



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

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**STATE OF OHIO**



VILLAGE OF WEST MANSFIELD  
LOGAN COUNTY

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

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Village of West Mansfield  
Logan County  
259 East Center Street  
West Mansfield, Ohio 43358

To the Village Council:

We have audited the accompanying financial statements of the Village of West Mansfield, Logan County, (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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 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 June 19, 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 the audit committee, management, Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

June 19, 2002

**VILLAGE OF WEST MANSFIELD  
LOGAN 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**

	<b>Governmental Fund Types</b>				<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	
<b>Cash Receipts:</b>					
Property Tax and Other Local Taxes	\$20,370	\$29,770		\$30,903	\$81,043
Intergovernmental Receipts	60,629	28,962		3,874	93,465
Fines, Licenses, and Permits	814				814
Earnings on Investments	7,023	370		598	7,991
Miscellaneous	24,469			632	25,101
<b>Total Cash Receipts</b>	<b>113,305</b>	<b>59,102</b>		<b>36,007</b>	<b>208,414</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	2,260	15,770			18,030
Leisure Time Activities	2,552				2,552
Community Environment	30				30
Basic Utility Services	20				20
Transportation	20,097	41,152			61,249
General Government	74,606	713		743	76,062
Debt Payments	1,772				1,772
Capital Outlay	32,141			31,328	63,469
<b>Total Cash Disbursements</b>	<b>133,478</b>	<b>57,635</b>		<b>32,071</b>	<b>223,184</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>(20,173)</b>	<b>1,467</b>		<b>3,936</b>	<b>(14,770)</b>
<b>Other Financing Receipts and (Disbursements):</b>					
Sale of Bonds or Notes	32,141				32,141
Transfers-In			756		756
Transfers-Out	(6,756)				(6,756)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>25,385</b>		<b>756</b>		<b>26,141</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>5,212</b>	<b>1,467</b>	<b>756</b>	<b>3,936</b>	<b>11,371</b>
<b>Fund Cash Balances, January 1</b>	<b>55,362</b>	<b>63,894</b>		<b>86,370</b>	<b>205,626</b>
<b>Fund Cash Balances, December 31</b>	<b>\$60,574</b>	<b>\$65,361</b>	<b>\$756</b>	<b>\$90,306</b>	<b>\$216,997</b>
<b>Reserves for Encumbrances, December 31</b>	<b>\$933</b>	<b>\$3,148</b>		<b>\$3,714</b>	<b>\$7,795</b>

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

**VILLAGE OF WEST MANSFIELD  
LOGAN COUNTY**

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

<b>Operating Cash Receipts:</b>	
Charges for Services	\$121,244
Miscellaneous	111
	121,355
Total Operating Cash Receipts	121,355
<b>Operating Cash Disbursements:</b>	
Personal Services	49,829
Fringe Benefits	9,997
Contractual Services	43,019
Supplies and Materials	24,164
Miscellaneous	200
Capital Outlay	45,362
	172,571
Total Operating Cash Disbursements	172,571
Operating (Loss)	(51,216)
<b>Non-Operating Cash Receipts:</b>	
Special Assessments	116,860
Proceeds from Notes and Bonds	45,501
Interest	598
Other Non-Operating Receipts	1,600
	164,559
Total Non-Operating Cash Receipts	164,559
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	118,372
Other Non-Operating Cash Disbursements	360
	118,732
Total Non-Operating Cash Disbursements	118,732
Excess of Receipts (Under) Disbursements Before Interfund Transfers	(5,389)
Transfers-In	6,000
Net Receipts Over Disbursements	611
Fund Cash Balances, January 1	191,340
<b>Fund Cash Balances, December 31</b>	<b>\$191,951</b>
Reserve for Encumbrances, December 31	<b>\$3,886</b>

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



**VILLAGE OF WEST MANSFIELD  
LOGAN 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>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$21,390	\$15,736	\$30,271	\$67,397
Intergovernmental Receipts	82,483	25,422	1,762	109,667
Fines, Licenses, and Permits	578			578
Earnings on Investments	5,402	1,140		6,542
Miscellaneous	1,340		1,702	3,042
	<u>111,193</u>	<u>42,298</u>	<u>33,735</u>	<u>187,226</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	2,428	13,834		16,262
Leisure Time Activities	6,489			6,489
Community Environment	187			187
Basic Utility Services	565			565
Transportation	3,257	33,400		36,657
General Government	64,934	345	649	65,928
Debt Service	1,080			1,080
Capital Outlay			19,257	19,257
	<u>78,940</u>	<u>47,579</u>	<u>19,906</u>	<u>146,425</u>
Total Receipts Over/(Under) Disbursements	<u>32,253</u>	<u>(5,281)</u>	<u>13,829</u>	<u>40,801</u>
<b>Other Financing Receipts and (Disbursements):</b>				
Other Financing Sources	919			919
Transfers-Out	(12,200)			(12,200)
Transfers-In		200		200
	<u>(11,281)</u>	<u>200</u>		<u>(11,081)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	20,972	(5,081)	13,829	29,720
Fund Cash Balances, January 1	<u>34,390</u>	<u>68,975</u>	<u>72,541</u>	<u>175,906</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$55,362</u></u>	<u><u>\$63,894</u></u>	<u><u>\$86,370</u></u>	<u><u>\$205,626</u></u>
Reserves for Encumbrances, December 31	<u><u>\$780</u></u>	<u><u>\$500</u></u>	<u><u>\$0</u></u>	<u><u>\$1,280</u></u>

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

**VILLAGE OF WEST MANSFIELD  
LOGAN COUNTY**

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

<b>Operating Cash Receipts:</b>	
Charges for Services	\$122,147
<b>Operating Cash Disbursements:</b>	
Personal Services	50,740
Fringe Benefits	7,230
Contractual Services	30,227
Supplies and Materials	19,792
Miscellaneous	225
Capital Outlay	49,135
	157,349
Total Operating Cash Disbursements	157,349
Operating (Loss)	(35,202)
<b>Non-Operating Cash Receipts:</b>	
Special Assessments	120,388
Fines, Licenses, & Permits	572
Proceeds from Notes and Bonds	59,406
Other Non-Operating Receipts	1,900
	182,266
Total Non-Operating Cash Receipts	182,266
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	105,416
Other Non-Operating Cash Disbursements	360
	105,776
Total Non-Operating Cash Disbursements	105,776
Excess of Receipts Over Disbursements Before Interfund Transfers	41,288
Transfers-In	12,000
	12,000
Net Receipts Over Disbursements	53,288
Fund Cash Balances, January 1	138,052
	138,052
<b>Fund Cash Balances, December 31</b>	<b>\$191,340</b>
Reserve for Encumbrances, December 31	\$2,864

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

**VILLAGE OF WEST MANSFIELD  
LOGAN 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 West Mansfield, Logan 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, and police services. The Village contracts with the Logan 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investments**

Purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Special Revenue Fund**

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

**Street Construction Fund** - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing of state routes within the village.

**Street Lighting Fund** - This fund receives property tax money for the expense of street lights.

**VILLAGE OF WEST MANSFIELD  
LOGAN COUNTY**

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

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

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

**Water Tower Fund** - This fund receives property tax money to maintain the Village water tower.

**Water Plant Fund** - This fund receives property tax money to pay fees for the testing and monitoring of the Village water system.

**Street Repair Fund** - This fund receives property tax money to repair Village streets.

**4. 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.

**Enterprise Debt Service Fund** - This fund collects a sewer surcharge to repay bond debt.

**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. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**VILLAGE OF WEST MANSFIELD  
LOGAN COUNTY**

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

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

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village did not encumber all commitments required by Ohio Law.

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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Village maintains a cash and investments 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:

	2001	2000
Demand deposits	\$368,948	\$356,966
Certificates of deposit	40,000	40,000
Total deposits	\$408,948	\$396,966

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Village.

**3. BUDGETARY ACTIVITY**

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

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$155,149	\$145,446	(\$9,703)
Special Revenue	54,060	59,102	5,042
Debt Service	756	756	0
Capital Projects	24,000	36,007	12,007
Enterprise	636,535	291,914	(344,621)
Total	\$870,500	\$533,225	(\$337,275)

**VILLAGE OF WEST MANSFIELD  
LOGAN COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Actual Expenditures	Variance
General	\$172,725	\$141,167	\$31,558
Special Revenue	118,453	60,783	57,670
Capital Projects	111,999	35,785	76,214
Enterprise	822,432	295,189	527,243
Total	<u>\$1,225,609</u>	<u>\$532,924</u>	<u>\$692,685</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$112,112	\$112,112	\$0
Special Revenue	41,300	42,498	1,198
Capital Projects	22,600	33,735	11,135
Enterprise	244,743	316,413	71,670
Total	<u>\$420,755</u>	<u>\$504,758</u>	<u>\$84,003</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$137,589	\$91,920	\$45,669
Special Revenue	113,012	48,079	64,933
Capital Projects	101,545	19,906	81,639
Enterprise	348,302	265,989	82,313
Total	<u>\$700,448</u>	<u>\$425,894</u>	<u>\$274,554</u>

Appropriation modifications were recorded in the financial records without evidence of the approval by Council. This violates the requirements of Ohio Rev. Code Section 5705.40. The budgetary amounts in this note reflects what was approved by Council.

**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.

**VILLAGE OF WEST MANSFIELD  
LOGAN COUNTY**

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

**4. PROPERTY TAX (Continued)**

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 Water Development Authority Loan (1997 Sanitary Sewer)	\$136,857	5.86%
Ohio Water Development Authority Loan (1999 Water Treatment)	94,973	3.20%
Union Banking Company (truck loan)	30,512	6.00%
Sanitary Sewer Sytem Mortgage Revenue Bonds	1,637,200	5.00%
Total	\$1,899,542	

The \$1,529,000 Series 1997A and the \$140,000 1997B Sanitary Sewer System Revenue Mortgage Bonds were issued for the construction of a sewer system that was mandated by the Ohio Environmental Protection Agency. These bonds were purchased by the United Sates Department of Agriculture/Rural Development. The bonds will be retired with user service charges. Interest is paid annually and all bonds will have matured by 2037.

The 1997 Ohio Water Development Authority (OWDA) loan for the sanitary sewer relates to the construction of a sewer system that was mandated by the Ohio Environmental Protection Agency. In 1997 the OWDA approved up to \$150,000 in loans to the Village for this project. At December 31, 2001, \$12,801.85 had not been received. A payment schedule was determined by the loan amount received. Interest is being based on the stated interest rate and principal amount outstanding. The payments received are recorded as loan proceeds and the expenditures are classified as capital outlay in the accompanying Enterprise Fund financial statements. The loan will be retired with user service charges.

An additional Ohio Water Development Authority (OWDA) loan was approved in 1999 in the amount of \$393,250 for water treatment consulting services. At December 31, 2001, \$298,276.53 had not been received. At this time an amortization schedule has not been approved by the OWDA. The payments received are recorded as loan proceeds and the expenditures are classified as capital outlay in the accompanying Enterprise Fund financial statements. The loan is collateralized by a water rate surcharge. The Village has agreed to set water rates sufficient to cover debt service requirements.

During 2001, the Village received a loan from The Union Banking Company for the purchase of a new truck for the street department. This loan will be in monthly installments, from the General Fund, with the final payment due in November 2005.

**VILLAGE OF WEST MANSFIELD  
LOGAN COUNTY**

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

**5. DEBT (Continued)**

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

Year ending December 31:	Sanitary Sewer System Mortgage Revenue Bonds	Ohio Water Development Authority Loan - 1997 Sanitary Sewer	The Union Banking Company Truck Loan
2002	98,960	12,931	9,077
2003	98,905	12,931	9,077
2004	98,910	12,931	9,077
2005	98,970	12,931	8,321
2006	98,980	12,931	
2007-11	494,745	64,655	
2012-16	494,670	64,655	
2017-21	494,675	25,862	
2022-26	494,870		
2027-31	494,655		
2032-36	494,735		
2037	98,910		
Total	<u>\$3,561,985</u>	<u>\$219,827</u>	<u>\$35,552</u>

**6. RETIREMENT SYSTEMS**

The Village's 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. The Village's Council Members contribute to the Social Security System.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Village's liability for Social Security is 6.2% of wages paid. The Village 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;
- Auto Liability & Auto Physical Damage
- Errors and omissions.





**STATE OF OHIO  
OFFICE OF THE AUDITOR**

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 West Mansfield  
Logan County  
259 East Center Street  
West Mansfield, Ohio 43358

To the Village Council:

We have audited the accompanying financial statements of the Village of West Mansfield (the "Village"), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 19, 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 2001-30246-001 and 2001-30246-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 19, 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated June 19, 2002.

Village of West Mansfield  
Logan County  
Report of Independent Accountants on Compliance and  
on Internal Control Required by *Government Auditing Standards*  
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and "P".

**Jim Petro**  
Auditor of State

June 19, 2002

VILLAGE OF WEST MANSFIELD  
LOGAN COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000

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

FINDING NUMBER 2001-30246-001

**Noncompliance Citation**

**Ohio Rev. Code Section 5705.40** states that any appropriation measurer may be amended or supplemented as long as the entity complies with the same provisions of laws as are used in making the original appropriation. During 2001, General Fund and Capital Projects Water Plant Fund appropriations recorded in the accounting records exceeded approved appropriations by 23% and 41% respectively. During 2000, the General Fund and Capital Projects Water Plant Fund appropriations recorded in the accounting records exceeded approved appropriations by 4% and 20% respectively. Although the Clerk/Treasurer made some revisions to appropriations during 2001 and 2000, there was no evidence to indicate that the noted differences had been approved by Council. The budgetary note amounts in this report have been adjusted to reflect the actual amounts approved by Council.

To help assure compliance with this Ohio Rev. Code requirement, the Village should implement procedures for periodically verifying that recorded appropriations agree to those approved by Council.

FINDING NUMBER 2001-30246-002

**Noncompliance Citation**

**Ohio Rev. Code Section 5705.41 (D)** states that no order or contract involving the expenditure of money is to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrances, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts less than \$1,000 for villages may be paid by the fiscal officer without such certificate of the taxing authority upon completion of the "then and now" certificate, provided that the expenditures is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Thirty-five percent of the transactions tested were not certified by the Clerk/Treasurer prior to making orders for the expenditure of Village funds. In addition, neither of the two exceptions above were utilized for these transactions. Procedures should be implemented not only to assure compliance with this requirement, but to help prevent the unauthorized obligations of Village funds.

**VILLAGE OF WEST MANSFIELD  
LOGAN 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; <b><i>Explain:</i></b>
1999-30246-001	Ohio Rev. Code Section 5705.41 (B), expenditures greater than appropriations	Yes	
1999-30246-002	Ohio Rev. Code Section 5705.41 (D), certifying funds are available.	No	Repeated as finding 2001-30246-002
1999-30246-003	Ohio Rev. Code Section 117.38, filing of annual financial statements	Yes	
1999-30246-004	Ohio Admin. Code Section 117-5-3, prescribed funds	No	Significant improvement. Finding not repeated.
1999-30246-005	Ohio Admin. Code Section 117-5-4, using prescribed chart of accounts for receipts	Yes	
1999-30246-006	Ohio Admin. Code Section 117-5-09(B), consistent recording of expenditures between ledgers.	Yes	
1999-30246-007	Ohio Admin. Code Section 117-5-10(B), recording of estimated receipts in the receipts journal	Yes	
1099-30246-008	Ohio Admin. Code Section 117-5-10 (C), consistent recording of receipts between ledgers	Yes	
1999-30246-009	Ohio Admin. Code Section 117-5-11, maintaining an appropriations ledger	Yes	
1999-30246-010	Ohio Admin. Code Section 117-5-11(C), use of purchase orders	Yes	
1999-30246-011	Sanitary Sewer System Mortgage Revenue Bond 1997, establishing reserve fund	No	Partially corrected. The Village made all required contributions in 2001 and 2000, however, they still have not made contributions for previous years.
1999-30246-012	Accountability over financial records and reporting	Yes	



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**VILLAGE OF WEST MANSFIELD**

**LOGAN 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 23, 2002**