



**VILLAGE OF PORTAGE
WOOD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF PORTAGE
WOOD COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Portage
Wood County
110 West Walnut Street
P.O. Box 252
Portage, Ohio 43451-0252

To the Village Council:

We have audited the accompanying financial statements of the Village of Portage, Wood 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 audits.

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

As 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 and reserves for encumbrances of the Village 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 October 13, 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.

This report is intended solely for the information and use of 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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

October 13, 2000

**VILLAGE OF PORTAGE
WOOD 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>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$13,639		\$13,639
Special Assessments	4,655		4,655
Intergovernmental Receipts	8,137	\$33,333	41,470
Fines, Licenses, and Permits	166,481		166,481
Earnings on Investments	4,735	2,565	7,300
Miscellaneous	7,301	8,894	16,195
Total Cash Receipts	<u>204,948</u>	<u>44,792</u>	<u>249,740</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	112,459		112,459
Public Health Services	287		287
Leisure Time Activities	2,714	4,137	6,851
Community Environment	1,400		1,400
Basic Utility Services	469		469
Transportation		34,823	34,823
General Government	48,706		48,706
Capital Outlay	10,733	11,473	22,206
Total Cash Disbursements	<u>176,768</u>	<u>50,433</u>	<u>227,201</u>
Total Receipts Over/(Under) Disbursements	<u>28,180</u>	<u>(5,641)</u>	<u>22,539</u>
Other Financing Disbursements:			
Other Financing Uses	<u>(1,985)</u>		<u>(1,985)</u>
Total Other Financing Disbursements	<u>(1,985)</u>		<u>(1,985)</u>
Excess of Cash Receipts Over (Under Cash Disbursements and Other Financing Disbursements	26,195	(5,641)	20,554
Fund Cash Balances, January 1	<u>31,611</u>	<u>78,866</u>	<u>110,477</u>
Fund Cash Balances, December 31	<u>\$57,806</u>	<u>\$73,225</u>	<u>\$131,031</u>
Reserves for Encumbrances, December 31			

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

**VILLAGE OF PORTAGE
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$104,733		\$104,733
Operating Cash Disbursements:			
Personal Services	8,400		8,400
Fringe Benefits	1,662		1,662
Contractual Services	41,632		41,632
Supplies and Materials	1,755		1,755
Capital Outlay	1,625		1,625
Total Operating Cash Disbursements	55,074		55,074
Operating Income	49,659		49,659
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		\$183,162	183,162
Non-Operating Cash Disbursements:			
Debt Service	39,075		39,075
Other Non-Operating Cash Disbursements		183,863	183,863
Total Non-Operating Cash Disbursements	39,075	183,863	222,938
Net Receipts Over/(Under) Disbursements	10,584	(701)	9,883
Fund Cash Balances, January 1	79,922	9,336	89,258
Fund Cash Balances, December 31	\$90,506	\$8,635	\$99,141
Reserve for Encumbrances, December 31			

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

**VILLAGE OF PORTAGE
WOOD 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>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$13,650		\$13,650
Special Assessments	4,687		4,687
Intergovernmental Receipts	30,149	\$33,724	63,873
Fines, Licenses, and Permits	110,575		110,575
Earnings on Investments	3,749	2,490	6,239
Miscellaneous	6,980	2,134	9,114
	<u>169,790</u>	<u>38,348</u>	<u>208,138</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	79,735		79,735
Public Health Services	258		258
Leisure Time Activities		1,189	1,189
Community Environment	2,972		2,972
Basic Utility Services	469		469
Transportation		37,153	37,153
General Government	50,603		50,603
Capital Outlay		4,041	4,041
	<u>134,037</u>	<u>42,383</u>	<u>176,420</u>
Total Receipts Over/(Under) Disbursements	<u>35,753</u>	<u>(4,035)</u>	<u>31,718</u>
Other Financing Disbursements:			
Advances-Out	<u>(8,500)</u>		<u>(8,500)</u>
Total Other Financing Disbursements	<u>(8,500)</u>		<u>(8,500)</u>
Excess of Cash Receipts Over (Under Cash Disbursements and Other Financing Disbursements)	27,253	(4,035)	23,218
Fund Cash Balances January 1	<u>4,358</u>	<u>82,901</u>	<u>87,259</u>
Fund Cash Balances, December 31	<u>\$31,611</u>	<u>\$78,866</u>	<u>\$110,477</u>
Reserves for Encumbrances, December 31	<u>\$4,050</u>	<u>\$1,625</u>	<u>\$5,675</u>

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

**VILLAGE OF PORTAGE
WOOD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$110,892		\$110,892
Miscellaneous	570		570
	<u>111,462</u>		<u>111,462</u>
Operating Cash Disbursements:			
Personal Services	9,255		9,255
Fringe Benefits	2,061		2,061
Contractual Services	49,025		49,025
Supplies and Materials	398		398
	<u>60,739</u>		<u>60,739</u>
Operating Income	<u>50,723</u>		<u>50,723</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		\$119,791	119,791
Non-Operating Cash Disbursements:			
Debt Service	39,101		39,101
Other Non-Operating Cash Disbursements		125,017	125,017
	<u>39,101</u>	<u>125,017</u>	<u>164,118</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	11,622	(5,226)	6,396
Advances-In	8,500		8,500
Net Receipts Over/(Under) Disbursements	20,122	(5,226)	14,896
Fund Cash Balances, January 1	<u>59,800</u>	<u>14,562</u>	<u>74,362</u>
Fund Cash Balances, December 31	<u>\$79,922</u>	<u>\$9,336</u>	<u>\$89,258</u>
Reserve for Encumbrances, December 31	<u>\$1,625</u>		<u>\$1,625</u>

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

**VILLAGE OF PORTAGE
WOOD 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 Portage, Wood 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, including sewer utilities, park operations (leisure time activities), and police services. Water is provided by the Wood County Regional Water and Sewer District (WCRWS). The WCRWS also does the billing for the Village owned sewer system and provides maintenance for that system through a contract with the Village.

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

Repurchase agreements are valued at cost.

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.

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.

**VILLAGE OF PORTAGE
WOOD COUNTY**

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

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.

Park and Recreation Fund - This fund receives donations to fund projects at the park.

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 Enterprise Fund:

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility and to pay for the debt on the sewer system.

4. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. 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 Agency Fund - This fund accounts for all mayor's court receipt and disbursement activity.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function level of control, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**VILLAGE OF PORTAGE
WOOD COUNTY**

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

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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

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.

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	\$8,635	\$49,336
Repurchase Agreement	<u>221,537</u>	<u>150,399</u>
Total deposits and investments	<u>\$230,172</u>	<u>\$199,735</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.

Investments: Investments subject to overnight repurchase agreements are held by the financial institution, but not in the Village's name.

3. BUDGETARY ACTIVITY

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

**VILLAGE OF PORTAGE
WOOD COUNTY**

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

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$157,728	\$204,948	\$47,220
Special Revenue	41,650	44,792	3,142
Enterprise	102,000	104,733	2,733
Total	<u>\$301,378</u>	<u>\$354,473</u>	<u>\$53,095</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$227,516	\$176,768	\$50,748
Special Revenue	111,961	50,433	61,528
Enterprise	113,688	94,149	19,539
Total	<u>\$453,165</u>	<u>\$321,350</u>	<u>\$131,815</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$181,054	\$169,790	(\$11,264)
Special Revenue	39,346	38,348	(998)
Enterprise	113,500	111,462	(2,038)
Total	<u>\$333,900</u>	<u>\$319,600</u>	<u>(\$14,300)</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$181,901	\$138,087	\$43,814
Special Revenue	129,590	44,008	85,582
Enterprise	117,013	101,465	15,548
Total	<u>\$428,504</u>	<u>\$283,560</u>	<u>\$144,944</u>

Appropriations exceeded estimated resources in the General Fund for fiscal year 1999.

**VILLAGE OF PORTAGE
WOOD COUNTY**

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

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.

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, 1999 was as follows:

	Principal	Interest Rate
Rural Economic and Community Development Loan	\$581,500	5.5 to 5.63%

The Rural Economic and Community Development (RECD) loan relates to a water and sewer system project that was mandated by the Ohio Environmental Protection Agency. The RECD approved \$609,000 in loans to the Village for this project. The loans will be repaid from the Sewer Fund in semiannual installments over 38 years.

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

Year ending December 31:	RECD Loan
2000	\$39,128
2001	39,058
2002	39,070
2003	39,060
2004	39,127
Subsequent	1,088,201
Total	\$1,283,644

**VILLAGE OF PORTAGE
WOOD COUNTY**

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

6. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, 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.

7. RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's and Police professional liability
- Vehicle

8. CONTINGENT LIABILITIES

The Village is a defendant in several lawsuits. Although the outcome of these suits is not presently determinable, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition and should be covered by insurance.



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

Village of Portage
Wood County
110 West Walnut Street
P.O. Box 252
Portage, Ohio 43451-0252

To the Village Council:

We have audited the accompanying financial statements of the Village of Portage, Wood County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated October 13, 2000. We conducted our audits 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings as item 1999-30187-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated October 13, 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 a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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. The reportable condition is described in the accompanying schedule of findings as item 1999-30187-002.

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, we believe the reportable condition described above is not 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 October 13, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

October 13, 2000

**VILLAGE OF PORTAGE
WOOD 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 1999-30187-001

Finding Repaid During Audit

For the two years ended December 31, 1999, the Mayor's Court cashbook indicated court costs collected and owed to the State Treasurer, in accordance with Ohio Rev. Code §2743.70 and §2949.09, were \$30,765. The amount transmitted to the State Treasurer during the period, as evidenced by the canceled checks, was \$29,540, which leaves an amount due the State Treasurer of \$1,225. Also, through substantive testing, \$100 was noted to not be distributed in the cashbook for monies paid on costs collected, bringing the total due the State Treasurer to \$1,325. This amount is currently in the Mayor's Court checking account.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code §117.28, a Finding for Recovery for public money not accounted for is hereby issued against the Village of Portage Mayor's Court, former-Mayor Richard Gill, former-Mayor Frank Enright (deceased), and Hartford Insurance Company, jointly and severally, and in favor of the Treasurer of the State of Ohio, in the amount of one thousand three hundred twenty-five dollars.

Check number 1388 in the amount of one thousand three hundred twenty-five dollars was subsequently paid from the Mayor's Court to the State of Ohio on September 20, 2000.

FINDING NUMBER 1999-30187-002

Mayor's Court

The following conditions were noted in the Mayor's Court:

- A new computer system was purchased for the Mayor's Court, but it is not being utilized properly and it is not segregated for password protection.
- An open items list, supporting the bank account balance, was not maintained.
- Monthly bank reconciliations were only balanced to outstanding checks and deposits in transit. The balance was not reconciled to the cashbook ending balance each month.
- Even though the Mayor's Court cashbook is now on a computerized system, only the receipts are being posted to the cashbook. No expenditures are posted.
- The receipt dates posted in the computer system, were not the dates shown on the hand written receipts, and hand written receipts were discontinued part way through the audit period.

FINDING NUMBER 1999-30187-002

To improve accountability and control over receipts and disbursements of the Mayor's Court, we recommend:

1. The new computer system has a password to enter the system, but does not have separate passwords for limiting access to police staff for viewing purposes only. The person able to enter information on the computer system and make changes to that information should be separate from anyone who actually receipts the money. The daily hand written receipts should be reconciled to the amounts posted to the computer system. The person writing the hand written receipts should be the one to reconcile to the computer posted amounts, but should not have access to the computer to make changes or enter new data. Both individuals involved in the receipting and recording process should initial the reconciliations to show that they agree with the amount to be deposited.
2. An open items listing be prepared monthly. Open items are monies collected and held by the court which have not been distributed. The open items may be bonds held on pending cases, deposits, or monies collected for restitution. Usually, the only open items reflected on the cashbook are monies posted to the deposit received column which have not been disbursed or applied. If, however, other cashbook columns reflect balances, it is necessary to prepare an open item list for those as well as the deposit received column.

For cross referencing purposes, in the case of old hand-written docket books, the docket and page, receipt number, and date applied could be used.

Open items are disbursed by applying the money - i.e. allocating the money on the cashbook to pay the amount of the fine, costs, etc. The disbursement is based upon the Mayor's journal entry or costs incurred for processing. All pertinent information should also be reflected on the case docket. All refunds that are made should be posted in the sundries column and disbursed by check.

When deposits are to be applied, the clerk should check the docket to determine the costs and post the open item(s) for the case in the deposit applied category. The cashbook and page number where the deposit was received is posted beside the deposit when it is applied; likewise, the cashbook and page where the deposit was applied is posted beside the original deposit received on the cashbook.

At the end of the month, all deposits no distributed, should show up on the open items list report, which can be printed from the computer system.

3. A monthly reconciliation of the cashbook to the Mayor's court bank account should be prepared. The reconciliation should be prepared by personnel independent of other cash operations (receipting, disbursing, and making deposits). Performing monthly reconciliations will insure accuracy and prevent errors or irregularities from being undetected over an extended period of time.

FINDING NUMBER 1999-30187-002
(Continued)

An outstanding checklist, a list of deposits in transit, and any other pertinent information should be prepared in conjunction with the reconciliation. Outstanding checks should be subtracted and deposits in transit should be added to the balance reflected on the bank statement. Since most items received during the month are paid at the end of the month, the court will be reconciling to open items (deposits). Any difference will be a reconciling items i.e. service charges, improper amounts, unposted amounts, etc. These reconciling items should be immediately posted to the records and documented on the reconciliation. All papers regarding the reconciliation should be initialed by the preparer and documented with necessary reviews or approvals. The papers should be retained for audit purposes.

4. A cashbook is used to record all items received and disbursed by the court. (This includes interest earned and charges incurred by the bank.) If the court permits defendants to pay the fine imposed by the court in installments, the clerk should maintain a record to reflect payments as well as monies due or owing.

As checks are written, they are to be posted to the computer system. (These checks should **only** include payments to the Village, State, and reimbursements for bonds returned. **No** other payments should be made from the Mayor's Court account.) To adhere to legal requirements and to correctly state the ending balance, disbursements should be made on the last business day of the month.

5. The clerk of court should issue pre-numbered duplicate receipts for all monies received. The receipts should be recorded in the cashbook in the same sequence as they are written. If hand-written receipts are used, they should be written for all amounts received. Then, when the receipt is posted to the computer system at a later date, the computer generated receipt number should be written on the hand written receipt copy, so that the receipt can be traced to the original receipt record. The total of the receipts should be posted to the appropriate case number in the docket and to the cashbook daily. These daily receipts should be totaled and reconciled to the total amount of monies collected and deposited to the bank.



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VILLAGE OF PORTAGE

WOOD 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 16, 2000**