

**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

***FINANCIAL STATEMENTS  
(AUDITED)***

**FOR THE YEARS ENDED  
DECEMBER 31, 2012 AND 2011**

**DONNA LANSING, FISCAL OFFICER**





# Dave Yost • Auditor of State

Village Council  
Village of Midland  
545 Hales Branch Road  
Midland, Ohio 45148

We have reviewed the *Independent Auditor's Report* of the Village of Midland, Clinton County, prepared by Julian & Grube, Inc., for the audit period January 1, 2011 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Midland is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

November 13, 2013

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**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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Independent Auditor's Report

Village of Midland  
Clinton County  
545 Hales Branch Road  
Midland, Ohio 45148

To the Members of Council and Mayor:

***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Village of Midland, Clinton County, Ohio, as of and for the years ended December 31, 2012 and 2011.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village of Midland's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village of Midland's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Village of Midland prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-02-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village of Midland as of December 31, 2012 and 2011, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Midland, Clinton County, Ohio, as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2013, on our consideration of the Village of Midland's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Midland's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
September 27, 2013



**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Governmental Fund Types		Total (Memorandum Only)
	General	Special Revenue	
Cash receipts:			
Local taxes	\$ 14,564	\$ 1,837	\$ 16,401
Intergovernmental	9,969	10,993	20,962
Fines, licenses, and permits	2,904	-	2,904
Total cash receipts	27,437	12,830	40,267
Cash disbursements:			
Current:			
Security of persons and property	2,606	1,000	3,606
Basic utility services	519	-	519
Transportation	-	236	236
General government	21,745	1,430	23,175
Total cash disbursements	24,870	2,666	27,536
Total cash receipts over/(under) cash disbursements	2,567	10,164	12,731
Fund cash balances, January 1, 2012	5,725	98,155	103,880
Fund cash balances:			
Restricted	-	108,319	108,319
Assigned	126	-	126
Unassigned	8,166	-	8,166
Fund cash balances, December 31, 2012	\$ 8,292	\$ 108,319	\$ 116,611

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash receipts:			
Local taxes	\$ 15,569	\$ 1,730	\$ 17,299
Intergovernmental	12,911	26,715	39,626
Fines, licenses, and permits	2,989	-	2,989
Total cash receipts	<u>31,469</u>	<u>28,445</u>	<u>59,914</u>
Cash disbursements:			
Current:			
Security of persons and property	2,730	1,000	3,730
Basic utility services	489	-	489
Transportation	-	7,715	7,715
General government	18,709	3,669	22,378
Capital outlay	-	13,232	13,232
Total cash disbursements	<u>21,928</u>	<u>25,616</u>	<u>47,544</u>
Total cash receipts over/(under) cash disbursements	<u>9,541</u>	<u>2,829</u>	<u>12,370</u>
Other financing receipts/(disbursements):			
Advances in	-	8,300	8,300
Advances out	(8,300)	-	(8,300)
Total other financing receipts/(disbursements)	<u>(8,300)</u>	<u>8,300</u>	<u>-</u>
Net changes in fund cash balances	1,241	11,129	12,370
Fund cash balances, January 1, 2011	<u>4,484</u>	<u>87,026</u>	<u>91,510</u>
Fund cash balances:			
Restricted	-	98,155	98,155
Assigned	125	-	125
Unassigned	5,600	-	5,600
Fund cash balances, December 31, 2011	<u>\$ 5,725</u>	<u>\$ 98,155</u>	<u>\$ 103,880</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

**NOTE 1 - DESCRIPTION OF THE ENTITY**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Midland, Clinton County, Ohio (the "Village"), as a body corporate and politic. A publicly elected six-member Council directs the Village. The Village provides street and highway maintenance. The Village contracted with the Jefferson Township Fire District to receive fire protection services. The Village contracts with the Clinton County Sheriff's department to provide security of persons and property.

The Village participates in the Ohio Municipal Joint Self Insurance Pool, a public entity risk pool. The pool provides insurance and bonding coverage for the Village. Note 7 to the financial statements provides additional information for this entity.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**NOTE 2 - SUMMARY OF SIGNFICANT ACCOUNTING POLICIES**

**A. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

**B. Cash Deposits**

Village funds are deposited in a checking account with a local commercial bank.

**C. Fund Accounting**

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

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Federal Grants Fund (2011) - This fund receives revenues restricted by the neighborhood stabilization federal grant for the purchase of approved property within the Village.

**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Permissive Motor Vehicle License Tax Fund (2011) - This fund receives motor vehicle license tax money for constructing, maintaining and repairing Village streets.

Street Construction, Maintenance and Repair Fund (2012) - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Law Enforcement Trust Fund (2012) - This fund receives a levied tax for the Village to provide police service.

**D. 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 Village 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.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Village had outstanding encumbrances at December 31, 2012 and 2011 of \$126 and \$125, respectively, in the General Fund.

A summary of 2012 and 2011 budgetary activity appears in Note 4.

**E. Property, Plant and Equipment**

The Village records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

**NOTE 3 - EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

The Village maintains a deposit and investment pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits are investments at December 31 was as follows:

	2012	2011
Demand Deposits	\$ 116,611	\$ 103,880

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**NOTE 4 - BUDGETARY ACTIVITY**

Budgetary activity for the years ending 2012 and 2011 follows:

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 27,550	\$ 27,437	\$ (113)
Special Revenue	12,250	12,830	580
Total	\$ 39,800	\$ 40,267	\$ 467

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 27,553	\$ 24,996	\$ 2,557
Special Revenue	5,453	2,666	2,787
Total	\$ 33,006	\$ 27,662	\$ 5,344

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 31,659	\$ 31,469	\$ (190)
Special Revenue	37,817	36,745	(1,072)
Total	\$ 69,476	\$ 68,214	\$ (1,262)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 31,653	\$ 30,353	\$ 1,300
Special Revenue	28,238	25,616	2,622
Total	\$ 59,891	\$ 55,969	\$ 3,922

**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

**NOTE 5 - PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

**NOTE 6 - RETIREMENT SYSTEMS**

The Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2012 and 2011, OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2012.

Village Council Members that have elected not to belong to OPERS are members of the Social Security System. The members contributed 6.2%, of their gross salaries and the Village contributed an amount equaling 6.2%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2012.

**NOTE 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 Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool changed its fiscal year end to March 31, effective in 2011, in order to align its financial reporting and budgeting with the renewal terms of its excess reinsurance policies.

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2012, retention levels are \$100,000 and \$175,000 for property and casualty coverage, respectively.

**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

**NOTE 7 - RISK MANAGEMENT - (Continued)**

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained surplus at March 31, 2012 and 2011 (the latest information available):

	2012	2011
Assets	\$1,097,683	\$1,696,445
Liabilities	(791,222)	(1,403,959)
Accumulated deficit	\$ 306,461	\$ 292,486

**NOTE 8 - FISCAL EMERGENCY DETERMINATION**

The Auditor of State, Local Government Services Division (LGS) was contacted by the Village regarding their financial difficulties in a prior year. LGS performed a fiscal analysis under the criteria established in Ohio Revised Code, Chapter 118. On November 30, 2006, the Local Government Services Division of the Auditor of State's Office issued a report to officials of the Village which details the criteria and results of the fiscal emergency review. The conclusion of this report was that a fiscal emergency existed under Sections 118.03(A)(5) and 118.03(B). The Village of Midland was declared under fiscal emergency on November 30, 2006.

On November 3, 2007, the Village Council adopted a Financial Recovery Plan. On November 4, 2008 the Village passed a 1 mill police levy. To increase revenue, the Village officials placed a 3 mill current expense levy on the ballot. This 3 mill operating levy passed on November 3, 2009. To decrease expenses, the Village discontinued use of the VISA card and reduced material and supplies expenses.

As of May 14, 2013, based on an analysis to determine whether the Financial Planning and Supervision Commission previously created under Chapter 118 of the Ohio Revised Code and its functions should be terminated, the Auditor of State certified the Village no longer meets the fiscal emergency conditions set forth in Section 118.03 of the Ohio Revised Code and the Financial Planning and Supervision Commission of the Village and its role in the operation of the Village has been terminated. The objectives of the financial recovery plan are being met, an effective financial accounting and reporting system has been implemented and management has prepared a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State for which an opinion has been rendered by the Auditor of State that the financial forecast is considered to be nonadverse.





**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Controls Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

Village of Midland  
Clinton County  
545 Hales Branch Road  
Midland, Ohio 45148

To the Members of Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Midland, Clinton County, Ohio, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, and have issued our report thereon dated September 27, 2013, wherein we noted the Village of Midland followed the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village of Midland's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village of Midland's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village of Midland's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Members of Council and Mayor  
Village of Midland

***Compliance and Other Matters***

As part of reasonably assuring whether the Village of Midland's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village of Midland's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village of Midland's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.  
September 27, 2013

**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b><u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; Finding no Longer Valid</u></b>
2010-001	<p><u>Noncompliance and Material Weakness</u> - Ohio Revised Code Sections 5705.09(f) and 5705.10 restricts the use of the Street Construction, Maintenance and Repair Fund to street related disbursements. The Village authorized the movement of \$30,000 from this fund to the General Fund which represented an illegal advance.</p>	Yes	N/A
2010-002	<p><u>Noncompliance and Material Weakness</u> - Ohio Revised Code Section 5705.09 and 5705.10 require the Village to establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose and said revenues to be paid into such fund. The Village was awarded a Neighborhood Stabilization Grant administered by Fayette County, Ohio, and did not establish a separate fund and record the amounts received and disbursed.</p>	Yes	N/A

**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b><u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; Finding no Longer Valid</u></b>
2010-003	<u>Noncompliance</u> - Ohio Revised Code Section 5705.36(A)(3) states that upon a determination by the Fiscal Officer of a subdivision that the revenue to be collected by the subdivision will be greater than the amount included in an official certificate and the legislative authority intends to appropriate and expend the excess revenue, the Fiscal Officer shall request an amended certificate from the commission. Ohio Revised Code Section 5705.36(A)(5) states that the total appropriations made during a fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources or the amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation.	Yes	N/A
2010-004	<u>Noncompliance</u> - Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing entity from making any contract or giving any order involving the expenditure of money unless there is attached thereto a certificate of the Fiscal Officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.	Yes	N/A

**VILLAGE OF MIDLAND  
CLINTON COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2012 AND 2011**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; <u>Finding no Longer Valid</u></b>
2010-005	<u>Noncompliance and Material Weakness</u> - Ohio Administrative Code Section 117-2-02(A) provides that all local public offices shall maintain an accounting system and accounting records sufficient to identify, assemble, analyze, classify and report its transactions, maintain accountability for related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.	Yes	N/A

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# Dave Yost • Auditor of State

VILLAGE OF MIDLAND

CLINTON 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  
NOVEMBER 26, 2013