must be promptly recorded and open for public inspection per State, ex rel. The Fairfield Leader v. Ricketts, 56 Ohio St.3d 97 (1990). The Village did not sufficiently and consistently document decisions concerning monthly financial reports and budgetary information, the supporting document reference numbers related to approved bills, approved salary of Clerk and employees, dollar amounts of appropriations and did not document appropriation modifications. In as much as Council speaks through its minutes, all actions of the Village Council should be documented in the Village minute records with as much detail as possible, and with proper and accurate reference to supporting documentation. Without proper authorization, illegal transactions or payments could occur without the knowledge of the Village officials. Also, these records will provide management with the needed future references for informed decision making, and be available for the public inspection of legislative decisions of Village Council.

**FINDING NUMBER 1999-30414-013**

**Noncompliance Citation**

Ohio Rev. Code, Section 731.20, requires that all resolutions and ordinances be maintained in a book furnished by the legislative authority. All resolutions and ordinances could not be located and the status of some ordinances and resolutions were not listed in the minutes which made it more difficult to determine their existence. Resolutions and ordinances passed by Council represent laws enacted by Council for the administration of the Village. The Village should maintain all resolutions and ordinances in sequential order in a permanent bound book which is properly indexed so that actions of Council can be readily located and properly enforced.

**FINDING NUMBER 1999-30414-014**

**Noncompliance Citation**

Ohio Rev. Code Section 135.21 requires all interest earned on all investments must be placed in the General Fund except as provided by law. Article XII, Section 5a, Ohio Constitution and 1982 Op. Atty. Gen. No 82-031, provide that interest earned on money derived from a motor vehicle license or fuel tax must be paid into the fund to which the principal belongs.. Contrary to these sections, the Village did not distribute interest from the checking account as required and posted all interest to the General Fund. It was not practicable to determine this interest distribution, thus adjustments have not been made to the financial statements.

**FINDING NUMBER 1999-30414-015**

**Noncompliance Citation**

Ohio Revised Code Section 145.03 requires compulsory membership in the Public Employee's Retirement System (PERS) for each employee if no exemption form is filed with PERS within thirty days from the first day of employment. Further, Ohio Rev. Code, Section 145.47, requires employers to withhold contributions for employees and Ohio Rev. Code Section 147.483, requires each employer who fails to withhold retirement deductions and who does not have a written exemption on file must pay both the employee and employer's contribution for the period that deductions are omitted. The Village did not withhold PERS contributions from employee wages and did not have a written exemption on file. The Village should contact PERS to determine any necessary action to correct this situation. This matter is being referred to the Public Employee's Retirement System.

**FINDING NUMBER 1999-30414-016**

**Noncompliance Citation**

26 U.S.C., Section 3402, requires that if a W-4 Form is not on file for each employee, deductions are to be made as single with no dependents. W-4 Forms (exemptions) for federal income tax deductions should be on file for each employee, whether full or part-time. The Village did not have W-4 Forms on file for all employees.

**FINDING NUMBER 1999-30414-017**

**Noncompliance Citation**

Ohio Rev. Code, Section 5757.06(A), requires every employer to deduct and withhold from employee's compensation a state income tax. There were no IT-4 Forms on file and taxes were not being withheld from compensation of employees. The Village should contact the State Income Tax Division, Department of Taxation, to determine necessary action to correct this situation. This matter is being referred to the State Income Tax Division, Department of Taxation.

**FINDING NUMBER 1999-30414-018**

**Reportable Condition**

The Village did not make any payment to the Bureau of Workman's Compensation during 1999. Failure to contribute to the Bureau could result in liability to the Village if an employee is injured while working for the Village. The Village should review payments and policies to the Bureau to ensure proper coverage. This matter is being referred to the Ohio Bureau of Workers Compensation.

**FINDING NUMBER 1999-30414-019**

**Material Weakness**

The Village had to pay large tax liabilities, penalties and interest to the Internal Revenue Service for not making proper employer contributions for medicare and social security withholdings. The Village failed to complete the required quarterly employer's federal tax returns (Form 941). The Village incorrectly completed employees' W-2 forms documenting that federal income tax was withheld, when in fact no federal withholdings were ever withheld from employees. These errors could result in additional tax liabilities for the Village. The Village should contact the Internal Revenue Service to correct this situation.

**FINDING NUMBER 1999-30414-020**

**Material Weakness**

The outstanding balances of uncollected trash receipts for the residents living in Midland Village in 1998 was \$7,560. (This does not include residents who lived in Midland and moved prior to 1998 with outstanding balances.) The outstanding balances of uncollected trash receipts for the residents living in Midland in 1999 was \$8,910.10. (This does not include residents who lived in Midland and moved prior to 1999 with outstanding balances.) The Village has made some attempt with their legal counsel to collect these past due accounts. The Village should continue to pursue these collections.

Rumpke Waste, Inc. is charging Midland for the collection of 115 units of trash. Per the number of customer account cards during 1998, the Village only had 99 accounts. (Those owning more than one property were taken into consideration) Per the number of customer account cards during 1999, the Village only had 107 accounts. (Those owning more than one property were taken into consideration.) Some of these accounts could be duplications when citizens move. The Village should reevaluate the number of residents/units that Rumpke Waste, Inc. is collecting for. If it is less, they should update their contract with Rumpke Waste, Inc. for less units so they are not being charged for non-existent residents.

During 1998 the Village had a net loss of \$1,880.74 and during 1999 had a net loss of \$2,724.84. If all customer accounts were current, the Village would not have a loss. The Village needs to quickly handle all delinquent accounts before the outstanding balances accumulate. Since all trash activity is handled in the General Fund, the Village needs to keep a subsidiary ledger of trash receipts and disbursements to reflect profit and losses. This ledger should be reviewed monthly. If delinquencies can not be addressed, the Village should consider raising trash fee collections or possibly not providing this service to the Village residents.

The Village should make a policy to only accept checks or money orders for trash payments. Since the Village has such a large delinquency listing, this will make tracking payments more easy and will avoid possible payment disputes by residents. All Village utility customers should receive a duplicate receipt upon payment of their trash bill.

**FINDING NUMBER 1999-30414-021**

**Material Weakness**

The Village received a loan from the Ohio Water Development Authority (OWDA) for \$20,000 in November, 1995. The loan was issued to assist the Village in constructing additional sewer lines for residents of the Village. The loan agreement requires that only the principal of the loan is to be repaid.

Summary - of Debt Activity.

November 1995	Received \$20,000 from OWDA	\$ 20,000
May 13, 1997	Village paid OWDA Ck #3675	(5,000)
July 14, 1998	Village paid OWDA Ck# 3861	(5,000)
December 8, 1998	Village paid OWDA Ck# 3959	<u>(5,000)</u>
	Balance owed OWDA	<u><b>\$ 5,000</b></u>

Village officials believe they paid all of the debt back to the OWDA during 1998; however they had made a \$5,000 payment to GRW Engineers for services which was not a loan payment.

Therefore, the Village still owes the OWDA \$5,000. According to records maintained by OWDA the following amortization schedule should be followed by the Village.

7/01/03	\$ 500
7/01/04	\$1,500
7/01/05	\$1,500
7/01/06	<u>\$1,500</u>
	<u><b>\$5,000</b></u>

Village officials should be aware that their debt is not extinguished on this debt issue. We recommend that the Village budget and plan for these future payments.

**FINDING NUMBER 1999-30414-022**

**Material Weakness**

The Village had very few, if any, internal controls, record keeping was inaccurate and inconsistent, and there appeared to be no policies, procedures, and accounting controls instituted by the Village Council or management to review monthly financial records, minutes and monthly bills. This may create an environment which promotes possible fraud or misappropriation of funds.

The following weaknesses were noted:

- Monthly financial reports were not presented to Council;
- Invoices contained no indication (e.g. , initials) that someone had performed a comparison between the items included on the invoices and the items received;
- Check dates did not always correspond to date recorded in cash journal (for that portion of cash journal prepared by clerk);
- Entries to the cash journal were not in chronological order;
- Payments were made from vendor statements, not itemized invoices;
- Copies of invoices were not always attached to voucher package and no documentation existed to support the purpose of the voucher;
- The Village's checks were, on occasion, pre-signed by the President prot-tem of Council;
- Many of the Village bills were paid late, resulting in past due/cancellation notices;
- The Village's books were not being reconciled monthly with the bank statement;
- Village Clerk read minutes to Council, Council never had opportunity to review written copies of minute excerpts;
- Village paid fees to the Uniform Accounting Network (UAN) for computer hardware and software; however, the Village never converted their accounting records, resulting in unnecessary fees and an unpaid balance which remains owed to UAN.

The lack of timely financial reports and accurate fund balances significantly reduces Council's ability to monitor the Village's financial position. In addition, the lack of control over invoices and goods/services received resulted in unauthorized payments, over/under payments or duplicate payments, and unaccounted for checks.

To strengthen the Village's internal control structure and reduce the likelihood of undetected errors, we recommend Village officials and management implement the following controls:

- Monthly financial reports be prepared and submitted to Council. This submission should occur prior to the regular Council meetings so that Council members have an opportunity to review the information and ask informed questions at the Council meetings. Discussion of the monthly financial reports should be documented in the minutes;
- Entries should be made to cash book, receipt ledger, and appropriation ledgers as they occur to insure that all entries are made in timely period;

**FINDING NUMBER 1999-30414-022**  
**(Continued)**

- A list of bills to be approved for payment should be included within the monthly financial information submitted to Council;
- When invoices are received, a comparison should be made between the goods/services included on the invoice and the goods/services received. The official/department head which received the goods should perform this comparison and indicate his/her review by initializing the invoice. The initials indicate the goods/services were received and the invoice is approved for payment;
- All payments should be made from itemized vendor invoices, not monthly statements, so that officials can verify items received and if bills are for a proper public purpose and these invoices should be attached to all vouchers and reviewed by Council members;
- The clerk should prepare an accurate and reliable monthly reconciliation so that all financial transactions are reflected and errors and irregularities may be detected in a timely manner. These reconciliations should be included within the financial information that is submitted to Council each month;
- Once invoices have been approved for payment, the Clerk/Treasurer should issue the corresponding check and stamp the invoice "Paid." The invoice should be filed with the voucher packet; and
- Village checks should be signed by the Clerk/Treasurer and one Council member. Prior to signing the checks, the Council member should agree the vendor name and amount on the check to the invoice;
- Vouchers packets should be maintained in numerical sequence;
- Council should ensure that bills be paid on a timely basis to avoid late charges;
- Minutes of Council meetings should be prepared, approved, and available for public inspection in a timely manner. The minutes should also include all actions taken by Council during those meetings.

Lack of policies, procedures, and accounting controls resulted in material noncompliance citations. The Ohio Administrative Code outlines procedures which require that a cash journal, receipt ledger, and appropriations ledger be used and maintained, that bank reconciliations be performed on a regular basis, and outlines procedures for maintaining other Village records. This failure by Village personnel to properly record receipts and disbursements resulted in Village disbursements being presented in summary format in this report. Management should have controls in place to make certain its accounting records are properly maintained and their financial reporting is accurate.

**VILLAGE OF MIDLAND  
CLINTON COUNTY  
FOR THE YEARS ENDED DECEMBER 31, 1999-1998**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
1999-30401-001	Rev. Code 117.43 - the Village did not comply with the Uniform System of Accounting for Villages	No	Not Corrected - Reissued as 1999-30414-005
1999-30401-002	Rev. Code 733.28 - The Clerk did not maintain all books of the Village as required	No	Not Corrected - Reissued as 1999-30414-005
1999-30401-003	Rev. Code 5705.41(B) - disbursements exceeded appropriations	No	Not Corrected - Reissued as 1999-30414-011







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILLAGE OF MIDLAND**

**CLINTON 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  
NOVEMBER 27, 2001**