



**Auditor of State
Betty Montgomery**

VILLAGE OF WEST MANSFIELD
LOGAN COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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, 2003 and 2002. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The Township's financial transactions were processed using the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this type of service to impair the independence of the Auditor of State to conduct the audit of the Village, because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity because, because Ohio Revised Code 117.101 requires the Auditor to provide UAN services, and Ohio Revised Code 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments.

We believe 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 fund cash balances and reserves for encumbrances of the Village as of December 31, 2003 and 2002, and its 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 April 20, 2004 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 management, Members of 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

April 20, 2004

**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, 2003**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$23,240	\$30,782		\$32,386	\$86,408
Intergovernmental Receipts	56,360	29,615		64,532	150,507
Fines, Licenses, and Permits	1,150				1,150
Earnings on Investments	3,698	90			3,788
Miscellaneous	13,301	1,250			14,551
Total Cash Receipts	<u>97,749</u>	<u>61,737</u>		<u>96,918</u>	<u>256,404</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	600	16,066			16,666
Leisure Time Activities	23,567				23,567
Community Environment	840				840
Basic Utility Services	1,074				1,074
Transportation	32,136	12,288			44,424
General Government	69,303	740		781	70,824
Capital Outlay				83,699	83,699
Debt Service					
Principal		7,521			7,521
Interest		1,556			1,556
Total Cash Disbursements	<u>127,520</u>	<u>38,171</u>		<u>84,480</u>	<u>250,171</u>
Total Receipts Over/(Under) Disbursements	<u>(29,771)</u>	<u>23,566</u>		<u>12,438</u>	<u>6,233</u>
Other Financing Receipts and (Disbursements):					
Transfers-In	20,000				20,000
Transfers-Out				(20,000)	(20,000)
Total Other Financing Receipts/(Disbursements)	<u>20,000</u>			<u>(20,000)</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(9,771)</u>	<u>23,566</u>		<u>(7,562)</u>	<u>6,233</u>
Fund Cash Balances, January 1	<u>26,299</u>	<u>84,092</u>	<u>756</u>	<u>119,268</u>	<u>230,415</u>
Fund Cash Balances, December 31	<u>\$16,528</u>	<u>\$107,658</u>	<u>\$756</u>	<u>\$111,706</u>	<u>\$236,648</u>
Reserves for Encumbrances, December 31	<u>\$1,750</u>				<u>\$1,750</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, 2003**

Operating Cash Receipts:	
Charges for Services	\$260,706
Miscellaneous	3,380
	<hr/>
Total Operating Cash Receipts	264,086
	<hr/>
Operating Cash Disbursements:	
Personal Services	61,008
Fringe Benefits	12,422
Contractual Services	30,537
Supplies and Materials	30,656
Miscellaneous	27,160
Capital Outlay	94,086
	<hr/>
Total Operating Cash Disbursements	255,869
	<hr/>
Operating Income	8,217
	<hr/>
Non-Operating Cash Receipts:	
Proceeds from Notes and Bonds	122,975
Other Non-Operating Receipts	152
	<hr/>
Total Non-Operating Cash Receipts	123,127
	<hr/>
Non-Operating Cash Disbursements:	
Redemption of Principal	21,309
Interest	86,900
	<hr/>
Total Non-Operating Cash Disbursements	108,209
	<hr/>
Net Receipts Over Disbursements	23,135
	<hr/>
Fund Cash Balances, January 1	223,355
	<hr/>
Fund Cash Balances, December 31	246,490
	<hr/> <hr/>
Reserve for Encumbrances, December 31	12,135
	<hr/> <hr/>

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, 2002**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$24,086	\$31,574		\$33,300	\$88,960
Intergovernmental Receipts	57,754	29,640		4,098	91,492
Fines, Licenses, and Permits	700				700
Earnings on Investments	3,264	282			3,546
Miscellaneous	4,938				4,938
Total Cash Receipts	90,742	61,496		37,398	189,636
Cash Disbursements:					
Current:					
Security of Persons and Property	1,829	17,034			18,863
Leisure Time Activities	16,667				16,667
Community Environment	595				595
Basic Utility Services	1,080				1,080
Transportation	19,829	24,959			44,788
General Government	80,690	770		813	82,273
Capital Outlay				7,622	7,622
Debt Service					
Principal	7,255				7,255
Interest	1,822				1,822
Total Cash Disbursements	129,767	42,763		8,435	180,965
Total Receipts Over (Under) Disbursements	(39,025)	18,733		28,963	8,671
Other Financing Receipts:					
Sale of Fixed Assets	4,751				4,751
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(34,274)	18,733		28,963	13,422
Fund Cash Balances, January 1	60,573	65,359	756	90,305	216,993
Fund Cash Balances, December 31	\$26,299	\$84,092	\$756	\$119,268	\$230,415
Reserves for Encumbrances, December 31	\$506				\$506

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, 2002**

Operating Cash Receipts:

Charges for Services	\$253,951
Miscellaneous	<u>7,416</u>
Total Operating Cash Receipts	<u>261,367</u>

Operating Cash Disbursements:

Personal Services	57,334
Fringe Benefits	9,528
Contractual Services	33,909
Supplies and Materials	27,887
Miscellaneous	884
Capital Outlay	<u>19,715</u>
Total Operating Cash Disbursements	<u>149,257</u>

Operating Income	<u>112,110</u>
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Non-Operating Cash Receipts:

Proceeds from Notes and Bonds	<u>24,740</u>
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Non-Operating Cash Disbursements:

Redemption of Principal	19,556
Interest	<u>85,894</u>

Total Non-Operating Cash Disbursements	<u>105,450</u>
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Net Receipts Over Disbursements	31,400
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Fund Cash Balances, January 1	<u>191,955</u>
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Fund Cash Balances, December 31	<u><u>\$223,355</u></u>
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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, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of West Mansfield, Logan 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, street repair and maintenance, water and sewer utilities, and park operations. 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 Lighting Fund – This fund receives property tax money for the expense of street lights.

Street Construction, Maintenance, and Repair Fund -This fund receives motor vehicle license tax and gasoline tax money to maintain Village streets.

**VILLAGE OF WEST MANSFIELD
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(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 Projects Funds:

Issue II Fund - This fund receives grant money from the State for the repair and maintenance of Village streets.

Water Plant Fund - This fund receives property tax money to pay the maintenance and repair 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 Bond 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, 2003 AND 2002
(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.

A summary of 2003 and 2002 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:

	2003	2002
Demand deposits	\$453,138	\$413,770
Certificates of deposit	30,000	40,000
Total deposits	\$483,138	\$453,770

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, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$120,027	\$117,749	(\$2,278)
Special Revenue	59,491	61,737	2,246
Capital Projects	103,461	96,918	(6,543)
Enterprise	380,247	387,213	6,966
Total	\$663,226	\$663,617	\$391

**VILLAGE OF WEST MANSFIELD
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$188,266	\$129,270	\$58,996
Special Revenue	141,717	38,171	103,546
Capital Projects	285,317	104,480	180,837
Enterprise	842,715	376,213	466,502
Total	<u>\$1,458,015</u>	<u>\$648,134</u>	<u>\$809,881</u>

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$175,150	\$95,493	(\$79,657)
Special Revenue	59,601	61,496	1,895
Capital Projects	87,122	37,398	(49,724)
Enterprise	268,109	286,107	17,998
Total	<u>\$589,982</u>	<u>\$480,494</u>	<u>(\$109,488)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$220,770	\$130,273	\$90,497
Special Revenue	125,196	42,763	82,433
Capital Projects	177,768	8,435	169,333
Enterprise	744,312	254,707	489,605
Total	<u>\$1,268,046</u>	<u>\$436,178</u>	<u>\$831,868</u>

The Village recorded some revenues and expenditures in the incorrect funds which violated the requirements of Ohio Rev. Code Section 5705.10.

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, 2003 AND 2002
(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, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan (1997 Sanitary Sewer)	\$119,590	5.86%
Ohio Water Development Authority Loan (1999 Water Treatment)	418,152	3.20%
Union Banking Company (Truck Loan)	15,736	6.00%
Sanitary Sewer System Mortgage Revenue Bonds	<u>1,602,200</u>	5.00%
Total	<u>\$2,155,678</u>	

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 States 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 Village is required to contribute \$825 per month to a reserve fund until the fund balance is \$99,000. At the December 31, 2003, the balance in this fund was \$37,221.

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, 2003, including \$4,331 received in 2003, a total of \$141,548 has been received on this loan. A payment schedule has been determined by the loan amount received to date. 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, 2003, \$24,902.05 additional capitalized interest has been added to the principal. At this time an amortization schedule has not been approved by the OWDA, therefore, principal and interest to maturity is not reflected in the schedule at the end of this note. The payments received are recorded as loan proceeds and the expenditures are classified as capital outlay in the accompanying Enterprise Fund financial statements. During 2003 and 2002, the Village received additional loan proceeds of \$118,643 and \$24,740, respectively. The loan is collateralized 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.

**VILLAGE OF WEST MANSFIELD
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

5. DEBT (Continued)

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 with the final payment due in November 2005. During 2003, the loan payment was made from the Special Revenue Street Construction Fund and from the General Fund during 2002,

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

	Sanitary Sewer System Mortgage Revenue Bonds	Ohio Water Development Authority Loan - 1997 Sanitary Sewer	The Union Banking Company Truck Loan
Year ending December 31:			
2004	\$98,910	\$12,201	\$9,077
2005	98,970	12,201	8,321
2006	98,980	12,201	
2007	98,940	12,201	
2008	98,850	12,201	
2009-2013	494,800	61,005	
2014-2019	494,705	61,005	
2020-2024	494,665		
2025-2029	494,790		
2030-2034	494,790		
2035-2037	395,720		
Total	<u>\$3,364,120</u>	<u>\$183,015</u>	<u>\$17,398</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 2003 and 2002, PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries through December 31, 2003. The Village has paid all contributions required through December 31, 2003.

**VILLAGE OF WEST MANSFIELD
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

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.

8. COURT APPROVED TRANSFERS

On November 3, 2003, the Common Pleas Court of Logan County, approved transfers of \$10,000 each from the Governmental Capital Projects Fire/Tower Fund and the Governmental Capital Projects Water Plant Fund to the General Fund.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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, Logan County, (the "Village") as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated April 20, 2004, wherein we noted that the Village's financial transactions were processed using the Auditor of States' Uniform Accounting Network (UAN). *Government Auditing Standards* considers this type of service to impair the independence of the Auditor of State to conduct the audit of the Village, because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2003-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated April 20, 2004.

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.

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However, we noted 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 April 20, 2004

This report is intended solely for the information and use of management, and Members of 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

April 20, 2004

**VILLAGE OF WEST MANSFIELD
LOGAN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

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

FINDING NUMBER 2003-001

Noncompliance Citation

Ohio Rev. Code Section 5705.10 states that all revenue derived from a source other than general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for that purpose. During 2003 and 2002, the Village recorded loan proceeds, gasoline tax revenue, property tax revenue, and homestead and rollback tax revenue in the incorrect funds. During 2002, payments on two sewer debt issues were made from the incorrect debt service funds.

The Village has made the necessary adjustments to increase/decrease fund balances to properly reflect these revenues and expenditures. The financial statements in this report reflect these adjustments. These adjustments had the following effect upon the respective fund balances:

YEAR	General	Street Fund	Street Light Fund	Police Fund	Fire Tower Fund	Street Repair Fund	Water Plant Fund	Water Operating Fund	Sewer Bond Debt Fund	OWDA Sewer Loan Fund
2003	(3,721)	3,721			4,570	(5,627)	(4,937)	5,994		
2002	(3,241)		1050	875	525	525	(1,144)	1,410	6,466	(6,466)

Periodically, Council should review the financial records to help identify errors in the recording of revenue and expenditures.

**VILLAGE OF WEST MANSFIELD
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2001-30246-001	ORC Sec. 5705.40 – Failure to amended or supplement appropriations	Yes	
2001-30246-002	ORC Sec. 5705.41 (D) – Failure to prior certify availability of funds	No	Partially Corrected. Repeated in management letter



**Auditor of State
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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
MAY 11, 2004**