



**VILLAGE OF TREMONT CITY
CLARK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF TREMONT
CLARK COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Tremont City
Clark County
P. O. Box 93
Tremont City, Ohio 45372

To the Village Council:

We have audited the accompanying financial statements of the Village of Tremont City, Clark County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Tremont City as of December 31, 1999 and 1998, 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 September 6, 2000 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 finance committee, management, and Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

September 6, 2000

**VILLAGE OF TREMONT CITY
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, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$21,376	\$4,600	\$0	\$25,976
Intergovernmental Receipts	1,976	13,330		15,306
Fines, Licenses, and Permits	28,284			28,284
Earnings on Investments		246	791	1,037
Miscellaneous	2,795	0		2,795
	<u>54,431</u>	<u>18,176</u>	<u>791</u>	<u>73,398</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	23,553	2,904		26,457
Public Health Services		2,268		2,268
Leisure Time Activities				0
Community Environment				0
Basic Utility Services	1,006	0		1,006
Transportation		30,175		30,175
General Government	17,798	0		17,798
	<u>42,357</u>	<u>35,347</u>	<u>0</u>	<u>77,704</u>
Total Disbursements				
Total Receipts Over/(Under) Disbursements	12,074	(17,171)	791	(4,306)
Fund Cash Balances January 1	66,367	54,243	16,825	137,435
Fund Cash Balances, December 31	<u>\$78,441</u>	<u>\$37,072</u>	<u>\$17,616</u>	<u>\$133,129</u>

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

**VILLAGE OF TREMONT CITY
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Fiduciary Fund Type
	Agency
Operating Cash Receipts:	
Fines and Foreitures	39,041
Operating Cash Disbursements:	
Payments to State and Village	33,251
Operating Income/(Loss)	5,790
Non-Operating Cash Receipts/(Disbursements):	
Other Non-Operating Cash Receipts	43
Other Non-Operating Cash Disbursements	(353)
Total Non-Operating Cash Receipts/(Disbursements)	(310)
Excess of Receipts Over/(Under) Disbursements	5,480
Fund Cash Balance, January 1	0
Fund Cash Balance, December 31	\$5,480

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

**VILLAGE OF TREMONT CITY
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, 1998**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$18,544	\$4,061	\$0	\$22,605
Intergovernmental Receipts	1,914	7,561		9,475
Fines, Licenses, and Permits	2,585			2,585
Earnings on Investments		252	379	631
Miscellaneous	5,322			5,322
	<u>28,365</u>	<u>11,874</u>	<u>379</u>	<u>40,618</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	9,522			9,522
Public Health Services		2,137		2,137
Basic Utility Services		932		932
General Government	11,728	9,117	860	21,705
	<u>21,250</u>	<u>12,186</u>	<u>860</u>	<u>34,296</u>
Total Disbursements				
	<u>7,115</u>	<u>(312)</u>	<u>(481)</u>	<u>6,322</u>
Total Receipts Over/(Under) Disbursements				
	<u>973</u>			<u>973</u>
Other Financing Receipts/(Disbursements):				
Refund Prior Year Expenditures				973
	<u>8,088</u>	<u>(312)</u>	<u>(481)</u>	<u>7,295</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements				
	<u>58,279</u>	<u>54,555</u>	<u>17,306</u>	<u>130,140</u>
Fund Cash Balances January 1				
	<u>\$66,367</u>	<u>\$54,243</u>	<u>\$16,825</u>	<u>\$137,435</u>
Fund Cash Balances, December 31				

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

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**VILLAGE OF TREMONT CITY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Tremont City, 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 general governmental services 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. The Village did not encumber funds prior to purchase commitments as required by Ohio Revised Code Section 5705.41

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

C. Cash and Investments

Certificates of deposits 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 Funds

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.

Cops Grant Fund -This fund receives federal monies for police operations.

**VILLAGE OF TREMONT CITY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Fund

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects.

Sewer Fund - The proceeds are being held for the possible construction a new sewer system.

4. Fiduciary Fund (Agency Fund)

The fiduciary fund maintained by the Village was established during 1999 and is classified as an agency fund:

Magistrate Court Fund - This fund receives fines and forfeitures for the use in the general fund operations.

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, 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.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. The Village did not encumber all commitments required by Ohio law.

A summary of 1999 and 1998 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 TREMONT CITY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

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:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 107,994	\$ 107,610
Certificates of deposit	<u>30,615</u>	<u>29,825</u>
Total deposits	<u>138,609</u>	<u>137,435</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

<u>1999 Budgeted vs. Actual Receipts</u>			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 35,128	\$ 54,431	\$ 19,303
Special Revenue	9,050	18,176	9,126
Capital Projects	<u>850</u>	<u>791</u>	<u>(59)</u>
Total	<u>\$ 45,028</u>	<u>\$ 73,398</u>	<u>\$ 28,370</u>

<u>1999 Budgeted vs. Actual Budgetary Basis Expenditures</u>			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 95,543	\$ 42,357	\$ 53,186
Special Revenue	67,193	35,347	31,846
Capital Projects	<u>17,674</u>	<u>0</u>	<u>17,674</u>
Total	<u>\$ 180,410</u>	<u>\$ 77,704</u>	<u>\$ 102,706</u>

**VILLAGE OF TREMONT CITY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 31,572	\$ 29,338	\$ (2,234)
Special Revenue	9,019	11,874	2,855
Capital Projects	500	379	(121)
Total	\$ 41,091	\$ 41,591	\$ 500

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 86,879	\$ 21,250	\$ 65,629
Special Revenue	62,075	12,186	49,889
Capital Projects	20,614	860	19,754
Total	\$ 169,568	\$ 34,296	\$ 135,272

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 payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. RETIREMENT SYSTEMS

The Village's law enforcement officers and other employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**VILLAGE OF TREMONT CITY
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The Village did not have commercial insurance for the following risks from February 1, 1999 to December 31, 1999.

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

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

Village of Tremont City
Clark County
P. O. Box 93
Tremont City, Ohio 45372

To the Village Council:

We have audited the accompanying financial statements of the Village of Tremont City, Clark County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated September 6, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 1999-30312-001 through 1999-30312-005. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated September 6, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 of Tremont City'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 1999-30312-006 and 1999-30312-007.

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

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, of the reportable conditions described above, we consider item 1999-30312-007 to be a material weakness. 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 management of the Village in a separate letter dated September 6, 2000.

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



Jim Petro
Auditor of State

September 6, 2000

**VILLAGE OF TREMONT CITY
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 1999-30312-001	Noncompliance
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Ohio Rev. Code Section 117.38 states that each public office, other than a state agency, shall file a financial report for each fiscal year. The auditor of state may prescribe forms by rule or may issue guidelines, or both, for such reports. If the auditor of state has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

The report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension. At the time the report is filed with the auditor of state, the chief fiscal officer, except as otherwise provided in section 319.11 of the Revised Code, shall publish notice in a newspaper published in the political subdivision or taxing district, and if there is no such newspaper, then in a newspaper of general circulation in the political subdivision or taxing district. The notice shall state that the financial report has been completed by the public office and is available for public inspection at the office of the chief fiscal officer.

The report shall contain the following:

- (A) Amount of collections and receipts, and accounts due from each source;
- (B) Amount of expenditures for each purpose;
- (C) Income of each public service industry owned or operated by a municipal corporation, and the cost of such ownership or operation;
- (D) Amount of public debt of each taxing district, the purpose for which each item of such debt was created, and the provision made for the payment thereof. The substance of the report shall be published at the expense of the state in an annual volume of statistics, which shall be submitted to the Governor. The Auditor of State shall transmit the report to the general assembly at its next session.

The Village did not file the 1999 annual report until August of 2000 nor could they find documentation of when the 1998 annual report was filed. Further the Village official's could not locate the notice for public inspection of the report. There were numerous errors in the reports filed including line items not agreeing to the receipt and appropriation journals, posting in the receipt and appropriation journal not corresponding with the cash journal, mis-classifications of line items, and double posting of receipts.

Professional care should be taken to completely post transactions to the receipts, appropriations, and cash journals. A reconciliation should be completed between these records to ensure that these journals agree. Further, the amount reflected on the annual report should trace to the all three journals. Also, Council should review monthly financial information at their Council meetings, as well as the year-end report prior to submission to the Auditor of State.

The Village did not publish notice in a local newspaper stating the financial reports were available for fiscal year 1998.

VILLAGE OF TREMONT CITY
CLARK COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998
(Continued)

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

Finding Number 1999-30312-002	Noncompliance
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Ohio Rev. Code Section 5705.41(D) states that no order or contracts involving the expenditure of money is to be made unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same in the fiscal year in which the contract is made 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.

The above section provides the following exception to this requirement:

If no certificate is furnished as required above, the fiscal officer can issue a certificate stating that, at both the time of the contract and at the time of the completion of the certificate, a sufficient sum was properly appropriated, in the treasury or process of being collected, and free from any encumbrances. If the amount is less than \$1,000, then the fiscal officer may authorize payment.

If the amount involved is greater than \$1,000, then, in order for payment to be made, the taxing authority must, within 30 days, after the receipt of the certificate, affirm, by resolution, the payment of the amount due through the issuance of a warrant for payment of the amount due upon such contract or order.

The Village was in violation of the above provision, including the exception listed above. None of the expenditures tested contained the certification of the fiscal officer indicating that funds were available and free from any previous encumbrance.

Finding Number 1999-30312-003	Noncompliance
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Ohio Rev. Code Section 2335.25 requires that each clerk of courts must maintain a journal or cashbook.

The cashbook maintained by the clerk did not reflect all the activity of the Village's Magistrate Court. This cashbook did not include interest received and service charges for the checking account, or the check numbers and amounts for checks written from that account.

Maintaining an accurate and complete cashbook should enable the clerk of courts to determine the current financial status of the court. Further, the cashbook should be reconciled to the checking account on a monthly basis and an open items list for the Court activity should be maintained and periodically reviewed by someone independent of the posting process.

**VILLAGE OF TREMONT CITY
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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Finding Number 1999-30312-004	Noncompliance
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Ohio Rev. Code Section 733.40, regarding the disposition of fines and other moneys for mayor's court, states that all moneys collected shall be paid by the mayor (clerk) into the municipality on the first Monday of each month and that all moneys collected during a month by the Mayor in state cases are to be transmitted to the county treasury on the first business day of the preceding month.

The Magistrate Court Clerk did not pay to the Village all monies collected on the first Monday of each month. Further, the Magistrate Court Clerk did not pay the moneys owed to the county treasury for the first six months of 1999. A lump-sum payment was made during August, 1999 to make up for the missed payments.

The clerk of courts should implement procedures to pay all monies owed to the Village and State by the dates due.

Finding Number 1999-30312-005	Noncompliance
--------------------------------------	----------------------

Ohio Rev. Code Section 4513.263 states no person shall operate an automobile on any street or highway unless that person is wearing all of the available elements of a properly adjusted occupant restraining device, nor operate a school bus that has an occupant restraining device installed for use in its operator's seat unless that person is wearing all of the available elements of the device, as properly adjusted, and that all fines collected for violations of this Section, or for violations of any ordinance or resolution of a political subdivision that is substantively comparable to that division, shall be forwarded to the treasurer of state for deposit.

Although various citations were issued by the Village for violation of the seatbelt requirement, review of the Village reports to the Treasurer of State indicated that no monies were sent to the state for the violation of this Section of the Code. The Village should review all activity of the Court and forward the correct amount to the Treasurer of State for these violations.

Finding Number 1999-30312-006	Reportable Condition
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The Village had maintained commercial insurance coverage to protect Village assets and provide liability coverage, however, the Village allowed the insurance coverage to lapse as of February 1, 1999. This practice opened the Village to various loss contingencies. The Village did obtain coverage during August, 2000, however procedures should be developed and implemented to maintain insurance coverage for Village vehicles, equipment, buildings, and other assets as well as provide general liability coverage.

VILLAGE OF TREMONT CITY
CLARK COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998
(Continued)

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

Finding Number	Material Weakness
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Review of the Magistrate Court records noted the following types of errors:

- Receipts to individuals were not written in a timely manner;
- Amounts used as part of the reconciliation form did not agree to the checkbook;
- Fine amounts assessed differed from fine amounts stated on the fine sheets, without documentation as to the reason for the difference;
- No open item or partial payment lists were maintained;
- The fines schedule was not approved by Council;
- Cashbook totals for each month did not always match the Magistrate's monthly report totals;
- A check was issued out of sequence due to the fact that the checkbook was lost;
- The cashbook, magistrate's monthly report, and checkbook were not reconciled;

The Magistrate Court should develop and implement procedures to:

1. Post receipts on the day they are received. This should improve the accuracy of records and allow for an easier reconciliation between the receipt book and the cashbook.
2. Reconcile the cashbook, checkbook, monthly bank statements, and monthly magistrate reports each month. This will improve accuracy and prevent errors from being undetected over an extended period of time.
3. Explain any fine changes. Fines assessed should be consistent with the approved fine schedule unless an explanation is provided on the ticket. This should provide consistency in fine assessments.
4. Create an open items list. An open items list is a periodic listing of all cases where money is being held as an appearance bond or for partial payments and is not yet distributed. This will help to ensure that fines are being paid to the treasurer of the state or village and aid in the reconciliation process.

Also, the clerk should maintain an accounts receivable ledger that shows all partial payments being accepted and will allow the clerk to follow the status of these cases.

5. Obtain approval from Council of all fine schedules. This will help to maintain a permanent record of the fines imposed and improve consistency in the imposition of fines.
6. Issue checks in sequential order. This should aid in the maintenance of all court records and aid in the reconciliation process.
7. Ensure that the Court records are periodically reviewed by someone independent of the recording process. This could include having reconciliations performed by another individual.



STATE OF OHIO
OFFICE OF THE AUDITOR

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Facsimile 614-466-4490

VILLAGE OF TREMONT CITY

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
OCTOBER 12, 2000