



**VILLAGE OF ROCHESTER
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 & 2000



**Auditor of State
Betty Montgomery**

VILLAGE OF ROCHESTER
LORAIN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2001	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2000	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Schedule of Findings.....	13
Schedule of Prior Audit Findings.....	15

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

Lausche Building
615 Superior Avenue, NW.
Twelfth Floor
Cleveland, Ohio 44113-1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

INDEPENDENT ACCOUNTANTS' REPORT

Village of Rochester
Lorain County
103 Main Street
Rochester, Ohio 44090

To the Village Council:

We have audited the accompanying financial statements of the Village of Rochester, Lorain County, Ohio, (the Village) as of and for the years ended December 31, 2001 and December 31, 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 audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described 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 Rochester, Lorain County, Ohio, as of December 31, 2001 and December 31, 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 February 7, 2003 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

February 7, 2003

**VILLAGE OF ROCHESTER
LORAIN 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>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$7,060	\$0	\$0	\$7,060
Intergovernmental Receipts	16,679	16,531	56,207	89,417
Fines, Licenses, and Permits	191	0	0	191
Earnings on Investments	9,382	210	0	9,592
Miscellaneous	2,045	0	0	2,045
	<u>35,357</u>	<u>16,741</u>	<u>56,207</u>	<u>108,305</u>
Total Cash Receipts				
	<u>35,357</u>	<u>16,741</u>	<u>56,207</u>	<u>108,305</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	2,326	0	0	2,326
Public Health Services	791	0	0	791
Leisure Time Activities	2,005	0	0	2,005
Community Environment	2,933	10,840	0	13,773
Basic Utility Services	619	0	0	619
Transportation	0	7,436	0	7,436
General Government	11,812	0	0	11,812
Capital Outlay	0	0	56,207	56,207
	<u>20,486</u>	<u>18,276</u>	<u>56,207</u>	<u>94,969</u>
Total Cash Disbursements				
	<u>20,486</u>	<u>18,276</u>	<u>56,207</u>	<u>94,969</u>
Total Receipts Over/(Under) Disbursements	<u>14,871</u>	<u>(1,535)</u>	<u>0</u>	<u>13,336</u>
Other Financing Receipts and (Disbursements):				
Advances-In	3,500	3,500	0	7,000
Advances-Out	(3,500)	(3,500)	0	(7,000)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>14,871</u>	<u>(1,535)</u>	<u>0</u>	<u>13,336</u>
Fund Cash Balances, January 1	<u>58,723</u>	<u>227,519</u>	<u>0</u>	<u>286,242</u>
Fund Cash Balances, December 31	<u><u>\$73,594</u></u>	<u><u>\$225,984</u></u>	<u><u>\$0</u></u>	<u><u>\$299,578</u></u>

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

**VILLAGE OF ROCHESTER
LORAIN 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>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$6,471	\$0	\$6,471
State Shared Taxes and Permits	17,914	15,451	33,365
Charges for Services	300	0	300
Fines, Licenses, and Permits	120	0	120
Earnings on Investments	2,313	324	2,637
Miscellaneous	1,918	210,000	211,918
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	29,036	225,775	254,811
Cash Disbursements:			
Current:			
Security of Persons and Property	2,146	0	2,146
Public Health Services	871	0	871
Leisure Time Activities	805	0	805
Community Environment	2,313	7,740	10,053
Basic Utility Services	1,358	0	1,358
Transportation	0	6,481	6,481
General Government	14,393	0	14,393
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	21,886	14,221	36,107
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	7,150	211,554	218,704
Other Financing Receipts and (Disbursements):			
Advances-In	1,900	1,900	3,800
Advances-Out	(1,900)	(1,900)	(3,800)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	0	0	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements			
	<hr/>	<hr/>	<hr/>
	7,150	211,554	218,704
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	51,573	15,965	67,538
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$58,723</u>	<u>\$227,519</u>	<u>\$286,242</u>

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

**VILLAGE OF ROCHESTER
LORAIN 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 Rochester, Lorain County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including park operations (recreation), fire protection, and street maintenance. Police protection is provided by the Lorain County Sheriff.

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

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 for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

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

CSX Fund - This fund received a one time settlement in fiscal year 2000 regarding train wayside noise. The Village Council will determine the use of the funds in the future.

VILLAGE OF ROCHESTER
LORAIN COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (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. The Village had the following significant Capital Project Fund:

Capital Improvement Fund: This fund is used to account for proceeds of State Issue II grants. The proceeds are being used for various street improvement projects.

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. 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.

**VILLAGE OF ROCHESTER
LORAIN COUNTY**

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

2. EQUITY IN POOLED CASH

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

	2001	2000
Demand deposits	\$61,253	\$56,242
Certificates of deposit	238,325	230,000
Total deposits	\$299,578	\$286,242

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

3. BUDGETARY ACTIVITY

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

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$34,476	\$35,357	\$881
Special Revenue	28,661	16,741	(11,920)
Capital Projects	106,982	56,207	(50,775)
Total	\$170,119	\$108,305	(\$61,814)

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$58,000	\$20,486	\$37,514
Special Revenue	237,300	18,276	219,024
Capital Projects	0	56,207	(56,207)
Total	\$295,300	\$94,969	\$200,331

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$32,693	\$29,036	(\$3,657)
Special Revenue	3,973	225,775	221,802
Total	\$36,666	\$254,811	\$218,145

**VILLAGE OF ROCHESTER
LORAIN 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	\$51,065	\$21,886	\$29,179
Special Revenue	13,840	14,221	(381)
Total	\$64,905	\$36,107	\$28,798

The Village did not certify the availability and encumber funds, prior to making any contract or ordering any expenditure of money, in either year under audit, contrary to Ohio Revised Code Section 5705.41(D).

Contrary to Ohio Revised Code Section 5705.09(F), the Village did not establish a fund nor did they account for Issue II Program Grants in 2001. Additionally, the Village did not budget for these revenues paid on behalf of the Village which is contrary to Ohio Revised Code Section 5705.39.

Contrary to Ohio Revised Code Section, budgetary expenditures exceeded appropriation authority, at the legal level of budgetary control in the Capital Improvements Capital Projects fund by \$56,207 for the year ended December 31, 2001 and in the Solid Waste Management Grant fund by \$7,740 for the year ended December 31, 2000.

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. 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.

**VILLAGE OF ROCHESTER
LORAIN COUNTY**

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

5. RETIREMENT SYSTEMS (Continued)

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 has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Village of Rochester's policy. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability; and
- Vehicle

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

<u>Casualty Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$19,358,458	\$17,112,129
Liabilities	<u>8,827,588</u>	<u>7,715,035</u>
Retained earnings	<u>\$ 10,530,870</u>	<u>\$ 9,397,094</u>
<u>Property Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$1,890,323	\$1,575,614
Liabilities	<u>469,100</u>	<u>281,561</u>
Retained earnings	<u>\$ 1,421,223</u>	<u>\$ 1,294,053</u>

7. RELATED PARTY TRANSACTIONS

A Village Council member's daughter and son-in-law are owners of a mowing and snow plowing business from which the Village acquired services during 2001 and 2000. The Village paid \$4,950 and \$6,022, respectively, for these services.

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

Lausche Building
615 Superior Avenue, NW.
Twelfth Floor
Cleveland, Ohio 44113-1801
Telephone 216-787-3665
800-626-2297
Facsimile 216-787-3361
www.auditor.state.oh.us

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

Village of Rochester
Lorain County
103 Main Street
Rochester, Ohio 44090

To the Village Council:

We have audited the accompanying financial statements of the Village of Rochester, Lorain County, Ohio, (the Village) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated February 7, 2003. 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 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-30847-001 through 2001-30847-004. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated February 7, 2003.

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 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 February 7, 2003.

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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

February 7, 2003

**VILLAGE OF ROCHESTER
LORAIN 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 2001-30847-001

Ohio Revised Code Section 5705.41(D), requires in part that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from previous encumbrances.

This section also provides 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 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 thirty days from the receipt of such certificates, if such expenditure is otherwise valid.

- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Village Council.

During 2001 and 2000, in 60 out of 60 items tested, the Village Clerk did not certify the availability of funds for the purchase.

We recommend that the Village Clerk certify the availability of funds prior to making purchase commitments. We also recommend the Village utilize the "Then and Now Certificates" when appropriate.

FINDING NUMBER 2001-30847-002

Ohio Rev. Code Section 117.38 requires cash-basis entities to file annual reports with the Auditor of State within 60 days of the fiscal year end. These reports must be filed on forms prescribed by the Auditor of State. However, if the Auditor of State has not prescribed a form for the report, the public office shall submit its report on the form utilized by the public office. 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 fifty dollars.

The report shall contain the amount of: 1) receipts, and amounts due from each source; 2) expenditures for each purpose; 3) income of any public service industry that the entity owns or operates, as well as the costs of ownership or operation; and 4) public debt of each taxing district, the purpose of the debt, and how the debt will be repaid.

Additionally, the public office must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer. The Auditor of State may provide waivers of these dates and penalties in certain circumstances.

The Village did not file their annual report or publish its availability as required by this section for 2000. This weakness resulted in the Village being declared unauditably due to the lack of availability of 2000 financial reports.

We recommend that the Village file the annual their report through the Uniform Accounting Network system and publish its availability as required by this section.

**VILLAGE OF ROCHESTER
LORAIN COUNTY**

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

FINDING NUMBER 2001-30847-003

Ohio Rev. Code Section 5705.09 (F) requires, in part, a special fund be created for each class of revenues which the law requires to be used for a particular purpose. Failure to create such a fund classification also means budget requirements will not be adhered to. Additionally, Ohio Rev. Code Section 5705.39 prohibits a political subdivision from making a fund appropriation in excess of estimated resources available for expenditure from the fund. In addition, Ohio Rev. Code Section 5705.40, requires that any appropriation measure may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation.

The Village participates in the Ohio Department of Transportation Issue II Program and received grants totaling \$56,207 in 2001. The Village did not create the required fund and did not budget for these revenues paid on behalf of the Village by the Ohio Department of Transportation.

We recommend the Village create the appropriate fund(s) and include Issue II monies with amendments, if required, in the budget for approval by the Village Council.

FINDING NUMBER 2001-30847-004

Ohio Rev. Code Sections 5705.41(B) prohibits a subdivision or taxing unit from making an expenditure unless it has been properly appropriated. The Village's legal level of budgetary control is at the fund level.

The following fund had expenditures exceeding appropriations at the legal level of budgetary control as of December 31, 2001:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Capital Improvements Fund	\$ 0	\$56,207	(\$56,207)

The following fund had expenditures exceeding appropriations at the legal level of budgetary control as of December 31, 2000:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Solid Waste Management Grant Fund	\$ 0	\$ 7,740	(\$ 7,740)

This weakness could allow expenditures in the above funds to exceed the total of the available fund balance and the current year revenues. This would then result in a negative cash fund balance.

We recommend the Village compare appropriations to expenditures and appropriations to expenditures plus encumbrances at the legal level of budgetary control, in all funds which are legally required to be budgeted, to ensure compliance with this requirement. This comparison should be performed on a monthly basis, at minimum.

**VILLAGE OF ROCHESTER
LORAIN 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>Explain:</i>
1999-30847-001	Revised Code 5705.41(D), failure to certify funds	No	Not corrected, repeated as finding number 2001-30847-001
1999-30847-002	Revised Code 5705.39, appropriations exceeding estimated revenue	Yes	



**Auditor of State
Betty Montgomery**

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

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

VILLAGE OF ROCHESTER

LORAIN 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
FEBRUARY 20, 2003**