



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

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**STATE OF OHIO**



VILLAGE OF GLENFORD  
PERRY COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Village of Glenford  
Perry County  
P.O. Box 22  
Glenford, Ohio 43739

To the Village Council:

We have audited the accompanying financial statements of the Village of Glenford, Perry County, Ohio (the Village), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Glenford, Perry County, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2002 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.

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.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

May 20, 2002

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**VILLAGE OF GLENFORD  
PERRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<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	\$3,964	\$840	\$4,804
Intergovernmental Receipts	9,642	8,078	17,720
Earnings on Investments	472	492	964
Miscellaneous	109	1,207	1,316
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	14,187	10,617	24,804
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	4,639	186	4,825
Leisure Time Activities		1,075	1,075
Community Environment		100	100
Transportation		3,633	3,633
General Government	7,838	168	8,006
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	12,477	5,162	17,639
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	1,710	5,455	7,165
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	18,484	47,320	65,804
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$20,194</u></b>	<b><u>\$52,775</u></b>	<b><u>\$72,969</u></b>

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

**VILLAGE OF GLENFORD  
PERRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH  
DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$55,633
Total Operating Cash Receipts	55,633
<b>Operating Cash Disbursements:</b>	
Personal Services	4,500
Fringe Benefits	102
Contractual Services	1,320
Supplies and Materials	36,848
Total Operating Cash Disbursements	42,770
Operating Income/(Loss)	12,863
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	14,853
Total Non-Operating Cash Disbursements	14,853
Net Receipts Over/(Under) Disbursements	(1,990)
Fund Cash Balances, January 1	20,850
<b>Fund Cash Balances, December 31</b>	<b>\$18,860</b>

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

**VILLAGE OF GLENFORD  
PERRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Property Tax and Other Local Taxes	\$2,827	\$602	\$3,429
Intergovernmental Receipts	9,385	7,885	17,270
Fines, Licenses, and Permits	10		10
Miscellaneous	1,673	1,559	3,232
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	13,895	10,046	23,941
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	4,769	189	4,958
Leisure Time Activities		1,398	1,398
Community Environment		50	50
Transportation	1,010	827	1,837
General Government	10,111	1,132	11,243
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	15,890	3,596	19,486
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(1,995)	6,450	4,455
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	20,479	40,870	61,349
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$18,484</b>	<b>\$47,320</b>	<b>\$65,804</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**VILLAGE OF GLENFORD  
PERRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH  
DISBURSEMENTS AND CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>Proprietary Fund Types</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$53,744
Total Operating Cash Receipts	\$53,744
<b>Operating Cash Disbursements:</b>	
Personal Services	4,600
Fringe Benefits	2,873
Contractual Services	43,363
Total Operating Cash Disbursements	50,836
Operating Income/(Loss)	2,908
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	9,853
Total Non-Operating Cash Disbursements	9,853
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(6,945)
Fund Cash Balances, January 1	27,795
<b>Fund Cash Balances, December 31</b>	<b>\$20,850</b>

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

**VILLAGE OF GLENFORD  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Glenford, Perry County (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides water and sewer utilities, park operations (leisure time activities), and police services. The Village contracts with the Perry 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, 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.

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

**C. Cash and Investments**

The Village invests in a NOW checking account.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Fund**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

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

State Highway Fund - This fund receives gasoline tax money for maintaining and repairing state highways within the Village.

Park Fund - This fund receives donations to fund construction of the Park.

**VILLAGE OF GLENFORD  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**D. Fund Accounting (Continued)**

**3. Enterprise Funds**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Construction Fund - This fund receives OPWC and OWDA loan proceeds to be used for the sewer project.

**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 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.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**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.

**VILLAGE OF GLENFORD  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**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>2001</u>	<u>2000</u>
Demand Deposits	<u>\$91,829</u>	<u>\$86,654</u>

**Deposits:** Deposits were insured up to \$100,000 by the Federal Deposit Insurance Corporation and by collateral pledged by the financial institution.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$20,258	\$14,187	(\$6,071)
Special Revenue	11,580	10,617	(963)
Enterprise	55,000	55,633	633
Total	\$86,838	\$80,437	(\$6,401)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$12,477	(\$12,477)
Special Revenue	0	5,162	(5,162)
Enterprise	0	57,623	(57,623)
Total	\$0	\$75,262	(\$75,262)

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$13,895	\$13,895
Special Revenue	0	10,046	10,046
Enterprise	0	53,744	53,744
Total	\$0	\$77,685	\$77,685

**VILLAGE OF GLENFORD  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$15,890	(\$15,890)
Special Revenue	0	3,596	(3,596)
Enterprise	0	60,689	(60,689)
Total	\$0	\$80,175	(\$80,175)

**Compliance and Accountability:**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority for all funds by the amount of actual expenditures.

Also, unencumbered balances which existed at the end of the preceding year were not filed with the County Auditor. As a result, the County Auditor could not issue an amended certificate of estimated resources.

**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.

**5. DEBT**

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$124,481	4.56%
Ohio Water Development Authority	\$45,000	0.00%

The Ohio Public Works Commission (OPWC) loan relates to a project through the Ohio Small Government Capital Improvements Commission for a new water storage and distribution system to be connected to the Northern Perry County Water District. The OPWC has approved up to \$150,000 in loans to the Village for this project.

**VILLAGE OF GLENFORD  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**5. DEBT (Continued)**

The loans will be repaid in semiannual installments of \$4,927, including interest, over 20 years. The Village borrowed the full \$150,000. The loan is collateralized by utility revenue.

The Village has a loan financed through the Ohio Water Development Authority (OWDA) which relates to a planning loan used to assist with the costs of detail engineering plans for a new wastewater collection system. The OWDA has approved up to \$50,000 in loans to the Village for this project. The zero interest loan will be repaid in annual installments of \$5,000 over 10 years, with the first payment being made in 2001. The Village borrowed the full \$50,000. The loan has been collateralized with projected utility receipts.

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

<u>Year ending December 31</u>	<u>Water OPWC Loan</u>	<u>Wastewater OWDA Loan</u>	<u>Totals</u>
2002	\$4,927	\$5,000	\$9,927
2003	9,853	5,000	14,853
2004	9,853	5,000	14,853
2005	9,853	5,000	14,853
2006	9,853	5,000	14,853
Subsequent	113,312	20,000	133,312
Total	<u>\$157,651</u>	<u>\$45,000</u>	<u>\$202,651</u>

**6. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for the periods January 1, 2001 through December 31, 2001 and January 1, 2000 through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Township has paid all contributions required through December 31, 2001.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

The Village also provides health and life insurance to full-time employees through a private carrier.

**VILLAGE OF GLENFORD  
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**7. RISK MANAGEMENT (Continued)**

**Risk Pool Membership**

The Government belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Pool provides a program of property and casualty insurance for its members. The Plan pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

Casualty excess-of-loss contracts at December 31, 2000 and 1999 generally protect against individual losses over \$150,000 (\$100,000 for policies issued after March 31, 2000).

Property coverage contracts protect against losses, subject to a deductible of \$50,000 per occurrence, limited to an annual aggregate loss of the greater of \$300,000 or 1% of total coverage.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained (deficit) earnings at December 31, 2000 and 1999 (the latest years available):

	ASSETS	LIABILITIES	RETAINED EARNINGS (DEFICIT)
2000	\$2,958,827	\$3,863,373	\$(904,546)
1999	\$4,151,450	\$3,461,914	\$ 689,536



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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

Village of Glenford  
Perry County  
P.O. Box 22  
Glenford, Ohio 43739

To the Village Council:

We have audited the accompanying financial statements of the Village of Glenford, Perry County, Ohio (the Village), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 20, 2002. 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* which are described in the accompanying Schedule of Findings as items 2001-31064-001 through 2001-31064-005. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 20, 2002.

**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 2001-31064-002, 2001-31064-005, 2001-31064-006 and 2001-31064-007.

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 2001-31064-002 and 2001-31064-005 to be material weaknesses. We also noted certain other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated May 20, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

May 20, 2002

**VILLAGE OF GLENFORD  
PERRY COUNTY**  
**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2001-31064-001**

**Finding for Adjustment**

Ohio Rev. Code § 5705.10 requires all revenues derived from a specific source to be credited to a special fund for the purpose for which the monies were derived.

Several receipts, including Gasoline Tax, Liquor Permit Fees, Homestead and Rollback Taxes, and Cigarette Taxes were recorded in improper funds. In addition, a receipt for Gasoline Tax was deposited but never recorded on the books. As a result, receipts were misstated.

In accordance with the foregoing facts, and pursuant to Section 117.28, Revised Code, a finding for adjustment is hereby issued against, and in favor of, the following funds, in the following amounts:

<u>Fund</u>	<u>Against</u>	<u>In Favor Of</u>
General		\$ 1,487
Street	\$1, 156	
State Highway	46	

As of the date of this report, Village management was in agreement with the aforementioned adjustment and this adjustment has been posted to the Village records.

**FINDING NUMBER 2001-31064-002**

**Noncompliance Citation and Material Weakness**

Ohio Rev. Code § 5705.41 (D), states 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 Village Clerk. 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, if such expenditure is otherwise valid.
  
- B. If the amount involved is less than \$1,000 dollars, the Village Clerk may authorize payment through a Then and Now Certificate without affirmation of the Village Council, if such expenditure is otherwise valid.

**VILLAGE OF GLENFORD  
PERRY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2001-31064-002 (Continued)**

**Noncompliance Citation and Material Weakness - Ohio Rev. Code § 5705.41 (D) (Continued)**

The Village's fiscal officer did not certify funds during the audit period either before or after a commitment was incurred. Failure to certify funds could result in deficit spending.

We recommend purchase orders be utilized to certify availability of funds prior to commitments being incurred. Appropriations should then be encumbered and balances maintained of unencumbered appropriations. Additional purchase orders should be issued only after the fiscal officer determines that sufficient unencumbered appropriations exist in the amount of the requested purchase.

**FINDING NUMBER 2001-31064-003**

**Noncompliance Citation**

Ohio Revised Code § 5705.38 states that on or about the first day of each fiscal year, an appropriation measure is to be passed. No appropriation measure shall become effective until the County Auditor files with the appropriating authority a certificate that total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate.

Village Council's minutes indicated appropriations were adopted for 2001 but an appropriation ordinance was not presented to us for audit. Appropriations were not certified by the County Auditor for either year during our audit period. As a result, the Village had no valid appropriations from which to expend funds.

We recommend the Village adopt appropriations to control Village expenditures. Once appropriations have been adopted, the Village should obtain the County Auditor's certification that appropriations do not exceed the estimated resources. Appropriation measures should be filed in an ordinance/resolution book.

**FINDING NUMBER 2001-31064-004**

**Noncompliance Citation**

Ohio Rev. Code § 5705.36 states that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the County Auditor the total amount from all sources which is available for expenditures 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 file the certificate with the County Auditor for either year during the audit period. This could result in the Village not having an amended certificate of estimated resources on which to base appropriations.

We recommend the Village file the certificate to enable the County Auditor to issue an amended certificate of estimated resources.

VILLAGE OF GLENFORD  
PERRY COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2001-31064-005

**Noncompliance Citation and Material Weakness**

Ohio Admin. Code 117-2-02 states that all 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 and prepare financial statements.

The Clerk-Treasurer maintained neither a receipts ledger nor an appropriations ledger. As a result, the Village was not able to report budgeted revenues and expenditures (appropriations) and budget versus actual comparisons were not readily available for use as a basis for managing the Village.

We recommend the Village maintain a receipts ledger and an appropriations ledger in order that monthly budget versus actual comparisons can be made to assist management in monitoring Village operations. Receipts and appropriations ledgers will enable the Village to record and report its budgetary transactions and prepare financial statements.

FINDING NUMBER 2001-31064-006

**Reportable Condition**

The Clerk-Treasurer did not prepare monthly bank reconciliations that included total fund balances being reconciled to total deposits and investments, detailing outstanding checks and any other reconciling items for the months of May through December 2001.

Without a detailed reconciliation, errors could occur without being detected in a timely manner and the governing board may not be aware of total cash and investment balances. As a result, we performed detailed reconciliations in order to gain assurances over the Village's financial activity.

We recommend the Clerk-Treasurer prepare detailed bank reconciliations that include all deposits and investments being reconciled to total fund balances. Copies of bank reconciliations should be presented to the Village Council for Council's review and use in managing the Village affairs.

FINDING NUMBER 2001-31064-007

**Reportable Condition**

The Village Clerk-Treasurer did not present financial reports or bank reconciliations to Village Council for review. Without formally designating which reports the Clerk-Treasurer is to present, and when these reports are to be presented and reviewed by Council, Council may not be fully aware of the financial status of the Village. This may also lead to Council being unaware of items such as long outstanding checks, which may need to be brought to Council's attention so further action may be taken.

We recommend the Clerk-Treasurer prepare monthly financial reports which include budget vs. actual information for revenues and expenditures, as well as reconciliations of bank balances to fund balances. Council should formally review and approve said reports, with Council's approval being noted in the minutes.

**VILLAGE OF GLENFORD  
PERRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain:</b></i>
1999-31064-001	Ohio Rev. Code Section 5705.41 (D)	No	Not Corrected. Cited in the current report.
1999-31064-002	Ohio Rev. Code Section 5705.41 (B)	No	Finding No Longer Valid. Although appropriations were adopted by Council, appropriations were not certified to the County Auditor for 2000 or 2001. As a result, there were no valid appropriations.
1999-31064-003	Ohio Rev. Code Section 5705.39	No	Finding No Longer Valid. Appropriations adopted by Council were not certified by the County Auditor for 2000 or 2001. As a result, there were no valid appropriations.
1999-31064-004	Ohio Admin. Code Section 117-5-10	No	Not Corrected. Cited in the current report as Ohio Admin. Code Section 117-2-02.
1999-31064-005	Supporting documentation was not always attached to vouchers and Council signed vouchers prior to vouchers having supporting documentation attached.	Yes	Corrected. All vouchers tested had supporting documentation attached and Council members signed the vouchers after the date of the supporting documentation.
1999-31064-006	Monthly Bank Reconciliations were not performed.	No	Not Corrected. We noted that bank reconciliations were only partially completed for the months of June through December 2001. During these months, the books did not reconcile to the bank. Reported in the current report.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILAGE OF GLENFORD**

**PERRY 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  
JULY 9, 2002**