



**Auditor of State
Betty Montgomery**

VILLAGE OF NORTH HAMPTON
CLARK COUNTY

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Village of North Hampton
Clark County
P.O. Box 457
250 West Clark Street
North Hampton, Ohio 45349

To the Village Council:

We have audited the accompanying financial statements of the Village of North Hampton, (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.

As described more fully in Note 1, the government has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village's combined funds as of December 31, 2003 and 2002, or their changes in financial position.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 2003 and 2002 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 28, 2005, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Village of North Hampton
Clark County
Independent Accountants' Report
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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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty D. Montgomery
Auditor of State

February 28, 2005

**VILLAGE OF NORTH HAMPTON
CLARK 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$22,187	\$4,168	\$26,355
Intergovernmental Receipts	54,137	8,184	62,321
Fines, Licenses, and Permits	52,505		52,505
Earnings on Investments	24	235	259
Miscellaneous	459		459
	<hr/>		
Total Cash Receipts	129,312	12,587	141,899
<hr/>			
Cash Disbursements:			
Current:			
Security of Persons and Property	61,111		61,111
Public Health Services		4,168	4,168
Leisure Time Activities	2,628		2,628
Basic Utility Services	5,087		5,087
Transportation		14,802	14,802
General Government	47,392		47,392
	<hr/>		
Total Cash Disbursements	116,218	18,970	135,188
<hr/>			
Total Receipts Over/(Under) Disbursements	13,094	(6,383)	6,711
<hr/>			
Other Financing Receipts:			
Advance-In	10,000		10,000
<hr/>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	23,094	(6,383)	16,711
<hr/>			
Fund Cash Balances, January 1	14,151	71,431	85,582
<hr/>			
Fund Cash Balances, December 31	<u>\$37,245</u>	<u>\$65,048</u>	<u>\$102,293</u>

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

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$135,232		\$135,232
Court Fines		64,134	\$64,134
Earnings On Investments	930		930
	<hr/>	<hr/>	<hr/>
Total Operating Cash Receipts	136,162	64,134	200,296
Operating Cash Disbursements:			
Personal Services	11,152		11,152
Distribution of Court Fines		68,985	68,985
Contractual Services	63,353		63,353
Supplies and Materials	12,888		12,888
Other	62,785		62,785
Capital Outlay	14,828		14,828
	<hr/>	<hr/>	<hr/>
Total Operating Cash Disbursements	165,006	68,985	233,991
Operating (Loss)	(28,844)	(4,851)	(33,695)
Non-Operating Cash Receipts:			
Other Debt Proceeds	10,603		10,603
	<hr/>	<hr/>	<hr/>
Excess of Receipts (Under) Disbursements Before Interfund Advances	(18,241)	(4,851)	(23,092)
Advance-Out	(10,000)		(10,000)
	<hr/>	<hr/>	<hr/>
Net Receipts (Under) Disbursements	(28,241)	(4,851)	(33,092)
Fund Cash Balances, January 1	137,572	9,657	147,229
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$109,331</u>	<u>\$4,806</u>	<u>\$114,137</u>

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

**VILLAGE OF NORTH HAMPTON
CLARK 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>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$21,807	\$2,396	\$24,203
Intergovernmental Receipts	19,201	6,514	25,715
Fines, Licenses, and Permits	78,755		78,755
Earnings on Investments	114	377	491
Miscellaneous	427		427
	<hr/>		
Total Cash Receipts	120,304	9,287	129,591
Cash Disbursements:			
Current:			
Security of Persons and Property	92,794		92,794
Public Health Services		2,396	2,396
Leisure Time Activities	2,193		2,193
Basic Utility Services	5,789	472	6,261
Transportation		8,566	8,566
General Government	46,298		46,298
	<hr/>		
Total Cash Disbursements	147,074	11,434	158,508
	<hr/>		
Total Receipts (Under) Disbursements	(26,770)	(2,147)	(28,917)
Other Financing Receipts and (Disbursements):			
Transfers-In		790	790
Transfers-Out		(790)	(790)
	<hr/>		
Total Other Financing Receipts/(Disbursements)		0	0
	<hr/>		
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	(26,770)	(2,147)	(28,917)
	<hr/>		
Fund Cash Balances, January 1	40,921	73,578	114,499
	<hr/>		
Fund Cash Balances, December 31	<u>\$14,151</u>	<u>\$71,431</u>	<u>\$85,582</u>

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

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$141,133		\$141,133
Court Fines		97,998	97,998
Earnings on Investments	79		79
Miscellaneous	284		284
	<u>141,496</u>	<u>97,998</u>	<u>239,494</u>
Operating Cash Disbursements:			
Personal Services	11,046		11,046
Distribution of Court Fines		89,496	89,496
Contractual Services	50,798		50,798
Supplies and Materials	7,363		7,363
Other	53,622		53,622
Capital Outlay	192,493		192,493
	<u>315,322</u>	<u>89,496</u>	<u>404,818</u>
Operating Income/(Loss)	(173,826)	8,502	(165,324)
Non-Operating Cash Receipts:			
Other Debt Proceeds	210,183		210,183
Net Receipts Over Disbursements	36,357	8,502	44,859
Fund Cash Balances, January 1	101,215	1,155	102,370
Fund Cash Balances, December 31	<u><u>\$137,572</u></u>	<u><u>\$9,657</u></u>	<u><u>\$147,229</u></u>

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

**VILLAGE OF NORTH HAMPTON
CLARK 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 North Hampton, Clark 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'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

Investments are reported as assets. Accordingly, 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, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

4. Fiduciary Funds (Agency Fund)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Mayor's Court Fund – This fund is utilized to account for court fines and the distribution of court fines to the appropriate jurisdiction.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level, 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.

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 Village did not use the encumbrance method of accounting.

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.

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

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	\$142,941	\$139,882
Certificates of deposit	73,489	92,929
Total deposits	\$216,430	\$232,811

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

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	\$110,232	\$139,312	\$29,080
Special Revenue	11,726	12,587	861
Enterprise	138,000	146,765	8,765
Total	\$259,958	\$298,664	\$38,706

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$140,578	\$116,218	\$24,360
Special Revenue	5,300	18,970	(13,670)
Enterprise	74,550	175,006	(100,456)
Total	\$220,428	\$310,194	(\$89,766)

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$99,102	\$120,304	\$21,202
Special Revenue	11,835	10,077	(1,758)
Enterprise	128,880	351,679	222,799
Total	\$239,817	\$482,060	\$242,243

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$143,050	\$147,074	(\$4,024)
Special Revenue	8,000	12,224	(4,224)
Enterprise	74,465	315,322	(240,857)
Total	\$225,515	\$474,620	(\$249,105)

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, 2003 was as follows:

	Principal	Interest Rate
United States Dept. of Agriculture (USDA):	\$1,035,000	5.125

The USDA loan relates to the construction and installation of a municipal sewer system. The loan will be repaid in annual payments through 2040. The loan is collateralized by sewer receipts. The Village has agreed to set utility rates to sufficient to cover USDA debt service requirements.

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

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

5. DEBT (Continued)

Year ending December 31:	Mortgage Revenue Bonds
2004	\$63,044
2005	62,531
2006	63,019
2007	63,455
2008	62,840
2009-2013	312,257
2014-2018	314,218
2019-2023	314,594
2024-2028	314,640
2029-2033	314,308
2034-2038	315,085
2039-2040	126,072
Total	<u><u>\$2,326,063</u></u>

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide 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 2003 and 2002, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. 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. The Village has paid all contributions required through December 31, 2003 except for \$206 owed to OP&F for penalties and interest.

7. RISK MANAGEMENT

Risk Pool Membership

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

The Pool cedes certain premiums to re-insurers or excess re-insurers. The Pool is contingently liable should any re-insurer be unable to meet its reinsurance obligations.

**VILLAGE OF NORTH HAMPTON
CLARK COUNTY**

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

7. RISK MANAGEMENT (Continued)

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained deficit at December 31, 2003 and 2002.

	2003	2002 (Restated)
Assets	\$1,811,340	\$1,852,060
Liabilities	(3,653,152)	(3,858,213)
Retained deficit	(\$1,841,812)	(\$2,006,153)

8. NONCOMPLIANCE

The Village did not comply with requirements regarding filing Employer's Quarterly Federal Tax Returns, furnishing W-2's and 1099's, properly posting to ledgers, establishing a fund without permission, failure to adopt appropriation measures, allocation of Gas Tax revenue to proper funds, certification of available funds, timely adoption and submission of the tax budget, certification of tax rates/levies, limiting appropriations to estimated revenue, certification of amounts available for expenditures from each fund, limiting expenditures to amounts appropriated, proper approval of transfers, proper posting to ledgers. Additionally, the Village did not comply with requirements concerning preservation of public records, compensation of elected officials, filing of annual financial reports, and for not paying delinquent amounts owed to Ohio Police and Fire Pension fund.



**Auditor of State
Betty Montgomery**

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

Village of North Hampton
Clark County
P.O. Box 457
250 West Clark Street
North Hampton, Ohio 45349

To the Village Council:

We have audited the accompanying financial statements of the Village of North Hampton (the Village) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated February 28, 2005, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 2003-001 through 2003-017. We have also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated February 28, 2005.

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 2003-018 through 2003-023.

**Internal Control Over Financial Reporting
(Continued)**

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 2003-021 through 2003-023 to be material weaknesses. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Village in a separate letter dated January, 15, 2005.

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.



Betty Montgomery
Auditor of State

February 28, 2005

VILLAGE OF NORTH HAMPTON
CLARK 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

FINDING FOR RECOVERY - RETAINER FEES

The Village retained Mark Ricketts for a fee of \$225 a month to train the Village Administrator concerning water treatment plant requirements. On April 9, 2002, the Village disbursed \$356 (check # 12858) to Mark Ricketts to cover his March retainer fee and some miscellaneous expenses. The March retainer fee (\$225) and miscellaneous expenses (\$31) totaled \$256, resulting in an overpayment to Mr. Ricketts of \$100.

In accordance with the foregoing facts, and according to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies being illegally expended is hereby issued, jointly and severally, against Mr. Mark Ricketts and Mrs. Jean Harrod (former Village Clerk), in the amount of \$100, and in favor of the Village's water fund.

Client Response: Mr. Ricketts has checked his records and agrees that an overpayment mistake had been made in the addition of the check in question. Mr. Ricketts has agreed to issue the Village a check in the amount of \$100 to reimburse the Village for this oversight.

FINDING NUMBER 2003 - 002

FINDING FOR RECOVERY – ELECTED OFFICIALS' COMPENSATION

Ohio Rev. Code Section 731.12 states that no member of the legislative authority shall hold any other public office, be interested in any contract with the Village, or hold employment with said Village, except that such member may be a notary public, a member of the state militia, or a volunteer fireman of said Village, provided that such member shall not receive any compensation for his services as a volunteer fireman of the Village in addition to his regular compensation as a member of the legislative authority. Additionally, **Ohio Rev. Code Section 102.04 (C)** has similar prohibitions regarding compensation of elected officials.

Village Council member Harry Massie was compensated for duties as Street Commissioner, totaling \$1,617, and Council member Joan Wildman was compensated for duties as Mayor's Court Clerk, totaling \$6,025, in addition to their salaries as Council members.

In accordance with the foregoing facts, and according to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies being illegally expended is hereby issued against Harry Massie in the amount of \$1,617, and in favor of the Village's street fund. Further, according to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies being illegally expended is hereby issued against Joan Wildman in the amount of \$6,025, and in favor of the Village's General Fund. The Village should review all activity of elected officials and enact procedures to reduce the potential for improper transactions.

Client Response: Both Mr. Massie and Mrs. Wildman were appointed and confirmed by actions taken by the Village Council. At the time of these appointments, the Council and Mayor were unaware of Sec. 731.12 of the Ohio Revised Code. When the Village Mayor and Council were made aware of this section by the state Auditors both Mr. Massie and Mrs. Wildman resigned their positions in conflict with this section immediately. Both Mr. Massie and Mrs. Wildman performed essential services to the Village that if another person would have volunteered to perform the services the Village would have paid the same amount for the services.

**FINDING NUMBER 2003 - 002
(Continued)**

Client Response (Continued): Mr. Massie's duties included street cleaning and repair, plowing snow and maintenance of Village buildings and parks. He was compensated at a token rate of \$6.00 per hour and accounted for his time with a time card and description of all of his activities that was presented to council every month. All purchases made for these repairs were presented to council for approval before purchasing.

Mrs. Wildman was appointed the Magistrate court clerk after the clerk at the time became ill and passed away in just a couple of months. Mrs. Wildman has assisted the clerk in previous years when the magistrate clerk was ill or unable to complete her duties. Mrs. Wildman was paid a token rate of \$250 per month. Given the local level of expertise to perform these duties and her experience as a backup for the previous clerk made Mrs. Wildman the logical choice.

The Village understands the need to follow the rules and regulations established by the Ohio Revised Code. However, at over 50 volumes of regulations it does become difficult to be aware of all sections. Most state regulators lack the understanding of the difficulties in manning a smaller government entity and funding such personnel. It is the opinion of the Village that many of these sections have become outdated and need to be revised to reflect realistic regulatory guidance that take into account smaller government entities and their ability to obtain the necessary personnel and volunteers.

FINDING NUMBER 2003 - 003

Internal Revenue Code Chapter 26, U.S.C. Sections 3401 – 3406, and Publication 15 (Circular E) requires that each quarter, all employers who pay wages subject to income tax withholding or social security and Medicare taxes must file Form 941, Employer's Quarterly Federal Tax Return, by the last day of the month that follows the end of the quarter. For each whole or part month that a return is not filed when required, there is a penalty of 5% of the unpaid tax due with that return. Additionally, for each whole or part month that the tax due is paid late a penalty of 5% per month of the amount of tax generally applies. In addition to any penalties, interest accrues from the due date of the tax on any unpaid balance. Publication 15 (Circular E) also requires that all employers are to furnish each employee a completed W-2, Wage and Tax Settlement.

Furthermore, employers are required to report payments of \$600 or more to persons not treated as employees, which includes independent contractors.

- The Village did not provide any evidence that six of the eight required Quarterly Form 941's were filed during 2002 and 2003. Additionally, although the Village made regular deposits, there was evidence of discrepancies between what was filed on the forms and what was remitted for taxes. For example, the IRS notice to the Village, dated April 26, 2004, stated that the 941 filed for 3rd quarter 2003, was not correctly calculated, and the Village was required to pay an additional \$668, which included \$13 of interest.
- The Village was unable to provide documentation that W2's for 2003, or 1099's for both 2002 and 2003 were prepared, and provided to employees and independent contractors.

The Village should institute procedures to provide that all tax requirements are met to prevent the assessment of interest penalties and to provide for accurate reporting by its employees and contractors.

**FINDING NUMBER 2003 - 003
(Continued)**

Client Response: The new Village Clerk has compiled all the payroll information for the years 1998 to 2003, and is systematically preparing all outstanding 941's to be filed with the IRS to comply with the Federal reporting requirements. These reports have been delayed being corrected and filed due to reconstruction of the financial reports by the CPA firm and the extended audit period involved with this audit.

FINDING NUMBER 2003 - 004

Ohio Rev. Code Section 733.27 requires the village clerk to attend meetings of the legislative authority of the village, and keep a record of its proceedings and of all rules, bylaws, resolutions, and ordinances passed or adopted, which shall be subject to the inspection of all persons interested. The Village sought bids for a potable water system and engineering services however, none of this activity was recorded in the Village's minutes. Failure of the Clerk to accurately and completely record the Village's activity resulted in incomplete public records. All activity including resolutions and/or ordinances passed during council meetings should be fully and accurately described in the minutes.

Ohio Rev. Code Section 733.28 requires the Clerk to keep the books and to exhibit accurate statements of all moneys received and expended, of all property owned by the Village and income derived there from, and all taxes and assessments. The following weaknesses were noted relative to the Village records and contributed to the inaccurate and incomplete financial statements:

- Revenues and disbursements for levy monies that were passed on to the Board of Health were not properly posted. This amounted to \$4,186 during 2003, which resulted in an adjustment to the financial statements.
- Special Assessments for water and sewer were incorrectly posted to the General Fund.
- The cashbook and ledgers were not totaled accurately and contributed to inaccurate and incomplete financial statements that did not properly reflect the Village's financial activity or status. As a result of all these errors, the Village contracted with a consultant to reconstruct the ledgers and regenerate financial statements.

Failure to properly post activity to the ledgers and present accurate financial statements could result in the inability of statement users or management to make informed decisions. Further, costs associated with consultant contracts result in less available funds for normal Village operations.

The Village should develop and implement internal control procedures to provide for accurate reporting of Council activity in the minutes records and financial activity in Village ledgers. This should include routine review of the minutes and of all financial records by someone other than the Clerk. Each month, the Village should reconcile amounts posted to the receipts ledger and the appropriation ledger to the totals indicated in the cash book.

Client Response: (ORC Sec. 733.27) The Village has demonstrated for the 2004 fiscal year that minutes are more detailed and inclusive of the information outlined in the finding.

(ORC Sec. 737.28) Documents were presented to the Auditors that demonstrated the Village use of the UAN accounting system for the 2004 fiscal year, which dramatically improve its reporting ability.

FINDING NUMBER 2003 - 005

Ohio Rev. Code Section 5705.12 requires that, in addition to the funds provided for by Ohio Rev. Code Sections 5705.09, 5705.121, 5705.13 and 5705.131, the taxing authority of a subdivision may establish, with the approval of the Auditor of State, such other funds as are desirable.” The Village established a Computer Fund without the permission of the Auditor of State. Procedures should be developed and implemented so the Village is compliant with this section when funds are needed.

Client Response: The Village explained at the exit conference that it was not the intention of the Village Council to create a new fund for the purchase of computer related equipment. The intent was a means of tracking a portion of the court costs for the purchase of computer equipment in the future. Once enough money was available it could be appropriated accordingly. The mistake the Village made was naming this tracking system of the computer monies “The Computer Fund”. The Village understands that it must seek approval from the Auditor of State to establish new funds.

FINDING NUMBER 2003 - 006

Ohio Rev. Code Section 5705.38 (A) requires that, on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until April 1 of the current year. An annual appropriation measure for fiscal year 2002 was filed at the county auditor’s office on March 29, 2002. However, this appropriation measure was not reflected as being adopted in the Council meeting minutes. Also, the fiscal year 2003 appropriation measure was not adopted until January 14, 2003. Bills were paid prior to the adoption of appropriations but no temporary measures were adopted. Procedures should be adopted to provide for timely adoption of appropriations to provide for expenditures to prevent overspending Village resources.

FINDING NUMBER 2003 - 007

Ohio Rev. Code Section 5735.28 requires that Gasoline Tax received from the State be divided as follows: 92.5% to the Street Fund and 7.5% to the State Highway Fund. The Village did not consistently distribute these funds. During 2002, the Village posted \$409 to the Highway Fund instead of to the Street Construction Fund. During 2003, the Street Construction Fund was under posted by \$1,127 and the State Highway Fund was over posted for this revenue by \$1,127. Furthermore, the Street Construction Fund was under posted by \$687 which was incorrectly posted to the Permissive Fund. The Village has made these adjustments to its records and the accompanying financial statements. The Village should review this requirement and post future distributions in accordance with the above mentioned section of the Revised Code to provide that accurate postings are made and for accurate fund balances.

Client Response: Since the Village was given the corrected fund balances and financial information from the CPA and Auditor’s office in February 2005, the Village records for 2004 have been entered into the UAN system. This will either partially or completely correct the above mentioned finding. The UAN system forces the clerk to correct these findings automatically. Reports were shown at the exit conference on March 3, 2005 to the Auditors showing the posting of information through April 2004. Due to the extended time period of this audit, we were not able to complete the 2004 financial statements by the deadline set forth in Sec. 117.38. The Village requested a 30-day extension from both the Auditor of State office and the UAN office.

FINDING NUMBER 2003 - 008

Ohio Rev. Code Section 5705.41(D) provides that no orders or contracts involving the expenditure of money are 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 process of collection to the credit of a fund free from any previous encumbrances.

**FINDING NUMBER 2003 – 008
(Continued)**

The following exception to this basic requirement is provided by the statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time 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 encumbrance, 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 of taxing district. Also, amounts of less than \$100 for counties, or less than \$1,000 (\$3,000 after April 7, 2003) for political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of “then and now” certificate, provided the certificate is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

The Village did not certify the availability of funds for any purchases for the fiscal years ended December 31, 2003 and 2002. Procedures should be developed and implemented to provide for the timely certification of the availability of appropriations prior to the obligation of funds.

Client Response: See response to Finding Number 2003-007.

FINDING NUMBER 2003 - 009

Ohio Rev. Code Section 5705.28 requires that on or before July 15 in each year, the taxing authority of each subdivision or other taxing unit adopt a tax budget for the next succeeding fiscal year. The Village's tax budget for fiscal year 2002 was neither adopted by the Council nor submitted to the budget commission. Further, the tax budget for fiscal year 2003 was not adopted until October 10, 2002 and was submitted to the budget commission on September 11, 2002.

Procedures should be developed and implemented to provide for timely adoption and submission of the tax budget.

FINDING NUMBER 2003 - 010

Ohio Rev. Code Section 5705.34 requires that, each taxing authority is to pass an ordinance or resolution to authorize the necessary tax levies. Each authority is to certify the levies to the county auditor before October 1st, unless a later date is approved by the tax commissioner. The Village Council failed to certify the necessary tax rates/levies to the county auditor. Also, the minutes did not reflect the necessary resolution or ordinance.

Procedures should be developed and implemented to provide for timely certification and submission of the tax rates.

FINDING NUMBER 2003 - 011

Ohio Rev. Code Section 5705.39 requires that the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official certificate. The following Village funds had appropriations which exceeded the total estimated revenues:

<u>Fiscal Year 2003</u>	<u>Appropriation</u>	<u>Estimated Revenues</u>	<u>Variance</u>
General Fund	\$140,578	\$133,678	\$(6,900)
Fiscal Year 2002			
General Fund	143,050	134,640	(8,410)
Water Fund	31,765	31,169	(596)

Procedures should be implemented to routinely compare this activity and make any necessary amendments to reduce the possibility of overspending Village resources.

Client Response: See client response to Finding Number 2003-007.

FINDING NUMBER 2003 - 012

Ohio Rev. Code Section 5705.41(B) states that, "no subdivision or taxing unit is to expend money unless it has been appropriated". The following Village funds had expenditures which exceeded appropriations:

<u>For Fiscal Year 2003</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Street Fund	\$ 5,300	\$ 14,802	\$ (9,502)
Water Fund	32,750	54,356	(21,606)
Sewer Fund	41,800	120,650	(78,850)
For Fiscal Year 2002			
General Fund	143,050	147,074	(4,024)
State Highway Fund	0	2,029	(2,029)
Health Fund	0	2,396	(2,396)
Water Fund	31,765	218,394	(186,629)
Sewer Fund	42,700	96,928	(54,228)

Procedures should be implemented to routinely compare this activity and make any necessary amendments to reduce the possibility of overspending Village resources.

Client Response: See client response to Finding Number 2003-007.

FINDING NUMBER 2003 - 013

Ohio Rev. Code Sections 5705.14 through 5705.16 set forth specific guidelines for the transfers of money from one fund of a subdivision to any other fund. Transfers of money from one fund, other than the general fund to another fund that do not meet the exceptions of the above sections require a court order, in addition to resolution of approval by the governing Board.

During 2002, the Village Clerk posted \$790 of revenue in the Street Fund that should have been posted to the Permissive Tax Fund. Additionally, the annual report reflected a transfer into the Permissive Tax Fund however a transfer out from the Street Fund was not posted in the report, and the transfer was not approved. The financial statements have been adjusted to correct this error. The Village should implement procedures to post receipts into the proper fund to provide for accurate financial records and proper use of Village resources.

FINDING NUMBER 2003 - 014

Ohio Rev. Code Section 149.351 (A) states that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under sections 149.38 to 149.42 of the Revised Code. Such records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred or destroyed unlawfully.

- The Village did not have supporting invoices for seven percent (7%) of the vouchers tested.

Failure to maintain complete documentation for expenditures could result in the inability to defend against possible disputed amounts, cause potential problems for future management decisions, and allow for misappropriation of assets. The Village should adopt and implement a policy for the preservation of records.

FINDING NUMBER 2003 - 015

Ohio Rev. Code Section 117.38 states that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. GAAP-basis entities must file annual reports within 150 days. 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 un-filed, 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. Also, 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 report for 2002 was filed on August 22, 2003 and contained various discrepancies from the Village ledgers. The 2003 report was not filed until March 21, 2004. Additionally, the Village did not publish notice as required that the financial reports were available for public inspection. The Village should develop and implement procedures to provide that all reports are accurately prepared, filed and published in a timely manner.

Client Response: See client response to Finding Number 2003-007.

FINDING NUMBER 2003 - 016

Ohio Rev. Code Section 145.47 states that the fiscal officer of each local authority subject to this chapter shall transmit promptly to the secretary of the public employees retirement board a report of contributions at such intervals and in such form as the board shall require, showing thereon all deductions for public employment retirement system made from earnable salary of each contributor employed, together with warrants or check covering the total of such deductions.

As of June 2003, the Village stopped contributing to the Ohio Police and Fire Pension Fund because they no longer had full-time police officers. Although the Village was no longer required to make contributions, it still owed the pension fund \$206 in penalties and interest. The penalty was the result of the Village's failure to file a pre-employment physical report for one of its police officers employed during 2000.

To prevent further burden on the Village resources, the Village should develop policies and procedures that provide for all reports to be filed timely and correctly. Further, the Village should take the necessary steps to provide that requirements of all taxing authorities and retirement systems be met.

Client Response: The Village no longer employs full time police officers that would require the Village to file these reports. All outstanding penalties and interest have been paid in full to PFPF. All contributions are now correctly filed with OPERS.

FINDING NUMBER 2003 - 017

Inaccurate Tax Reporting

26 U.S.C. Sections 3401 through 3406 govern the collection of income taxes, including the withholding and reporting of these matters to the appropriate tax authorities. There were sixteen variances noted between what was reported on 2002 W2's and what was actually paid, the largest of which included:

- Seven individuals were issued W2's, even though based on the appropriation ledger they didn't earn wages during 2002,
- An individual earned \$3,137 per the payroll ledger, but his W2 reported earnings as \$8,376, which caused his wages to be over reported by \$5,238,
- An individual earned \$5,271 per the payroll ledger, but his W2 reported earnings as \$3,070 which caused his wages to be under reported by \$2,201,
- An individual earned \$22,869 per the payroll ledger, but his W2 reported earnings as \$9,636 which caused his wages to be under reported by \$13,233.

The sum of all variances noted amounted to \$24,277 (net). The W3 for 2002 reports gross wages as \$60,831 and the payroll ledger reports gross wages for 2002 as \$85,107. Inaccurate reporting could cause the Village and/or its employees to pay penalties and interest. The Village should adopt and implement procedures to timely and accurately process W2's.

Client Response: See client response to Finding Number 2003-003.

FINDING NUMBER 2003 - 018

Mayor's Court Activity

The Village Mayor's Court received fines and forfeitures which were disbursed to the State and Village. These activities were recorded in the Mayor's Court cash book; however, they were not recorded in the Annual Financial Report for the Village, which resulted in the understatement of both receipts and disbursements. The accompanying financial statements were adjusted to reflect receipts, disbursements and changes in fund balance in the agency fund class. The Village should adopt a policy and implement procedures to provide that all receipts and disbursements of the Mayor's Court are reflected in the Village's annual report.

Client Response: See client response to Finding Number 2003-007.

FINDING NUMBER 2003 - 019

Charges for Services

Testing of utilities noted that individual account balances, both delinquent and paid in advance, were not always properly carried forward to the following year. Of the eighty accounts tested, thirty-one were inaccurately carried to the next year. Failure to properly carry balances forward allows may result in inaccurate billings or failure to collect receipts for services provided.

To provide for a clear and accurate record of the Village's receivable for utilities, procedures should be adopted and implemented to require timely and accurate posting of all utility payments to the individual payers' accounts, reconciled to deposit activity, and carried-over balances accurately from year to year. These records should be periodically reviewed by someone independent of the record keeping process to provide for increased accuracy.

Client Response: Since the beginning of fiscal year 2004, the village utilizes a computerized billing software for all water and sewer related charges. The utilization of this software instead of manual ledgers has corrected this finding.

FINDING NUMBER 2003 - 020

Council's Approval of Wage Increases

There were several discrepancies between what was authorized by the council as the rate of pay and what was actually paid, including;

- During 2002 and 2003 Dirk Gibson was paid \$11 an hour, but the last pay rate documented in council meeting minutes during 2001 was for \$10 an hour. There is no evidence in the village's minutes that council approved a pay increase.
- Harry Massie's rate of pay was approved by council at \$6 an hour. However on May 14th 2002, he was paid at \$7 an hour. There is no evidence in the village's minutes that council approved a pay increase.
- During September of 2000, council voted to pay auxiliary police \$7 an hour and patrolmen \$9 an hour. An officer was hired on May 6, 2002, at \$9.50 an hour however there was no evidence in the minutes that the employment and rate of compensation were approved by council.
- Based on the subsidiary payroll ledger, Troy Wildman's salary was increased from \$225 per month to \$380 per month. There was no evidence in the minutes that council approved this wage increase.

**FINDING NUMBER 2003 - 020
(Continued)**

The Village should adopt a policy and/or schedule that details rates of pay for each particular position occupied by the village's employees. The schedule should also address how and when pay raises will go into affect. Additionally, council should approve and document rates of pay and increases in pay rates. Implementing these policies will strengthen the Villages controls over payroll disbursements. Council adopted Resolution 2005-02 that approved these increases in pay and new hires, retroactively based on the fact that this activity was not documented in the Village's minutes.

FINDING NUMBER 2003- 021

Budgetary Procedures

Review and testing of the Village's budgetary activities noted no indication that the Council reviewed the budgetary versus actual activities of the Village, which could lead to overspending of Village resources, noncompliance with various sections of law, and inadequate information for financial decision making purposes. The Village Council should monitor all budgetary actions to provide for timely and accurate adoptions and filings of required documents. Also, the Council should monitor budgeted and actual activity to provide that all budgetary constraints are met or that necessary amendments are adopted and properly filed.

Client Response: See client response to Finding Number 2003-007.

FINDING NUMBER 2003 - 022

UAN System

The Village contracted for use of the Uniform Accounting Network (UAN) System for processing all financial transactions and preparation of financial reports, and paid a quarterly fee for use of the system. The Village paid \$396 in 2002 and \$528 in 2003 for UAN user fees; however; the Village Clerk did not use the system. All transactions were manually posted which did not provide an effective use of Village resources. The Village should review all uses of its expenditures for services to determine the effectiveness of such as a means to improve its operations. Additionally, as a result of the previously mentioned errors in record keeping, the Village should implement the use of the UAN system (or other comparative system) to improve its financial recording and reporting.

Client Response: See client response to Finding Number 2003-007.

FINDING NUMBER 2003 - 023

Audit Committee and Record Review

The Village established an independent internal audit committee; however, there was no evidence that the audit committee met during fiscal years 2003 and 2002. The audit committee should meet periodically (perhaps quarterly or semi-annually) to monitor the Village's financial reporting and control activities. These meetings should be documented to provide evidence as to those in attendance, the subjects discussed and decisions made. The audit committee should also meet with its independent auditors before and after each audit.

Additionally, in an entity the size of the Village, the financial record keeping responsibilities generally rest with one individual. Lack of independent review allows for errors to be undetected and to effect financial decision making. The Village should institute procedures for routine review of its financial records by someone independent of the record keeping process to provide for a means of reducing errors Finally procedures should be developed to provide for the continuation of financial activity in the absence of the Clerk.

**VILLAGE OF NORTH HAMPTON
CLARK 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; <i>Explain:</i>
2001-30312-001	Village Ordinance 99-4 - Charges for Services	Yes	
2001-30312-002	O.R.C. Sec. 733.28 - Accurate Financial Statements	Partially	Partially corrected, see finding issued 2003-004
2001-30312-003	O.R.C. Sec. 5705.10 - Special fund for each special levy	Yes	
2001-30312-004	O.R.C. Sec. 5735.28 - Division of Gas Tax	No	Not Corrected, repeated as finding 2003-007
2001-30312-005	O.R.C. Sec.2335.25 - Mayor's Court – Proper maintenance of Cashbook.	Yes	
2001-30312-006	O.R.C. Sec.5705.41(D) - Certification of Funds	No	Not Corrected, repeated as finding 2003-008
2001-30312-007	O.R.C. Sec. 5705.28 - Adoption of Tax Budget	No	Not Corrected, repeated as finding 2003-009
2001-30312-008	O.R.C. Sec. 5705.34 - Certification of Tax Rates/Levies	No	Not Corrected, repeated as finding 2003-010

Village Of North Hampton
 Clark County
 Schedule Of Prior Audit Findings
 Page 2

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-30312-021	Mayor's Court Cash Reconciliations	Yes	
2001-30312-022	Assessed Late Fees	Yes	
2001-30312-023	Investments and Interest Revenue	Significantly	Finding no longer valid. See Management Letter Recommendation.
2001-30312-024	UAN System	No	Not corrected, see finding issued 2003-023



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**VILLAGE OF NORTH HAMPTON
CLARK 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
MARCH 29, 2005**